

Guatemala Elites and Organized Crime

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Introduction

By Edgar Gutiérrez*



Guatemala is Central America's most populous country and its largest economy. But an intransigent elite, an ambitious military and a weak state has opened the way for organized crime to flourish, especially since the return of democracy.

During three decades of democratic rule since 1985, the longest such period in Guatemala's history, economic elites have sought to gain hegemonic control. In doing so they have tried to exercise power that is not sustained by military force, but rather by legitimacy and consensus, at least among the diverse group of elites who share power.

Historically, there were two prominent power actors: ideologically conservative businessmen and high-ranking military officials from the middle classes who derived their influence by maintaining the army as an institution of social and political control. The political parties distinguished themselves between those that mobilized the social base to gain power and those who opposed them while at a disadvantage and under

persecution. In contrast, almost all popular movements were opposed to the power groups, or openly challenged the established political system. Some of these popular movements eventually formed the core of insurgent groups which fought with the state between 1960 and 1996 in a brutal civil war that left more than 200,000 dead and 70,000 disappeared.

Throughout, elites have remained central actors in Guatemalan politics, as their economic power is based on their influence within political circles. They employ diverse mechanisms -- formal and informal -- to influence public policy. They can differ in their interests, values and functions, and operate on an unequal plane of power relations, being simultaneously in conflict with and dependent on society. These actors exercise autonomy and can formulate as well as carry out projects at the local and national level.

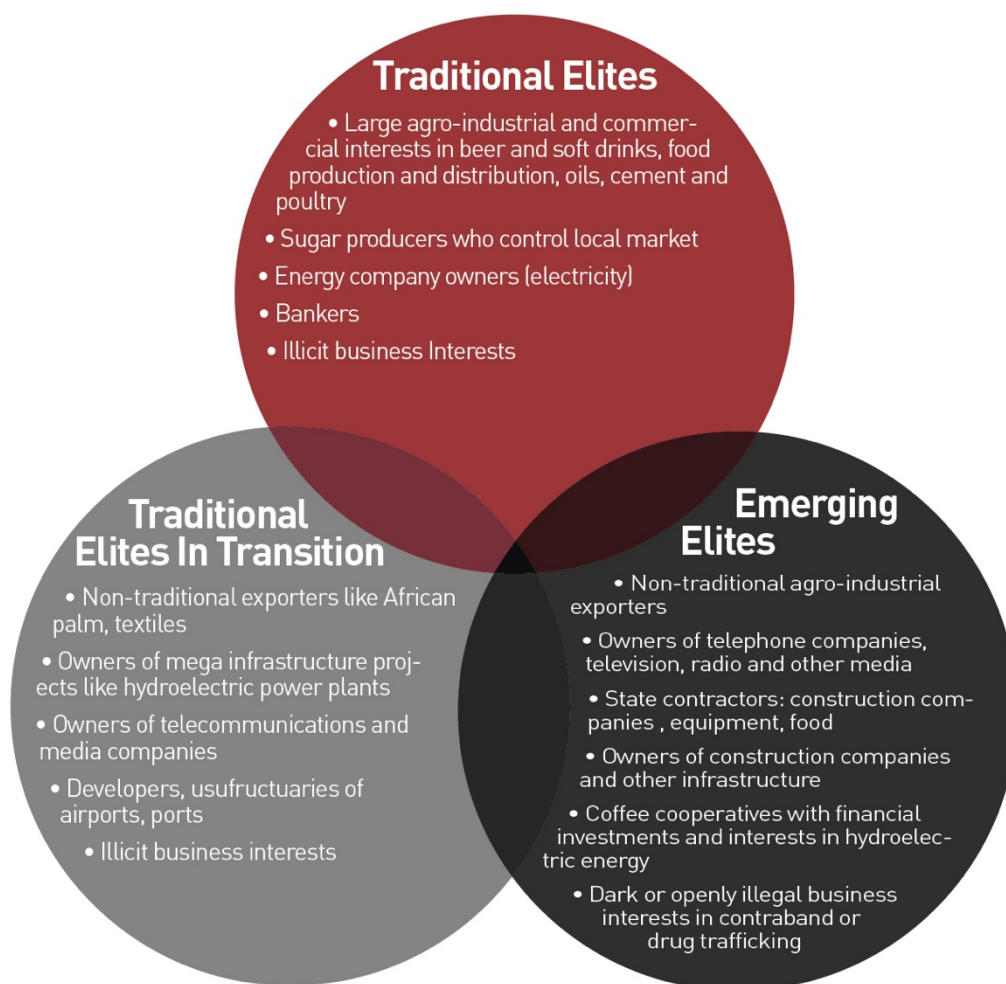
Elites in Guatemala

Despite their dependence on foreign commerce, economic elites in Guatemala managed to create a closed culture, avoiding the outside world and its modern tendencies. They trusted that their control over large tracts of fertile land and the certainty of counting on seasonal farm workers, in addition to the subordinated political regime that provided them physical security and potential financial benefits -- credit, tax exonerations, and tariff protections -- were sufficient to preserve their power, peace, and well-being.

The coming of modernity, therefore, was undesirable. The elites largely ignored it in order to minimize the effects on the gears of the well-oiled machine they had constructed. They imposed a defensive and conservative mentality that eventually defeated the reformist regime of Jacobo Árbenz. Árbenz had become president in 1951 amidst a wave of discontent and had tried to open the political process and institute a controversial land reform. His so-called October Revolution implemented mandatory wages for farm workers, social security and the limited repartition of land, changes that have been diluted by subsequent administrations. Although the elites could not immediately repeal some of the October Revolution policies, they joined the United States government and conservative military forces in fostering a coup that removed

Árbenz in 1954. Despite these efforts to resist change, however, the world was becoming irrepressibly bigger and more complex.

Figure 1: Guatemala's Elites



Import substitution policies implemented during the 1960s and 1970s created a new social ladder. The stimulus generated in the middle of the 20th century by new agricultural products for sale in foreign markets expanded the traditional closed circles of economic power. The enlargement of the agricultural sector, as well as the promotion of cooperatives linked to export goods and the introduction of chemical fertilizers in the farming economy did not represent so much a threat to power or a change in the rules. But it did alleviate pressure on the land, encourage small surpluses, and provide jobs for an emerging rural middle class. Some members of this new middle class belonged to the

civil and military bureaucracy, or were descendants of prosperous indigenous merchants from the northwest and from the states of Alta Verapaz and Petén.

At the same time, Guatemalan economic actors were severely affected by abrupt changes in the global economy. The economic elites learned -- at a high cost -- to insert their businesses into the global economy, put their investments in several countries and vertically integrate their local production chain.

It is only with this backdrop that we can analyze the slow transition process of Guatemala's economic elites during the second half of the 20th century. In the economic realm, this transition occurred where traditional plantations lost importance and leaders of the agriculture industry lost political weight. In the political realm, the transition saw the introduction of more democratic rule and the promotion of civil liberties as a condition of international legitimacy in a market economy. And in the domestic and international cultural setting, media exposure and new conditions for economic competition -- including the formation of human capital and modern infrastructure -- became unavoidable challenges for the reproduction and consolidation of the principal economic actors.

Corporations now represent Guatemala's oligarchy, and this is where old surnames from the end of the 19th century are mixed with the modern families that emerged with the industrialization policies of the 1950s. These entities, which also control some 90 percent of the banking sector, represent around 10 percent of Guatemala's gross domestic product, but their power has been translated into control over mass media, the hiring of lobbying firms in the United States and Europe, the organization of private security and intelligence, or espionage, offices, as well as extensive influence in the court system and the federal government.

In tandem but independent of this group, new fortunes have surfaced whose origin is -- as it had been with families of the traditional elite -- related to government. A third group has emerged around trade and non-traditional exports, tourism, and contraband. Some of the members are second-generation families that fell into bankruptcy in the 1980s and others are first-generation middle-aged business people between 40 and 50 years old. Finally, the power of the cooperatives is represented by the National Coffee Growers Association (Asociación Nacional de Cafeteros - Anacafé) and the Rural Development Bank (Banco de Desarrollo Rural - Banrural) with 16,000 investors that include cooperatives, indigenous capital, women, nongovernmental organizations and micro and small businesses. The cooperative sector has the most extensive physical presence in the country and now successfully competes with the traditional banking sector.

In her renowned investigation *Lineage and Racism*, Marta Casaus demonstrated how dominant family groups have preserved their power since the beginning of the Republic.¹ The entrance of the emergent sectors during the 20th century was realized through a marriage of convenience among aristocratic families. It involved a mechanism of mutual assimilation that permitted the closure and control of the elites' circle.

Of course, there were always dissident interests and attempts by dissident interests to break up the established order by leveraging state power. This is what happened at both the beginning and at the end of the period of military government from 1970 to 1982. A family-economic group close to President Carlos Arana Osorio (1970-1974) tried, unsuccessfully, to break up the beer and cement monopolies by attempting to build its own plants, which caused a small war that went beyond finances to include coercion and violent attacks. Another group tried to do something similar under the presidency of Romeo Lucas García (1978-1982) in the agro-export cotton sector and the promotion of large public infrastructure projects that contributed to the deepening economic isolation of the regime. Lucas García was finally deposed via a coup d'état, and repudiated by the population for his administration's efforts to regain power via electoral fraud.

The realignment period of 1982 to 1985 saw the transition to a democratic regime. The United States proposed via the Caribbean Basin Initiative an alternative process for reviving the local economy, as well as offering a platform to dispute power, beyond the military, to keep the "communist threat" at bay. This process again tested the political power of the economic elite.

The so-called "communist threat" helped to solidify the last line of defense. Guatemalan guerrilla groups, as well as neighboring insurgencies, awakened a sense of self-preservation that was placed above the squabbles and conflicting interests of economic groups that arose out of the economic diversification and narrowing social stratification during these three decades; thirty years that saw appreciable and sustained economic growth, the growth of the middle class and of urban centers.

Based on anti-communist principles that rejected the totalitarian state model, Guatemala's economic elites embraced with great ease the package of ideological principles that emerged as the winner of the Cold War: neoliberalism. But they embraced a primitive and closed version known as the Austrian School. The University of Francisco Marroquín, founded in 1971, and its associated think tank, the Center for Social-Economic Studies (Centro de Estudios Económico-Sociales - CEES), led this metamorphosis and were home to the most conspicuous anticommunist-neoliberals of the era.

Economic actors are ubiquitous in the political realm. They are interchangeably represented by corporations, family organizations and interest groups, but also via their

associations with politicians and business alliances. This includes employers' associations or coalitions, with the prototypical example being the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (Comité de Asociaciones Agrícolas, Comerciales, Industriales y Financieras - CACIF). The first constitute informal pressure groups, or networks, that manage private interests within the state, while the associations are formal lobbying groups representing business or union interests. The takeover of mass media has been another means of control acquired in recent years with the emergence of a group of ideologically neoconservative activists that produce brochures, booklets, television and radio programs, and even give lectures at universities.

What's left are two principal ways to influence policy and maintain the status quo.

1) Direct-Action Networks

CACIF is the de facto political party of Guatemala's economic elites. It is a hierarchical organization, well organized, conservative but flexible, and increasingly sophisticated -- an organic class apparatus in the classic sense of the term -- which is currently under the control of technocrats. It unites the most important economic actors via a permanent assembly of presidents and is capable of integrating, via informal mechanisms, the heads of consortia and family groups with significant weight in a variety of economic sectors.

CACIF has managed, with relative success, the “principled” battles of its associates, always having as its favorite target the fiscal policies of the government and official corruption. It essentially exerts a veto power on undesirable economic policies. That's why CACIF takes on a visible and belligerent role in times of conflict, most notably during administrations in which the institutionalized economic agents lose influence. This is what happened during the rule of the Christian Democratic Party (1986-1991) and the Guatemalan Republican Front (2000-2004), in addition to other critical junctures.²

CACIF also closely guards its public image. It nurtures a perception of cohesion -- not always based in reality -- and of inclusion among the large consortia. No important economic agent would contradict CACIF in public.

2) Informal Networks

During every presidential administration, the traditional and emerging elites who have converted into lobbying groups -- which can be comprised of families or business alliances -- seek protectionist policies and other advantages that would provide them greater business opportunities. They do this by financing electoral campaigns in order to

later have access to the highest level officials. This is also done by selecting a representative within the economic and financial ministries of the central government.

As a general rule, for example, for the past two decades of democratic rule the salaries of top-level public servants have been notably inferior to those of top executives in the private sector -- by a ratio of 1:3. The income of ministers is subsidized via bonuses known crudely as “dobletes” and paid by the business alliances. In some cases, the ministers are paid directly by the large corporations. It is not surprising, therefore, that said ministers are always available via phone, or in person, for those who are really paying their salary and that these ministers make fulfilling their patrons’ requests a high priority. The loyalty of politicians is controlled via this redistribution of income and -- once they have left their government post -- by guarantees of social and economic reinsertion into the businesses that supported them, perhaps even enjoying greater perks and shares in corporate stocks.

Control of government entities and regulatory agencies, such as the ports and the tax agency, is also at the discretion of the president and the economic and public finance ministers. The president even has decision-making power -- via a constitutional decree - - to exonerate taxpayers that are late in making their payments.³

This type of arbitrary manipulation and influence over market forces -- which extends to licenses, privatizations, concessions, usufructs, tax exonerations and more -- has had profound social effects. It has led to the bankrupting of small wheat and potato producers and the chronically precarious situation of some 2 million corn farmers. It also limits market diversification, giving rise to monopolies and oligopolies.

This is how Guatemala's economic elites, despite what some analysts say, have had a decisive influence over public policy priorities and in the overall evaluation of government management during democratic rule, from 1985 to the present. In addition to their traditional economic power, prolonged during this period via the control of strategic public services, these business people, almost exclusively men, have learned to utilize political structures and ideological principle to their advantage, especially during periods of political realignment and capital accumulation. However, these principles and political power rarely work in favor of the common good or contribute to national development.

The Guatemalan State

During the 20th century, the public sector had been an important mechanism for upward social mobility among the urban middle class in the capital and in the provinces. Beginning in the 1950s, acceptance into the army, teaching, or any government institution -- social security, the ministry of health and finance, the electricity institute,

etc. -- equaled job security. The jobs provided a professional career, guaranteed benefits and a peaceful retirement. This, in turn, permitted expectations of supporting a family, education and even higher expectations of social mobility for the next generation, including the creation of savings. It created, for some, a modest “welfare state.”

But the state's fragility remained throughout and even deepened during the democratic period (1986-2016). This phenomenon must be understood in the broader context. It resulted from the difficulties of structural adaptation in the face of the demands of a post-Cold War democracy and the challenges of globalization. And, in the Guatemalan context, the development of the state was further hampered by the fact that the state's very 19th century foundation was as a centrist oligarchy resistant to modern democratic reforms.

Indeed, the power relations that manifest themselves among the elites with respect to the Guatemalan state cannot be understood without examining the fragility of the state itself. In addition to the gradual loss of authority over society and the precariousness of its fiscal and institutional base, limited capacity to provide security and basic services, the state is sabotaged by corruption via influence peddling and openly corrupt practices. The result is that the state apparatus in Guatemala is suffering a degenerative process, despite a favorable environment in which it has enjoyed the longest period of democratic rule in its history.⁴ The state has suffered an erosion of essential capacities like guarantees of legal certainty, physical security and the production of other vital public goods.

This process accelerated at the beginning of the 1990s with the assimilation of the principles embodied in the Washington Consensus. The transformation from anti-communism to neo-liberalism required few concessions from the economic elites. The highly centralized Guatemalan state operated under a system of clientelism with institutionalized corruption and racism. It was socially ineffective but extremely brutal and repressive, and it did not enjoy the esteem of society. That is why any private sector crusade against the state -- above all, the opposition to attempts to reform the tax system -- has enjoyed popular support and has mostly succeeded in undermining these government efforts.

The neoliberal paradigm gave to the state apparatus functions that impeded it from becoming a mechanism of social mobility for the middle classes during the democratic transition that began in the mid-1980s. The expectations of the democratic state aroused a kind of social schizophrenia: it demanded solutions to important issues, but at the same time there was a reluctance to pay taxes. The new business models coexist with the old bureaucratic style, which is now marginalized among the strategic tasks. The

discrediting and demoralization of state employees are deepening the isolation of the institutions and hamper efforts at comprehensive reform.

The most serious illustrations of state fragility in the context of corruption and insecurity are:

1. The loss of monopoly on coercive power and the use of force, which is associated with high levels of violence and the subtle relegation of authority in almost 50 percent of the national territory.
2. The limited scope of public policies and loss of regulatory capacity over the private sector, both in terms of security and social policies, which is associated with a weak tax system. As a consequence, this produced a lower quality bureaucracy and institutionalized corruption and uncontrolled discretionary spending, as well as a lack of continuity due to a change in administrations every four years.
3. Porous institutions and legislation regarding the economic interest groups that control strategic sectors of the economy and impede the diversification of the market by limiting competition.

The Political System

The nature of the Guatemalan state in the democratic period must also be understood by the limited ability of political parties and their leaders to manage the transition from the old economic models to modern ones. The lack of long-term accords has impeded the formation of stable political coalitions. No political ideology, party or movement has won reelection to the country's highest office in over 30 years.

This constant alternation of power has conspired against the continuity of basic public policies. In part due to this phenomenon, the education system -- the foundation for allowing citizens to live in a modern society -- has not been reformed during the democratic period. Moreover, there is still no legal certainty for the population or for investments, and the tax system remains stuck in a morass. As a result, democracy has not been able to generate political parties or social movements that take root at the national level.⁵

The fragmentation of democratic politics facilitated the rapid repositioning of the old business powers. The first institutional failure by a politician, Jorge Serrano's coup d'etat in May 1993, gave the impression that the acrimonious worker-management disputes had been displaced from the gravitational center of social unrest. Economic elites had little difficulty taking over an ample coalition of civil society that, by claiming the defense of freedom, was key to thwarting the coup. This was the first test of the

hegemony of the economic elites in civil society during the post-Cold War transition period, and the elites showed they still held a clear advantage.⁶ As we will see in our case studies, other challenges to the status quo were met with similar strong responses by these elites.

Organized Crime in Guatemala

The evolution of organized crime in Guatemala must be put in the context of three overarching characteristics of the country.

1. Guatemala is one of the smallest countries on the continent (109,000 square kilometers). It has had a long, difficult history: a prolonged and violent 200-year experience with colonization; a permanent regime of dispossession and expropriation of indigenous communities; structural violence organized as political violence and civil war between 1954 and 1996, which has continued as rampant criminal violence in the democratic and post-conflict period; and one of the most unequal societies in the hemisphere with extremely high rates of child malnutrition and poverty.
2. The 20th was a lost century for Guatemala, in that the country failed to build state institutions. During this period, a strong military power inhibited the development of the state. There was also more than a decade during which the end of the civil war was not formalized. This led to idle security apparatuses that obeyed certain clandestine interests and diverted into criminal activities. As a result, competent and trained individuals with significant official status were able to weave together criminal organizations and partner with transnational crime.
3. Under these conditions, reforms to Guatemala's security and judicial system included in the 1996 Peace Accords that followed the country's civil conflict failed. The country's traditional military power was ultimately weakened, and the National Civil Police and other investigative bodies were taken over by private networks, both legal and illegal, which sabotaged their ability to impose the rule of law. An estimated 80 percent of police are now considered unreliable. The homicide rate in Guatemala City hovers close to 90 per 100,000, one of the highest in the world, and impunity for violent crimes stands at 98 percent.⁷ Two-thirds of Guatemala's adult male population carry firearms, and applications for gun licenses from women are growing. In short, the country is overwhelmed by criminal violence and citizen self-defense, which includes routine instances of vigilantism in vulnerable neighborhoods, the lynching of suspected criminals, and the widespread use of hired killers.

The principal failure with respect to reforms is found within the security and justice institutions, since physical and legal insecurity characterize the general fragility of the

state. During the period of transition from authoritarian rule to democracy and political peace (1985 – 1996), clandestine operations of remnant security structures infiltrated civil institutions and contaminated the system. This period coincided with the growth and formation of the regional drug trade, which transformed Guatemala into a strategic link for access to the major drug markets of North America.

Corruption in Guatemala also became more unconventional during the period of democratization. As state institutions neglected internal processes of organization and management, they failed to complete -- in terms of bureaucratic modernization -- the transition from authoritarianism to democracy. Nor did initial economic reforms launched in the mid-1990s result in greater efficiency. These incomplete reforms gave way to serious distortions and administrative disorder, which in turn negatively impacted the quality of public expenditure. Consequently, the social legitimacy of the state was damaged.

Drug Trafficking in Guatemala

In recent years, drug trafficking has represented the most powerful form of organized crime in terms of the volume of money involved. This goes beyond crime,⁸ as drug activity absorbs political and security resources, inoculates the formal economy (financial, agricultural, and real estate), and has international implications -- above all by affecting relations with the United States. Two main drug groups are based in Guatemala's eastern departments of Zacapa and Izabal, and several splinter factions maintain links with the Sinaloa Cartel. There are also emerging groups led by Mexican organizations like the Zetas.

Roughly 90 percent of cocaine consumed in the United States transits Guatemala, but only about 0.5 percent of that is seized during periods of heightened counternarcotics efforts.⁹ Drug trafficking funds political campaigns at both the local (mayors, deputies) and national (presidents, courts, legislators) levels. It also co-opts military officials located in strategic trafficking zones and police structures to the point of becoming an insecurity factor for drug traffickers themselves. Police groups have been known to steal drug shipments and sell them to the highest bidder at the Guatemala-Mexico border.

Guatemala started becoming a drug corridor in the early 1960s. At the time, Miami was the main gateway for drugs entering the United States, with cocaine passing through the US ports hidden in containers of fruit, vegetables and shrimp. In those early days, the drug trade was essentially controlled by Cuban exiles living in Miami and Guatemala. In Guatemala, these traffickers had the backing of the local army and certain anti-Castro Guatemalan businessmen. Although the drug trade in those years was of a much smaller scale than the massive volumes seen today, it was large enough for local Guatemalan

and Cuban businesses to capitalize on. By the 1970s they were out of the drug business and expanding their shrimp business, cotton crops or diversifying into heavy industry and banking.



The rise of drug trafficking changed entirely the conventional parameters of corruption. Weak or nonexistent election campaign finance controls, as well as the loss of tradition and partisan loyalty, opened the doors to criminal influence in Guatemala's new democratic government. This porosity went beyond Guatemala's security and justice bodies, spreading to the government's procurement and contracting system. And, as the independence and fiscal autonomy of municipal governments increased, the caudillos and drug traffickers exercised a much more direct and almost total control over local and regional powers.

The flip side of this coin was the aforementioned ideological and media offensive waged by traditional business groups -- organized as lobbyists with remarkable clout -- against the idea of regulatory intervention in the market and the strengthening of the attorney general. The effect of this was a weakening of public service morale and, therefore, a further opening in the level of distrust between society and the state. Thus, personal aspirations for accomplishment and professional prestige could hardly be found through a career in public service.

The contradiction of a state charged with formidable social tasks but denied tax revenues at the same time became the norm. After benefiting from incentive policies in the late 19th century, large corporations have no direct interest in public spending, but they are interested in the laws that regulate market competition and allow for concessions. Their control via agents and intermediaries over the offices that regulate

trade and establish market rules creates another complex picture of corruption, one that has been called “the take-over of the state.”

The Emergence of the CIACS

Within this context, after the mid-1980s and in the heat of Central America’s civil wars, drug trafficking fully established itself in the area and began to take off. Corrupt criminal networks emerged during Guatemala’s civil war, especially during its latter years. Forming these networks were senior officers and mid-ranking elements of the security forces who partnered with the country’s rising aristocratic business class and emerging capitalists. The outcomes of these networks were not uniform. Some administer large estates or are minority shareholders in companies. In others, second generation descendants inherited contraband and smuggling networks -- such as controlling the customs office -- or became the basis of drug cartels.

But the real seed of drug trafficking survived and flourished during the period when peace was being constructed in the region. The demobilization of large military contingents in Guatemala included the Interior Police, responsible for controlling contraband smuggling along land borders, and the Mobile Military Police, an elite unit that provided security services to private companies. The failure to insert these groups into productive post-conflict activities left an army of unemployed security service workers. Many were recruited by Colombian criminal organizations, and later Mexican groups, in need of protection and operatives.

The security system also suffered at the hands of military intelligence officers who had been forced out of the army for misconduct and then joined the new National Civil Police (Policía Nacional Civil). Altogether, there was a mix of three factors: unemployed soldiers; a police force overtaken by corrupt officers; and Colombian criminal organizations with “visas” to conduct business with the leaders of local security forces. The cartels had already begun installing the import/export front companies they needed to provide logistical support for drug trafficking, and they had business connections for money laundering. All these factors converged in support of the underworld’s interests.

It is therefore no coincidence the major drug kingpins of Guatemala were previously treasury police (Guardias de Hacienda), commissioned military officers, counterintelligence agents, or high-ranking officials. Arnoldo Vargas, for example, the first big-time drug trafficker extradited to the United States in December 1990, had been a police officer, and was on the path to a successful political career -- he was elected mayor of Zacapa, the municipality in the eastern state of the same name.

But there was also a military structure that operated as a pseudo-paramilitary force. This network, which had an extended territorial reach and was an extremely effective

force, is known as the Military Counterintelligence Service (Dirección General de Contrainteligencia Militar - DGCIM). The DGCIM became autonomous with the end of the civil war and moved to capture the spoils of war. It continued to carry out the wishes of individuals to eliminate alleged criminals such as robbers and horse thieves, but also took the initiative to organize rings that engaged in kidnapping, extortion and car theft.

Subsequently, these bodies -- which had military discipline and organization, as well as knowledge of local terrain and networks within state security structures -- took on operations for drug cartels and private security firms. They also worked with groups that had developed operational intelligence capabilities to serve their own purposes.

Eventually, these groups became so well defined they were given a name: the “Illegal Clandestine Security Apparatuses (Cuerpos Ilegales y Aparatos Clandestinos de Seguridad - CIACS). Many of these CIACS were forged by blood pacts during the most intense military and police operations against insurgents at the beginning of the 1980s. Since their formation, the CIACS have been responsible for numerous executions and threats, as well as the systematic blocking of investigations by the Attorney General's Office, known in Guatemala as the Public Ministry. One of the CIACS, known as the “La Oficinita,” has operated from within the Public Ministry since 1997. These shadowy groups also have been able to prevent certain cases from reaching trial. A powerful cloak of concealment within the key security institutions enabled them to weave a network of near complete impunity. As we will see in one of our Guatemala case studies, the CIACS are what raised the alarm and spurred the creation of the United Nations-backed International Commission Against Impunity in Guatemala (Comisión Internacional Contra la Impunidad en Guatemala - CICIG) in 2007.

Over time, the CIACS have taken on various functions. Some are permanent and have legal status, but they can also commit illegal acts and operate clandestinely. Others form parts of complex structures that have longer-range objectives, and are of a political or business nature. In these organizations the CIACS constitute the armed and intelligence wings, essentially replicating the state apparatus in miniature. There are still others that are extremely flexible; they band together to complete certain tasks and then immediately dissolve. They are not permanent and their members sometimes switch ranks.

The most powerful CIACS are without a doubt those that are associated with organized crime groups and those that have started private corporations. Those associated with organized crime have taken root in local government, while those aligned with corporations have branched off into various institutions within the central government and civil entities. The CIACS are a kind of Sicilian-style mafia in the sense that they thrive off the weakness of state institutions, they are at the service of both licit and illicit

private interests, they provide security, and they arrange contracts or eliminate competition. They are always, however, jealously keeping watch over their principal task: to produce impunity by maintaining a gelatin state that can be malleable but gradually returns to its initial structure despite repeated efforts at reform and modernization over a period of almost 25 years.

Other Criminal Networks

Human trafficking is a centralized and growing criminal activity with global connections, more diverse and far-reaching than those of drug trafficking. These traffickers maintain operational contacts throughout the Americas, Europe, and various countries of Africa and Asia, including the Middle and Far East. Its activities include trafficking in undocumented migrants from Cuba, Ecuador, El Salvador, Honduras, Nicaragua and other countries outside the region and the international adoption of children to the US and Europe. They work through networks of lawyers and justice officials. Guatemala was, until recently, the largest per capita exporter of adopted children and the second biggest by volume, behind only China. Guatemalan crime networks engaged in human and migrant trafficking also sell passports, identity cards, licenses and even birth certificates for illegal use, meaning that Nigerians, Chinese, Ecuadorans, Colombians, Syrians and others pass through migratory controls in Europe and North America with Guatemalan documentation. The basic controls of this illegal business are within the Migration Office (Dirección de Migración) and the security subsystems of companies contracted to make these personal identity documents.

Arms trafficking is also a business bringing together networks that perform various functions. One of these functions is to serve Guatemala's domestic market, which is comprised of drug cartels, criminal elements -- kidnappers, assassins, muggers and street gangs -- security companies, which outnumber the police by a factor of five, and even corporations. Another is the re-export of arms to rebel groups, cartels and mafias in other countries, especially in South America. One goal of these arms trafficking networks -- hastened by heightened arms restrictions -- is to legalize their income and assets, which makes it essential to control the weapons registry office within Guatemala's Interior Ministry.

Contraband networks are the oldest criminal networks, emerging in 1970 after the army took over the customs office on the premise of controlling arms trafficking to leftist guerrillas. Civilians within the armed forces, including specialists and customs employees, became the base of extensive smuggling networks which both colluded and competed with import businesses. There are strong links between customs agents and military and political networks, as well as various local and foreign trading communities, Middle Eastern and Chinese. Contraband covers 70 percent of internal

trade and has become a major employer, much like agricultural harvesting on large farms was up until 1980. Smuggling networks, however, tend to decline with trade liberalization and diversify into other criminal activities, such as the trafficking of drugs, people, weapons or other goods of market value.

Money laundering is the most sophisticated and difficult network to pursue since it consists of injecting the profits of illegal activities into the legal economy. Those who engage in drug trafficking, contraband smuggling, and, to a lesser extent, human trafficking, must all integrate themselves with strategic contacts and networks knowledgeable about state mechanisms. These contacts must have detailed knowledge of terrain and military discipline and organization. But they do not necessarily have to belong to the country's elites. Money laundering, however, does require criminals to extend their network to the top of the social pyramid, for both banking and financial services, as well as for investing in large commercial centers, corporations, old-style real estate and exclusive residential condominiums. Where this does not occur -- and when it occurs, certain elites tend to control the process, all the way down to drug trafficking and trafficking of people -- drug cartels will still use large amounts of cash in their transactions, especially in the country's interior or in border regions where state controls are weak.

Other criminal networks are operational in Guatemala. They are minor but well-organized criminal structures that engage in multiple illegal activities. This rarely happens independently, and in most cases they are linked to networks that engage in the drug trade or the trafficking of people, weapons or contraband. They typically look to associate with or become extensions of Guatemala's official security apparatuses and the judicial system. The most prolific of these are the kidnapping networks, followed by networks for extortion and assassination. They often involve mid-level businessmen and other individuals who employ gang members as hired guns. Finally, the networks of muggers and thieves are much more decentralized, and typically involve police officers.

Major Challenges for the State and Society

A premise of the "Elites, State, and Organized Crime" project -- and of the general understanding of the status quo following the fall of the Berlin Wall -- is that for elites in the countries of Mesoamerica, organized crime represents a threat because it is an invasive foreign body. From an economic point of view, its visibility muddies the business climate, its enormous liquidity upsets market prices, and its foray into business activities generates unfair competition. From a policy perspective, corruption has unleashed criminal enterprises and led to a loss of confidence and legitimacy in rule-of-law institutions, further destabilizing them. In countries like Guatemala -- conservative and decidedly elitist -- the natural dynamics of promotion or social mobility often

equate to "intrusion" when not subject to "suspicion." In Guatemala, elites usually distrust not just what they do not know, but what they do not control.

But drug trafficking, for example, has brought with it mixed results for the elites and Guatemalan society. Drug activity has created economic circuits that have inoculated the overall economy. In certain areas of the east (Zacapa, Chiquimula, Jutiapa), northeast (Izabal), north (Petén) and northwest (San Marcos, Huehuetenango, Quetzaltenango and Quiché), drug traffickers have fueled economies of consumption, production and service. These have higher standards than the formal market, and in fact have replaced the state's social and security presence. The emergence of a middle class in these regions tied to this economy generates consumer demand for imported goods, homes with certain security standards, and recreational facilities, including hotels and restaurants. Moreover, the payment of wages to construction workers and farm workers, for example, is two to three times above the market rate. Projects include the construction of infrastructure and educational facilities and health centers, which the state does not provide, tightening associations with the informal economy. In addition, criminal money is penetrating weaknesses in financial and business capital. That is, criminal capital is no longer limited to flashy new business magnates; those with well-established family names are not immune to the lure of quick money.

In the last three decades, a growing demand for market liberalization and less state interference in market decisions -- along with the end of the civil war and temporary absence of hypothetical border conflicts -- have limited the traditional model of public/private relationships. But, as already noted, limited institutional reform and discretionary forms of privatization left the state vulnerable. Additionally, an emergency occurred, with transnational organized crime mobilizing massive quantities of money it had gained. This atmosphere of widespread corruption, weak institutions and law-breaking security structures proved an ideal breeding ground for criminal activity.

Thus, the main threat facing Guatemala is the growth of corruption via violent criminal practices. The attraction of the old corruption networks to criminal groups with international links tends to occur because of the mutual need to win the complicity and/or protection of political authorities or security structures -- and even alliances with certain economic elites -- to carry out illegal activities without interference. As we can see in our Guatemala case studies, the line between corrupt and corrupting networks, along with criminal networks, becomes blurred.

**Edgar Gutiérrez is a Guatemalan economist and political analyst. He was secretary of the Strategic Analysis Secretary and foreign chancellor during the Alfonso Portillo administration (2000 - 2004). He also coordinated the "Recuperation of the Historical Memory" (Recuperación de la Memoria Histórica - REMHI) project. He is currently*

director of the Fundación DESC for Latin America and Institute of National Problems at the San Carlos University in Guatemala. Map by Jorge Mejía Galindo. Graphics by Andrew J Higgins.

Endnotes

[1] Marta Casaus, *Guatemala: linaje y racismo* (San José 1992).

[2] For example, the institutional break (with the coup attempt by President Jorge Serrano in May 1993), the negotiation with the political regime (Peace Accords of 1996) or social upheaval (constant land takeovers by peasant farmers, local rejection of mining projects, among others).

[3] An example of the tariff policy that benefits the oligarchies is the Government Accord 701-94, from November 1994. With the stated goal of “slowing the effects of disorganization in the market as a result of the importation of dead poultry from third-party nations,” the accord established a 45 percent tariff for 9 high-demand poultry products and 5 percent for two other (processed) products. However, it excludes “from the previous assessment the importation of 300 metric tons per month,” subjecting those to the Central American standard of 20 percent. Of course, only one company was importing that specific amount and was therefore the exclusive beneficiary of the legislation.

[4] The country was also enjoying international recognition for signing a peace accord in December 1996, which led to more cooperation and assistance, and also proposals for reforms in security and justice.

[5] Since the country returned to democracy, there have been 80 political parties formed. All of them have fragmented and 75 percent of them have disappeared. In the last three elections (2007, 2011, 2015), more than 20 political parties, on average, participated in these elections, the majority of which were new parties. A good example of this is the FCN-Nación, the winner of the national election in 2015, in spite of the fact that it has no national presence.

[6] Rachel M. McCleary, *Dictating Democracy: Guatemala and the End of Violent Revolution* (Gainesville, 1999).

[7] Data obtained from the Guatemala Attorney General’s Office in 2015.

[8] The DEA estimates that 90 percent of the cocaine consumed in the United States, not counting seizures, comes from Guatemala. On average, a kilogram of cocaine enters Honduras or via the Pacific seaboard at \$11,000, and, after traveling 200 or 300 kilometers, is sold at \$13,000. This estimate provides an idea of the economic magnitude of this trade.

[9] United States Department of State, “International Narcotics Control Strategy Report 2007,” February 2007. Available at: <http://www.state.gov/j/inl/rls/nrcrpt/2007/>

The CICIG

By Steven Dudley*



On the morning of February 19, 2007, three Salvadoran members of the Central American Parliament and their driver crossed into Guatemala to attend a meeting with other regional delegates. Shortly after entering the country, they disappeared. Their burned bodies were found later on a dirt road about 50 kilometers from Guatemala City alongside the still-smoldering remains of their car. Before it was torched, the vehicle had been taken apart, as the perpetrators presumably searched for either drugs or money -- or both.

Guatemala's Interior Minister Carlos Vielman dispatched his top operatives to deal with what became known as the "Parlacen case," after the Spanish acronym for the Central American Parliament. By February 22, Guatemalan authorities had captured four policemen and had formally accused them of killing the three parliamentarians and their driver. However, almost immediately after the arrests, it was apparent that something was amiss.

One of the policemen captured was Luis Herrera López. Herrera was part of a select group of police who was working under Victor Rivera Azuaje, a shadowy Venezuelan who had worked for years with Central American governments and the private sector, dealing with kidnappings and other security matters.

Rivera Azuaje was Interior Minister Vielman's right-hand man at the time, and after the arrest of the four policemen, he showed up to talk to them. In a video taken of the meeting at the Interior Ministry in downtown Guatemala City, the tension between the captured police and Rivera Azuaje is evident.¹

"I am telling you, I am taking you all down with me, because I, I am taking you all down!" Herrera tells Rivera Azuaje. "I'm going down for this. We asked for help, and this is what you give me? This is the help that you are giving me?"

Rivera Azuaje responds to Herrera, but the microphone does not capture the audio.

"I am telling you: you are going to remember me," the policeman says, his face in an angry knot. "You and everyone else. You are going to remember me! I promise you. I swear on my mother's grave."

Three days later, the four police suspects were found dead, killed execution-style in a prison some 65 kilometers south of Guatemala City. The authorities quickly blamed it on gang members, but it was clear that a cover-up was underway. Later investigations linked the massacre of the police suspects to the "Three 'V's": Victor Rivera Azuaje; Victor Soto Diéguez, the former head of the police investigations who was also part of Vielman's inner circle of operatives; and Victor Rosales, the head of the prison system.²

At the time, the government, civil society groups and parts of the international community were pushing for the establishment of a new, international body to help it deal with cases like these. They called it the International Commission Against Impunity in Guatemala (Comisión Contra la Impunidad en Guatemala – CICIG). The CICIG was an experiment in justice. Designed as a special aide to the Attorney General's Office, the commission could act as both watchdog and assistant prosecutor, all with the imprimatur of its sponsor, the United Nations. It was staffed with international investigators, who were meant to be less susceptible to pressure and corruption. Understandably, Guatemalan lawmakers and other authorities were dubious, but the Parlacen case helped turn the tide of the debate in the CICIG's favor and, in part due to this spectacular series of crimes -- and Vielman's lobbying -- Congress eventually approved the CICIG.

Vielman and many of his colleagues who pushed for the CICIG never thought it possible that the commission might one day go after them. But Vielman's possible participation and cover-up of the Parlacen case and several other crimes would become a central part of CICIG's work. By 2009, commission prosecutors were pushing for then-CICIG Commissioner Carlos Castresana to bring these cases to trial.

They alleged that, as interior minister, Vielman had various special units, such as that of the Venezuelan Rivera Azuaje (pictured), and another run by police investigator Soto Diéguez as well as two other top police officials. Rivera Azuaje's unit -- which took on the name "Riveritas," an homage to Rivera Azuaje's leadership -- and the other unit, CICIG investigators claimed, were more than special forces.

They were a "social cleansing" outfit who started out extrajudicially executing suspected criminals, including gang members, kidnappers and bank robbers who they captured or who had escaped from prison. They soon moved into more sophisticated criminal acts such as theft of drug shipments, kidnapping and extortion. All of these activities, CICIG prosecutors said, were directed by or approved by Interior Minister Vielman.



Vielman was no ordinary suspect. He was a member of the country's traditional economic elite. He was once the president of the Industrial Chamber of Commerce of Guatemala's foremost business association, the Coordinating Commission of Agricultural, Commercial, Industrial and Financial Associations (Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras – CACIF). The CACIF is a multipronged institution with vast political influence, and Vielman was close with some of the most conservative and powerful members of the business elite.

When his prosecutors came to him with the cases against Vielman and the Riveritas two years after the Parlacen murders, CICIG Commissioner Castresana faced a dilemma. Vielman's support had been vital to the creation of the CICIG. What's more, Castresana had developed a relationship with numerous members of the economic elite who were closely linked to Vielman. These relationships were an important part of the commissioner's work: the CICIG needed allies in order to operate in an immensely challenging place like Guatemala.

Yet some of the commission's prosecutors and outside critics said Castresana had become too close to these elite allies, that they influenced his decision-making, and delayed or even undermined justice. Castresana is a tough man with a strong personality who was hardly one to cower in the face of traditional authority. But in Guatemala, when Castresana's prosecutors came to him with information connecting Vielman to Parlacen and other cases, the CICIG commissioner balked, saying that the evidence was not strong enough or that it was not the right political moment.

The question of how much influence these elites exerted over Castresana -- and by extension the CICIG -- is at the heart of this case study. Castresana was not corrupt or nefarious. The Spanish judge did the hard work of setting up the commission, pushing for important legal reforms, helping to vet the country's putrid court system, and to train local prosecutors in modern criminal investigative techniques. He prosecuted several important cases, including a landmark case that saved the presidency of Álvaro Colom, which was on the brink of collapse due, in part, to pressure from various rival elites. And the CICIG -- after Castresana left -- did eventually bring cases against some of those accused in the Vielman cases, although many of them, including Vielman, were tried in Europe. But questions remain about his tenure, questions that we probed for this case study.

To do this study, we investigated the actions of the controversial and often celebrated Commissioner Castresana through dozens of interviews with former CICIG employees, government officials, diplomats, and political and judicial analysts. We also analyzed the CICIG in the larger context, and we studied the CICIG's cases and tried to determine whether the commission targeted or favored one group over another. Most of all, we looked closely at specific, hallmark cases through the prism of the battle between the different elites in Guatemala. Among them was the case the CICIG built against Vielman, but there were many others, some of which involved the reason the commission was created in the first place: the CIACS.

The CIACS

The CICIG is a byproduct of Guatemala's brutal civil war, and the development of what became known as Illegal Clandestine Security Apparatuses (Cuerpos Ilegales y Aparatos Clandestinos de Seguridad - CIACS). That war had its origins in the 1954 US-backed military coup which overthrew President Jacobo Árbenz. The coup was the beginning of a vast upheaval, and in 1960, with the country still under military rule, a group of mid-level army officers declared the government corrupt and began an insurrection that started a 36-year long civil war.

The rebellious military officers soon gave way to students, labor leaders and indigenous-backed insurgent groups who fought mostly from the northwest highlands. Eventually they formed an umbrella organization -- the Guatemalan National Revolutionary Unity (Unidad Revolucionaria Nacional Guatemalteca - URNG). The URNG was a poor and disorganized guerrilla organization, which would never resemble its organized, disciplined insurgent brethren in Nicaragua or El Salvador, both of which eventually forced major changes in their own countries.

Guatemala Elites and Organized Crime

The URNG's weakness was due, in part, to the Guatemalan military's strength and its ability to marshal support from the country's economic elites and foreign allies like the US government. In response to the insurgency, the military expanded its hold on power. While it did not always control the executive branch, it effectively determined who would become president for nearly four decades after overthrowing Árbenz. It also strengthened its intelligence services and took control of numerous important government institutions, from the customs agency to the finance ministry. And it exerted a vast amount of control over the war effort. Soon it was gathering information from the country's rebel groups and economic powers alike. Eventually the war was as much about illicit interests as it was about capturing and killing rebels. With it, the military began a more clandestine, nefarious chapter, which included collecting "quotas" or bribes from legitimate and illegitimate businesses for movement of their goods across Guatemala's borders, and obtaining control over various contraband routes.

This shift culminated in March 1982. As the guerrillas continued a mini-surge in the highlands that had begun in the late 1970s, a military-civilian junta overthrew the government of Gen. Romeo Lucas García. At the top of this junta was Gen. Efraín Ríos Montt, a decorated officer and one-time presidential candidate who had converted from Catholicism to an evangelical church that espoused an apocalyptic vision of the world. With the guerrillas advancing, Ríos Montt applied a quasi-religious counterinsurgency approach that in some ways fulfilled the gospel of his own church. In the northwest highlands, the guerrillas' stronghold, the army began a "scorched earth" campaign, killing thousands and displacing hundreds of thousands. News of the massacres seeped out, and Guatemala became an international pariah -- though not for the US government. The military's war crimes would be subject to scrutiny for years to



come. And in its report following the war, the UN truth commission (Comisión para el Esclarecimiento Histórico - CEH) would say the army had committed “acts of genocide against groups of Mayan people,”³ setting the stage for future prosecutions, one of which would be against Ríos Montt himself.

However, in the early 1980s, few could challenge the general’s regime. Ríos Montt froze the constitution, implemented secret courts, and tracked down political dissidents and suspected guerrillas in the cities. Through the Presidential Intelligence Service (Estado Mayor Presidencial - EMP), as well as other branches of military intelligence, the government kept watch on political dissidents, human rights groups, union leaders and student activists. The EMP kept files, or “archivos,” on these dissidents, earning it the moniker: “El Archivo.” Working closely with the military’s famed intelligence services, the G-2 and D-2, the EMP rounded up dozens of dissidents, then killed or disappeared them. One Guatemalan military document, released by the National Security Archives, listed 183 disappeared between 1983 and 1985.⁴



With their rising influence in political affairs, Ríos Montt (pictured) and the military he represented became a threat to the traditional economic elites. The army established a bank. Its officers obtained large tracts of land and bought cement companies, parking garages, and fish farms, among other businesses.⁵ Military personnel also created their own political parties or joined with others. In sum, they became

bureaucratic elites,⁶ who directly challenged the traditional elites in the beverage industry and the agro-industrial sector as early as the 1970s.

At first, the bureaucratic and traditional elites did not openly squabble, in part because they had a common enemy: the URNG. One member of the powerful CACIF business association was part of Ríos Montt’s ruling junta, and others helped the army implement its counterinsurgency strategy. Among various means of support, the businessmen provided airplanes to drop bombs.⁷ The CACIF also lobbied to keep Guatemala from being frozen out of international aid due to human rights violations.⁸ It would be a short-lived alliance of convenience that would end when Ríos Montt and his political party would turn their sights on the traditional elites and their businesses two decades later.

Ríos Montt was ushered from office just short of 17 months after the 1982 coup, and Guatemala returned to a democratically elected government in 1985, but the military retained considerable power and continued its dirty war against opposition groups. The

presidential intelligence service, EMP, was at the core of what was, in essence, a parallel government that worked to maintain impunity for the military's past and present crimes. Human rights defenders were regularly targeted, as were union leaders, student activists, journalists and public prosecutors. This parallel government -- or what was often referred to as "hidden powers" -- also set the stage for the development of large scale organized crime in Guatemala. Military personnel, both active and retired, used their government posts to facilitate criminal activities, such as moving contraband or illegal drugs. They provided illegal weapons, intelligence or security services to criminal groups. And they assisted in illegal adoptions, human smuggling, and the issuing of false government documents.

By the early 1990s, the parallel state had a name: Illegal Clandestine Security Apparatuses (Cuerpos Ilegales y Aparatos Clandestinos de Seguridad - CIACS). The CIACS were not a single unit or organization, but loosely defined groups who had worked with each other during the war, mostly in the intelligence branches of the military. Some of these groups had names such as the "Cofradía," or the "Brotherhood," a reference to the Mayan elders' means of organizing themselves; others were part of what was called the "Oficiales de la Montaña," "Officials of the Mountain," or simply, "La Montaña."⁹ They were not criminal operators as much as criminal facilitators, the contractors for organized crime who put everything in place so crime could happen on a large and often systematic scale. Their networks were thought to be so powerful and cunning that they could topple a government without the slightest hint they were even involved.

The face of the CIACS was Gen. Francisco Ortega Menaldo. The general is a near-perfect example of a member of the bureaucratic elite. In the early 1970s, he worked with the EMP. Later, he worked in the Finance Ministry. He married the daughter of an ex-president, himself a former military officer. In the mid-1980s, he became head of the G-2 military intelligence division. And in the early 1990s, during the presidency of Jorge Serrano Elías, Ortega Menaldo ran the EMP, where he became what the country's leading magazine called "the government's shadow."¹⁰ The article -- which had a cover photo of Ortega Menaldo that said he was: "the most influential man in the government" -- said the general set up microphones so he could keep tabs on all the conversations in the presidency. He controlled nearly every aspect of the president's agenda, the

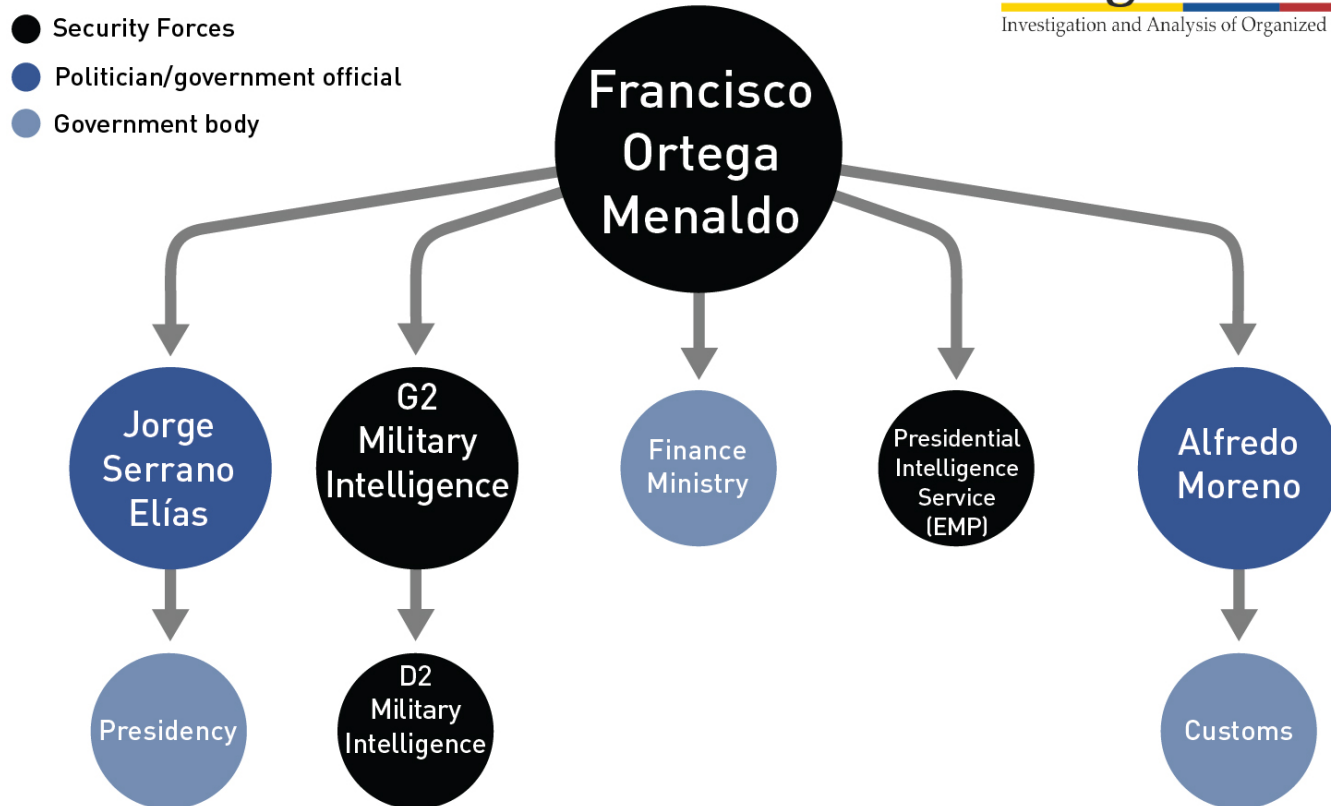


article added, and could filter what the president read; he had the power to keep ministers at a distance and cancel media interviews.

“When the president wakes up in the morning, he is there, neat, polished, in his perfect uniform,” the article began. “What do we have today,’ Serrano asks.”¹¹

Ortega Menaldo was also a criminal who ran the most powerful of the CIACS -- the Cofradía -- according to Guatemalan and US investigators who spoke to InSight Crime.

Figure 1: Ortega Menaldo Network



In the early 1990s, Ortega Menaldo and his military cohorts skimmed millions of dollars from customs proceeds.¹² The scam took on the name Moreno for its principal operator, Alfredo Moreno, a former military intelligence officer who had worked under Ortega Menaldo when he was head of the G-2 intelligence division. The Moreno case involved falsifying bills of lading and the theft of merchandise, among other schemes. It reached the highest levels of the security sector, including the chief of police and numerous military officials, who received regular envelopes with cash from the customs office.

The money did not just line their pockets, but was used to undermine justice, particularly attempts to prosecute military personnel for past and current human rights

violations and extrajudicial murders. One such case was that of Myrna Mack, an outspoken anthropologist and human rights activist who was assassinated by members of the EMP in 1990. The case dragged through the courts for years, mainly due to the bribes, intimidation and backscratching that characterize the Guatemalan judicial system. The murder would have remained in impunity if not for Myrna's sister, Helen, who created a foundation in her name to honor Myrna and seek justice. In the end, the killer was convicted and sentenced to 30 years in prison. Still, although the case established that the assassin was acting on orders from the top levels of the EMP, only one higher-up was convicted.

Ortega Menaldo was an integral part of the plan to undermine justice in the Mack case, but he was never prosecuted. Nor did he face justice for the Moreno case. Years later, the United States suspended his visa for his alleged involvement in drug trafficking. Sources in the Interior Ministry told InSight Crime that for a high price he also provided false documents to criminal groups and facilitated illegal adoptions. But he never faced any charges for those alleged criminal acts either. Even worse, by the early 2000s, Ortega Menaldo was back working behind the scenes with another president. Ortega Menaldo was, in a word, untouchable, a symbol of the strength of the CIACS and the impunity that surrounded them. The CICIG was established to change that equation.

The Rise of the Bureaucratic and Emerging Elites

In 1994, the Guatemalan government and the guerrilla umbrella organization, URNG, signed the Global Human Rights Accord. The accord was the first part of what would become the final peace accord that was signed between the two sides in December 1996, and it provided a hint of what would become the CICIG's future emphasis on the bureaucratic elites like those in the Cofradía but did little more. "To maintain absolute respect of human rights, there should not be any illegal entities, clandestine security apparatuses," it read. "The government recognizes its obligation to fight any resemblance of these groups."¹³

The peace accord did open the door to the first two post-war UN interventions in Guatemala: the UN Verification Mission in Guatemala (Misión de las Naciones Unidas en Guatemala - MINUGUA), which monitored and helped implement the post-war accords; and the CEH, the special commission that focused on issuing a report on human rights abuses and war crimes during the conflict. Both experiences made some Guatemalans -- particularly those in the military -- wary of further UN intervention and prolonged the battle to implement the CICIG. The CEH, in particular, stunned and angered the Guatemalan establishment when it wrote that 93 percent of war crimes had been committed by government forces; and that the army had committed "acts of genocide" against the Mayan communities in the northwest highlands. (The

commission's findings opened the door to a wave of local and international prosecutions that has not dissipated.)

The wounds of these findings were still fresh when local human rights groups began clamoring for a new, more permanent commission that would help the Guatemalan government dismantle the CIACS. The problem had, in some ways, mutated following the peace accords, since the military had been cut to one-third its original size. Former members of the military sought new business opportunities, particularly in private security, but also in the powerful illicit networks proliferating in the region. Some of these networks, for example, were connected to the spectacular and troubling 1998 assassination of Bishop Juan Gerardi, who had headed up a team that wrote a multi-volume report on human rights abuses during the war entitled: "Guatemala: Never Again." But others were seeking legitimacy. They started businesses and formed their own political parties. Ríos Montt, for instance, created a political party, the Guatemalan Republican Front (Frente Republicano Guatemalteco - FRG).

The FRG illustrated the evolution of the CIACS in post-war Guatemala. The party was stacked with former military officials and received dirty money from the Moreno network to finance its campaigns.¹⁴ It recruited able and ambitious politicians such as Alfonso Portillo (pictured), a Guatemalan congressman who was himself a part of an emerging political elite. In 2000, after narrowly losing the previous election, Portillo won the presidency. The FRG also won the most seats in Congress, and Ríos Montt became president of Congress. Ortega Menaldo became Portillo's consigliere, someone to hold his hand while he pillaged the government coffers under the careful guise of Cofradía operatives placed strategically throughout the government. One of their schemes, it would later emerge, was to steal from the military itself.



For the traditional economic elites, the FRG was the embodiment of how much power their rivals in the bureaucratic and these emerging elites had taken from them. Political parties and the military had long been beholden to these interests, serving as virtual messengers and glorified majordomos. However, Portillo's administration challenged the status quo in unprecedented ways. He opened the door for chicken, beer, sugar, and cement imports, infuriating some of the most powerful Guatemalan elites such as the Gutiérrez-Bosch family, whose Pollo Campero franchise remains a sort of unofficial symbol of traditional economic elite power in the country. In addition, the FRG raised taxes on items like alcohol which angered the beverage giants, and imported sugar from Cuba to undercut the powerful sugar families.

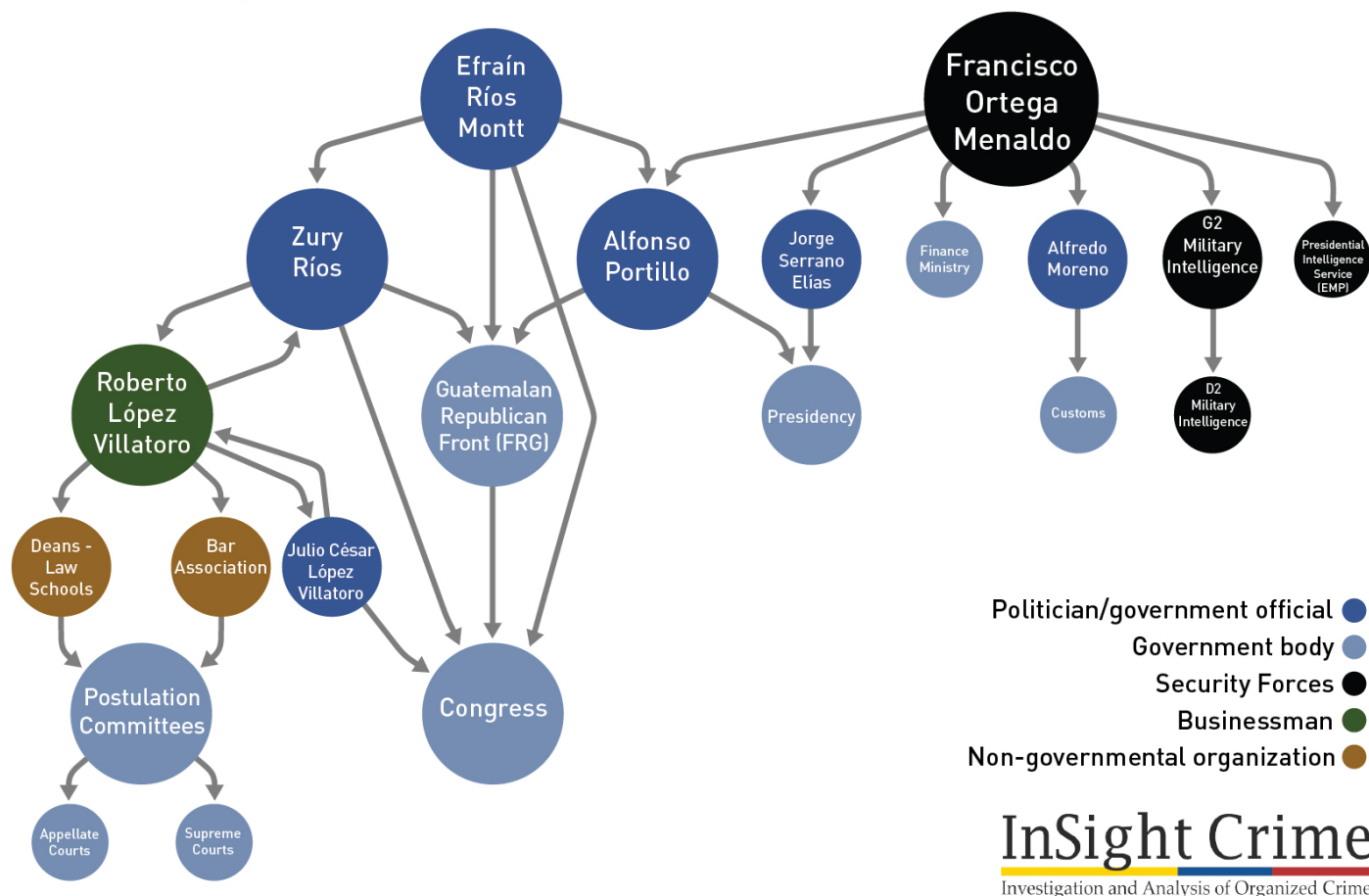
The party also challenged the traditional economic elites' control of the country's judicial system by changing laws on the selection of high court judges and the attorney general, among others. Specifically, they passed a new law that opened the internal elections of the country's bar association to those operating outside the capital city. One member of this bar association, Roberto López Villatoro, used the new law to build coalitions outside the purview of the traditional economic elite. These coalitions helped select high court judges and changed the balance of power in the judicial system.

If the FRG was the face of Guatemala's bureaucratic elite, López Villatoro was the face of its emerging elite core. This group emerged during the import substitution period of the 1960s and 1970s. Initially, they made their money from non-traditional imports and exports. Later, they profited from privatization processes during the neoliberal reforms of the 1980s. Throughout, they used their government connections to garner favor and to secure public monies. And they eventually established important economic bases that crossed into new industries such as oil exploration and hydroelectric power.

For his part, López Villatoro made his money by selling "replica" tennis shoes and used tires from Asia, he told InSight Crime. His critics simply called these products contraband and started calling him "the Tennis Shoe King." These critics argue that he used his money and high-level influence in the government to facilitate his explosion in wealth and his burgeoning control of the judicial system. López Villatoro's allies included his brother, Julio César, who became a congressman, his then-father-in-law, Congress President Efraín Ríos Montt, and his then-wife, congresswoman Zury Ríos. The "first family of Congress," as they were often called in the press, illustrated an important fusion of interests between the emerging and the bureaucratic elites, another terrifying prospect for the traditional economic elites.

The upheaval in Guatemalan political and economic circles went beyond the Portillo administration and the FRG. In the late 1990s, Guatemala gave more power over public spending to the municipalities and states. The result was an explosion in small construction companies that sought to take advantage of their local connections and the economic opportunities that came with them: while there were 84 construction companies registered in 1998, by 2014, that number was over 2,000.¹⁵

Figure 2: Ortega Menaldo - Ríos Montt Network



These companies became an integral part of the country's political and criminal structures. Public works contracts are a means through which favors are traded, campaigns are financed and criminal money is laundered. This merry-go-round of back-scratching opened the way for the creation of new, often local political structures that are not dependent on the traditional economic powers for funding and are thus no longer beholden to them politically, another terrifying prospect for the traditional economic elites.

This spread of opportunity -- or as one former interior minister called it, this “democratization of corruption” -- extended to other parts of the government as well.¹⁶ Government bodies, such as Guatemala’s Social Security Institute, opened the door for the interests of the emerging and bureaucratic elites, some of them corrupt. In 2002, the board of the institute faced scrutiny due to a deal with a suspected drug trafficker to build housing for the elderly. The housing was never built, and the alleged trafficker escaped prosecution.¹⁷

The international community intervened in this complex cauldron of competing interests with varying degrees of success. In some respects, the international community serves as a sort of supra-elite, exerting economic, political and social control over various parts of Guatemalan society in ways similar to local elites. In other respects, the international community is a tool of the elites. With regards to justice issues, the two main players in this international community are the United States and the UN. And in the early 2000s, both were playing very active roles. The United States had decertified Guatemala for its failure to cooperate on counterdrug matters. Meanwhile, MINUGUA, the UN verification mission, was still in the country, monitoring the implementation of the peace accords.

There was also still talk of establishing a special “commission” to pursue human rights abusers connected to the government and parallel, clandestine networks involved in criminal activities and abuse. In 1999, the UN special rapporteur on the independence of judges had recommended the establishment of “an independent enforcement agency with powers to investigate complaints of corruption in public office.”¹⁸ And in 2002, a UN technical commission complained of the undue influence of the clandestine networks known as the CIACS.¹⁹

Cognizant of the country’s image and the importance of mending fences with the UN and the United States, Portillo assigned Edgar Gutiérrez, his most-able political operator, to deal with the issue. An economist and longtime human rights investigator, Gutiérrez was an integral part of Bishop Gerardi’s team that exposed the government’s central role in human rights abuses, torture and extrajudicial executions during the country’s civil war. He is also one of the country’s foremost authorities on organized crime.²⁰ Portillo tapped him to be the first head of a government civilian-run intelligence unit, and, despite protests and criticism from his long-time colleagues in the human rights community, Gutiérrez took the job.

Divorced from his former colleagues but not from his human rights and activist roots, Gutiérrez took up the fight for the CICIG when he became foreign minister in the later stages of the Portillo administration. During a lunch with José Miguel Vivanco, the head of the Americas division of Human Rights Watch, and President Portillo, the three

discussed the possibility of setting up a “commission” to eradicate the influence of the CIACS.²¹ The irony that the Cofradía -- the country’s principal CIACS -- was the beating heart of the administration, and its head -- Ortega Menaldo -- was a Portillo advisor did not come up, according to Gutiérrez. Instead, the three outlined the basic details of what would later be called the Commission for the Investigation of Illegal Groups and Clandestine Security Organizations (Comisión de Investigación de Cuerpos Ilegales y Aparatos Clandestinos de Seguridad - CICIACS).

Gutiérrez said he obtained the final signatures for the commission from the presidency and the UN just days before the end of the Portillo administration, but the proposal immediately ran into problems. Critics said that the agreement gave the commission the power to investigate criminal wrongdoing independently of the Guatemalan authorities, something that is against the country’s constitution. Gutiérrez disputed this claim, saying the opposition to the proposal was political, not legal.²² However, after the Constitutional Court rejected the proposal, it was a moot point. The CICIACS proposal had stalled.

CICIG: The “Reset Button”?

The person who picked up the CICIACS mantle following the Constitutional Court’s decision was newly elected Vice President Eduardo Stein. Like Gutiérrez, Stein’s allegiances are tough to untangle. Although he hails from a wealthy, elite family, Stein is seen as politically independent and forward thinking. To this day, he is still tapped to head up difficult national arbitration processes, such as a truth commission following the 2009 coup in neighboring Honduras. Stein was, in some ways, the personification of the Oscar Berger presidency (2004-2008). Berger said his government was a “business” administration, which may have been an understatement.

The imprint of business association CACIF on Berger’s government was unmistakable. Where the FRG party filled positions with ex-military officials, Berger filled them with businessmen. Among his most important appointments was naming Carlos Vielman as interior minister. Vielman is the son of a military colonel, from well-heeled, traditional elite stock. These traditional elites saw themselves as a modern, inclusive group that could reestablish order following the FRG debacle. What that meant in practice is still up for debate, and the question lies at the heart of this case study. Vielman, for instance, coordinated security matters closely with scions of wealthy families who sometimes employed foreign mercenaries to do their dirty work. Among those mercenaries was Victor Rivera Azuaje, a Venezuelan who would eventually play a key role in some of the Interior Ministry’s most infamous extrajudicial activities.

Stein and Vielman had known each other for years, and when Berger named Vielman to his cabinet, the vice president became a key ally in the establishment of what would eventually become the CICIG.²³ Stein consulted with the Constitutional Court and the Attorney General's Office (known as the Ministerio Público - MP, in Guatemala). Stein and Vielman also met with members of Congress and traveled together to Washington to drum up support for the commission from the US government. In addition, Stein brought in advisors from civil society, such as Helen Mack of the Fundación Myrna Mack, to help him reformulate the proposal so that it centered more on impunity and had a wider purview than just cases involving attacks on human rights defenders, journalists and prosecutors.²⁴

The proposal had its opponents. The FRG and many other parties were wary of the commission's mandate, which gave its objective as the CIACS. They felt, rightly so, that they were main targets. Members of CACIF were also fearful of the commission. The foreign minister, Jorge Briz, was openly against it, according to Stein²⁵; so was the then-attorney general, who saw it as a potential threat to his power. Nonetheless, most likened it to MINUGUA, an experiment that proved relatively harmless in their eyes. Stein told InSight Crime that few in the elites really understood the implications of the commission.²⁶

If the traditional economic elites had reservations, they were placated by the presence of Vielman in the process. There is some dispute about whether they saw the CICIG as a possible tool to use against their bureaucratic and emerging elite rivals. Renzo Rosal, who worked as a presidential adviser with the Berger government, said the administration saw it as a chance to hit "the reset button ... change the cassette."²⁷ They thought the CICIG, in other words, could help them return to a time when the traditional economic elites ran the country and used the military as their guardians. "It wasn't an elephant," he said referring to the CIACS and the previous governments, "This was a heard of elephants."²⁸

Stein, however, disputed this assertion. He said the elites close to the government took a more hands-off approach. They may not have thought the proposal was good, but they did not think it would affect them in any significant way. And in the best-case scenario, they thought that they might benefit. In either case, the presence of Vielman in the process calmed their nerves. "My principal ally was Carlos Vielman," Stein told InSight Crime.²⁹

Opponents of the measure got what they wanted when the commission's mandate was limited to two years. The entity was watered down further when the UN decided that it would not be a formal part of the multilateral body. Still, it had teeth. The commission would help "promote prosecution" and provide "technical assistance" to cases in

Guatemala. It would help fashion laws and provide “thematic reports” on matters of judicial and legal interest. It would also have the power to “initiate judicial proceedings” with “absolute functional independence.”³⁰

For elites like Vielman and his cohorts in the CACIF business association, the most important aspect was that the CIACS remained the stated objective of the commission. While the definition was broad, the bureaucratic and emerging elites were clearly the CICIG’s stated targets.

The fundamental objectives of this agreement are: To support, strengthen and assist institutions of the State of Guatemala responsible for investigating and prosecuting crimes allegedly committed in connection with the activities of illegal security forces and clandestine security organizations and any other criminal conduct related to these entities operating in the country, as well as identifying their structures, activities, modes of operation and sources of financing and promoting the dismantling of these organizations and the prosecution of individuals involved in their activities.³¹

The UN and the government signed the agreement in December 2006, but over the next several months, the government had a hard time getting Congress to act. Not surprisingly, Ríos Montt’s party, the FRG, which still held the reins of Congress, led efforts against the proposal. The effort to establish CICIG gained some momentum in February 2007, following the Parlacen murders and subsequent killings of the chief suspects. President Berger called on Congress to put the proposal on a fast track and, in a televised address to the country, said Guatemala’s enemy is the “crime that feeds off drug trafficking.”³² Other supporters included Otto Pérez Molina, a former general turned congressman and founder of the Patriotic Party (Partido Patriota - PP), a political movement on the rise.

But other members of Congress stonewalled Berger’s and subsequent proposals. Congressional leaders called for numerous extraordinary sessions to debate the matter, but they could not get a quorum.³³ Furious at the unwillingness to put it on the agenda, at one point a pro-CICIG legislator threw a plastic water bottle at the president of Congress.³⁴ Even after proponents managed to get it on the docket, things did not look good. Just weeks prior to the vote, the foreign relations commission, under the leadership of Ríos Montt’s daughter, Zury, recommended Congress reject the commission.³⁵

On August 1, 2007, the day of the vote, pressure continued. Police told the president of Congress that there was a bomb threat and that he should evacuate the building.³⁶ The president decided to hold the vote anyway, so Ríos Montt’s FRG party and other opponents stormed out of the session. European, UN and US diplomats also openly

lobbied for the accord. The US even threatened to suspend some economic cooperation with Guatemala should Congress reject the agreement.³⁷ (CICIG brinksmanship and US pressure would become an enduring pattern for the commission.) And with 110 votes in its favor, only just above the minimum it needed, the CICIG was finally born.

Round 1: Targeting the ‘Tennis Shoe King’

CICIG began functioning in September 2007, and dug into its various tasks. Among them were modernizing the laws on cooperating witnesses and putting a wiretapping law in place; helping the government to purge useless and possibly corrupt functionaries as well as police. However, what the Guatemalan people expected from the commission -- perhaps unfairly -- was for the CICIG to prosecute high profile cases, and on that aspect, it took several years for the commission to find its way.

The commission’s problems could be broken into two major categories. The first was actually selecting the cases that it would help the Attorney General’s Office to pursue; the second was getting convictions and making these convictions stick in Guatemala’s corrupt courts.

With regards to the first problem, CICIG had little trouble finding leads. Information arrived in abundance, as well as informants. However, sorting through this information and checking out the informants was an enormous job, and selecting priority cases from them was even more difficult. According to its 2009 annual report, the commission used “a process of inductive reasoning to determine, if it could or not, reach the parallel structures.”³⁸ But what this meant in practice was not clear. The cases the commission highlighted in the 2009 report, for example, involved everything from murder to embezzlement. They included cases against drug traffickers, police, and common criminals. Two cases were tied to the presidency, and two were closely linked to the CIACS. However, there was little to tie the cases together.

The man tasked with sorting through this morass of information and determining the CICIG’s priorities was the body’s first commissioner, Spanish magistrate Carlos Castresana (pictured). With vast experience in politically sensitive international prosecutions, Castresana cut a formidable figure. Before becoming the CICIG’s first commissioner, he crafted the case to go after Chile’s one-time dictator, Augusto Pinochet, as well as former Argentine military personnel for alleged human



rights violations. In his own country, Castresana had targeted the popular soccer club, Atlético de Madrid, for corruption.

For many, he was perfect for the job. In addition to his experience going after corruption and military figures, he understood the CICIG, in part because he had visited Guatemala and participated in the first efforts to create the CICIACS proposal. Hard working, confident -- often to a fault -- and tenacious, he imbued his staff with a sense of purpose and belief. “He had a tremendous capacity to work,” one of his former prosecutors told InSight Crime. “He had enormous clarity in what he was doing.”³⁹

But he also had his shortcomings. While he had worked on numerous high profile cases during his career, his stature often fell short of his ego. Perhaps the case that irked him the most was that of Pinochet. Three people who worked with Castresana said he spoke openly about not getting more credit for his role in the case. One former colleague said he also sought a higher post, such as the head of the prestigious International Criminal Court (ICC) in the Hague, and saw CICIG as a stepping stone.

In Guatemala, Castresana struggled to find solid ground, and his ego often rubbed people the wrong way both inside and outside of CICIG. The commissioner had little patience for incompetence and even less for bureaucracy. He compartmentalized information and streamlined cases through his office. When strong, competent prosecutors challenged him, he sidelined them. He refused to have a deputy, someone who might assist him in managing his relations with diplomats, politicians and elites alike.⁴⁰

Castresana also had problems with the UN. Since the CICIG was not technically a UN agency, anyone who worked for the commission would lose UN benefits and pension, making it nearly impossible to recruit personnel from within the UN. Once in the country, Castresana had to fundraise, hire security and find an office. To be sure, Castresana used this independence to his advantage as well, shunning multiple UN attempts to evaluate the commission’s progress and adherence to its mandate, among other matters.

It was in this regard that Castresana faced some of his most formidable difficulties. Although the CICIG’s mandate centered on CIACS -- and boogymen like former Gen. Ortega Menaldo were easily identifiable -- prosecuting these hidden powers was very difficult in practice. The task was made even harder by Guatemala’s antiquated laws, poorly educated administrative personnel, and poorly trained police and prosecutors. Castresana also had a hard time establishing working relationships with other judicial and security forces, who were not necessarily willing partners. And he had to figure out

how Guatemala worked beneath the surface, where the Ortega Menaldos were doing their dirty work.

For this last task, Castresana relied on an inner circle of confidants that he developed early in his time in Guatemala. Castresana interviewed over 300 people when he arrived in the country, but only a few of them would become regular sources. These included local human rights investigators and foreign diplomats, former and current government officials, and, of course, members of the elite. These elites ran the gamut. One of the most important of them was Helen Mack, the founder of the Myrna Mack Foundation. Although Mack is from a well-to-do landed family, she operates more as a member of the social and intellectual elite, helping to set the security and human rights agenda in the country due to her access to and influence on a wide variety of actors.⁴¹

An equally powerful voice with the commission was former Vice President Eduardo Stein, who remains an important member of the political elite. Stein ran interference for the commission as it tried to make inroads with government and diplomats, including US Ambassador Stephen McFarland.



The traditional economic elite's key representative was a lawyer named Alfonso Carrillo (pictured). Carrillo does not consider himself a member of the elite, but his firm, Carrillo y Asociados, is one of Guatemala's oldest and has long represented one of the leading families of the traditional elite.⁴² For his part, Carrillo has been an important political and business interlocutor for business association CACIF for decades.⁴³

Carrillo and Castresana developed a close relationship and eventually shared information as well as contacts. Carrillo, for instance, said that he introduced Castresana to traditional economic elites such as Dionisio Gutiérrez Mayorga of the chicken empire that includes the Pollo Campero fast food chain and food import business. In an interview with InSight Crime, Carrillo played down this networking,⁴⁴ but one former Carrillo y Asociados employee reported having attended dinners with Castresana, the company's boss and members of these elites.⁴⁵ It was, according to this former employee, a way for the elites to influence Castresana's agenda. "They were contextualizing him in accordance with their own interests," the former employee said.⁴⁶

Critics of Castresana say his relationship with Carrillo and his law firm went further than it should have and illustrated the commissioner's bias towards traditional economic elites. To be sure, Carrillo directly assisted with the commission's work.

Despite the fact that Carrillo's law firm specializes in mergers and acquisitions, some of its members were assigned to assist CICIG. For instance, the former Carrillo y Asociados employee said he and others from the firm investigated a government embezzlement case. (He said Castresana became furious when, after months of work, the investigators had not gathered the necessary proof to prosecute the case.)

Carrillo also helped CICIG with its second major problem: that of prosecuting the cases it helped bring to the courts. In its annual report in 2009, CICIG said it had opened 39 cases, but there were few convictions.⁴⁷ This was in part because of corruption in the courts. Even if the commission could successfully prosecute a case and win a conviction, appellate courts would overturn it. In order to get results, the commission decided it had to change the judges.

For that, the CICIG turned its attention to the little known -- and often ignored -- process of selecting Guatemala's high court judges. First, what are known as postulation commissions select the final candidates for the supreme and appellate courts, and then Congress selects the magistrates from those lists. The postulation commissions were designed to minimize political intrusion in the process. They were made up of law school deans, high court judges and bar association members. However, politics, and the corruption that often accompanied it, inevitably took over.⁴⁸ For example, law schools were founded just to gain votes in the commissions. The selection of the bar association representatives to the commissions became like political campaigns, complete with posters, T-shirts and flag-waving rallies. And judges named to the commissions got showered with consulting work and other perks.

Like other cases the CICIG would eventually tackle, the battle for the courts was as much about class warfare as it was about the criminal penetration of the state. The traditional economic elites had long controlled the high courts. But beginning in the early 2000s, Ríos Montt's FRG party and its judicial operator, Roberto López Villatoro, aka the "Tennis Shoe King," had begun manipulating the courts in their favor. They did this by investing in campaigns to elect their candidates to the bar association committees as well as recruiting law school deans into their fold, so they could use the deans' votes in the postulation commissions and get their judge candidates on the lists sent to Congress. By 2009, López Villatoro had become an independent broker working for emerging and bureaucratic elites, which included members of the Álvaro Colom administration (2008-2012) as well as members of the FRG.

With the help of Carrillo and others, the CICIG targeted the upstart lawyer. They had several investigators scour through López Villatoro's life, searching for suspicious or illicit transactions with judges, lawyers and prosecutors. They studied his tax records, his bills of lading and the government contracts that he had won, and looked at his

travel records and his extracurricular activities. They also investigated the postulation commissions and the judges that these commissions recommended to Congress to be selected as Supreme Court magistrates and appellate court judges. Carrillo was present throughout, in the CICIG's offices.

"I was never sure what his role was," Anibal Gutiérrez, the long-time political officer at the CICIG, said of Carrillo. "What I do know is that every day, or nearly every day, he was in the commission meeting with Castresana." Three former CICIG investigators confirmed the regular presence of Carrillo during this period.

To be fair, Carrillo was waging his own battle to clean the high courts, which included filing injunctions. He was also not the only outsider working with the CICIG. Others, such as Helen Mack, worked closely with the CICIG as it filtered candidates for the postulation commissions, and their subsequent recommendations for high court positions. But Anibal Gutierrez said that Mack's presence was distinct.

"Obviously no one can deny the importance of Helen [Mack] in Guatemala, and the weight that her word has in Guatemala is also clear," Gutiérrez explained. "In contrast to Carrillo, though, it seems to me that Helen's role was much more open, much more public, more direct because that's the way Helen is. So she did it in a way that was much more transparent, if you know what I mean."

Still, like Carrillo, Mack represented interests that went beyond her own or her organization's.

"When we think of Helen's role or her influence, we think of it as influence of Guatemalan NGOs (non-governmental organizations) in general, above all because they moved in a bloc," he said.

Some suggested that Castresana himself was unsure of whether the commission should even be engaged in the fight over the courts. This may have been related to the fact that the information the commission found on López Villatoro and the judges was neither criminal nor against the postulation commissions' policies. Much of it centered on incompetence and nepotism rather than criminal wrongdoing. But it was enough for Castresana, a master showman as well as judge, to organize a press conference to vilify six judges who had just been named to the Supreme Court, and to undercut López Villatoro and his upstart allies in the process.

"There is an investigation that is attempting to establish criminal responsibility of at least one person," Castresana said, a PowerPoint presentation glowing behind him.⁴⁹ "The businessman, Sergio Roberto López Villatoro."

Castresana then accused López Villatoro (pictured) of pulling the necessary strings to ensure that 26 of his picks -- out of a total of 54 -- sat on the postulation commissions that selected the final candidates for Guatemala's highest courts. "We don't think these are the isolated actions of this person," Castresana added. "These actions are coordinated with the interests of parallel structures."

Castresana said these "parallel structures" were illegal adoption rings, drug trafficking networks, military officials connected to human rights abuses, and corrupt politicians. López Villatoro, the Spanish judge insinuated, was engineering the courts for these criminal interests. Castresana said López Villatoro bought the favor of at least 11 judges and lawyers by paying for them to do post-graduate studies in Spain prior to the 2009 postulation commissions that selected the high court judges. Of these, three became members of the commissions, Castresana said; others became candidates for high-court posts.



Castresana also made references to "Terna X," a mysterious three-person coalition within the postulation commission for the Supreme Court. This coalition had engineered the voting to ensure the election of four of the six judges that the CICIG now accused of being "unsuitable," according to the commissioner. Castresana added that these Supreme Court judges were "tainted" by conflicts of interest and had issued questionable decisions regarding criminal and corruption cases; they lacked the "honor" that the posts required. Castresana offered nothing more, but the headlines -- and pressure from international as well as local civil society groups and elites -- proved powerful: a few days later, Congress removed three judges from their posts, in some cases without any investigative follow-up.

López Villatoro -- and some in President Álvaro Colom's government -- were devastated. López Villatoro filed a formal complaint to the human rights ombudsman's office (Procuraduría de Derechos Humanos - PDH), and attacked Castresana for working for the traditional elites. He went to the Attorney General's Office and offered to testify in any and all cases against him. Regarding the courses in Spain, he told the ombudsman that he, and several others, had pooled money to pay for the judges and lawyers because they were having trouble moving money into euros, a story he repeated to InSight Crime a few years later.⁵⁰

When InSight Crime asked López Villatoro about his coalition's alleged connection to criminal interests -- including illegal adoption rings, drug trafficking, those involved in human rights abuses during the war and corrupt politicians -- he said that he had

dealings with a lot of people, and that he could not control his coalition's interactions.⁵¹ Indeed, only one of the three judges removed had been linked to criminal interests; the other two were removed more for their lack of credentials and experience.

López Villatoro's analysis of the situation was that the traditional elites used Castresana to vilify him, and won. In the end, he said, the three "unsuitable" judges that were removed were replaced with pro-traditional elite judges cut from the same cloth as Alfonso Carrillo. Some supporters and critics of the CICIG agreed, including Carrillo and Mack.

"He was talked into it," López Villatoro said of Castresana. "His job was to take us out of the picture."

Still, others defended the results. In a cable from the US Embassy, Ambassador McFarland lauded the CICIG, and Castresana in particular, for his work. Ten of the thirteen magistrates that ended up on the court, the cable said, had not raised any red flags for either the commission or the embassy. "Getting a relatively clean court is of paramount importance for the rule of law in part because Guatemala's Supreme Court administers the entire court system, in addition to being the final judicial arbiter," Ambassador McFarland wrote. "Their [sic] appears to be little backlash against CICIG or the Embassy for their roles."⁵²

Carrillo also defended his role and the results of the commission's work.

"We didn't want to purge it," he said of the judicial system. "We wanted to improve it."⁵³

Round 2: 'The Provisional Truth'

On the morning of May 10, 2009, Rodrigo Rosenberg, a prominent, Harvard-educated lawyer, whose law firm represented traditional economic and emerging elites alike, got on his bicycle and took a slow Sunday ride in Guatemala's capital.⁵⁴ Rosenberg was distraught. His girlfriend, Marjorie Musa, who was the daughter of one of Rosenberg's clients, Khalil Musa, a prominent businessman, had been killed along with Khalil a month earlier in a grizzly gangland-style hit. After doing some digging, Rosenberg was sure that high-level officials in the Álvaro Colom administration had ordered the assassination, but he could not prove it.

Guatemala Elites and Organized Crime



Rosenberg (pictured) contemplated going public with his accusations, and some of his friends, including Jorge Briz, the former foreign minister and a leading member of the powerful CACIF business association, tried to dissuade him. Rosenberg also complained to a friend and client that he was a victim of extortion. He even gave the client, Luis Mendizábal, the phone number of those who he said were threatening him.

Sunday mornings are quiet in Guatemala City, and as Rosenberg pedaled through the empty streets, at least five vehicles subtly tracked his movements. After about five minutes, he stopped his bike, and sat on a grassy knoll by the side of the road. A couple of minutes later, a man walked up behind him and shot him in the head, neck and thorax, killing him.

News of Rosenberg's death reached the CICIG quickly, and commission investigators were on the scene within hours. The next day, while investigators continued to pore over the initial clues, Rosenberg's family and friends gathered for his funeral, where Luis Mendizábal, the friend who had taken the phone number of the alleged extortionists, began handing out a DVD to those in attendance, including the press. On the DVD was an explosive declaration from a solemn, formally dressed Rosenberg himself. Looking straight into the camera, he said "If you are listening or seeing this message, it is because I was killed by President Álvaro Colom."

In the 18-minute recording, Rosenberg also went on to accuse Colom, first lady Sandra Torres, and the president's chief of staff of murdering his girlfriend Marjorie and her father Khalil Musa, and of being part of a scheme to launder and embezzle money from various government entities such as Banco de Desarrollo Rural (Banrural), a cooperative bank for small farmers.⁵⁵

"At the end of the day, the story is the same we have lived through too much in Guatemala," he said, his sad eyes staring into the camera. "It's the same story that we have heard and repeated these last few years. And we Guatemalans, we don't do anything because there is nothing to do."

Just days after the assassination, President Colom asked the CICIG to take the case.⁵⁶ It was an act of desperation. The video had gone viral, and Colom knew protests would quickly follow. Within a week, thousands of marchers dressed in white -- a symbol, they said, of "purity" -- were calling the president a "murderer" and demanding his resignation.⁵⁷ Members of the traditional economic elites were helping to organize the marches. Some even called on Colom's vice president to join them, but he refused.⁵⁸

Rosenberg, on the other hand, was called a “hero” and a “martyr.” His haunting video was played over and over on local and international TV. His accusations were instantly considered credible, especially given the source: a respected lawyer to the elites who had been educated abroad. Even investigators at the CICIG at first accepted his version at face value.

The struggle between Colom and Rosenberg’s supporters was a form of class warfare. Colom was from a prominent family and had been part of the CACIF before becoming the head of a government agency, formed after the war, that sought to alleviate poverty in rural areas. But he was never close to the powerful core of the traditional, economic elites, and his relations were particularly tense with the group known as the “G8.”

The G8 was kind of an elite within the traditional economic elite. It included Juan Luis Bosch and Dionisio Gutiérrez Mayorga of the Gutiérrez-Bosch chicken empire; Juan Miguel Torrebiarte of the Banco Industrial; Rodrigo Tejada of the Castillo family’s beer conglomerate; and Fraterno Vila of one of the top sugar-producing families. It exerted incredible influence on political and economic policy. The G8 had direct access to the president, and, according to Colom’s former finance minister,⁵⁹ bullied him when he tried to modernize the antiquated and grossly unfair tax system that had favored the G8 and their cohorts in the CACIF for decades.⁶⁰

But the G8’s issues with Colom went beyond tax policy. After he was elected, Colom selected his own people to run the finance ministry, the tax collection agency, and the banking regulator, three government posts traditionally controlled by the CACIF. For her part, first lady Sandra Torres, with the help of her sister, began maneuvering to influence the selection of Supreme Court and appellate court magistrates, using similar methods to the Tennis Shoe King. The Colom administration, under the leadership of Torres, also shifted resources to fight rural poverty.

To be fair, the traditional economic elites had some valid grounds for griping about the administration. One of Colom’s top political operators was connected to organized crime.⁶¹ Torres’ sister allegedly had ties to long-time organized crime figures.⁶² And, as outlined by Rosenberg in his video, there were accusations of money laundering and embezzlement, especially as it related to Banrural.

The CICIG accepted Colom’s request for it to take the case, in the full understanding that it was both an opportunity and a huge risk. As noted, the commission was having trouble prosecuting cases, and even those it did prosecute often did not impress. One person working with the government on police reform pointed out that the criminal networks exposed through the commission’s work in those early days were already known and well documented. This person was more worried about the “parts that we

don't see or hear about," those CIACS members entrenched in mid-level government positions that are harder to detect and extract.⁶³ Another top-level security official echoed these sentiments.⁶⁴ The CICIG's job seemed to be as much about public relations as it was about crime fighting and structural reform. As its own representatives said at the time, their job was more about creating hope than bringing about real change.⁶⁵

The Rosenberg case offered the CICIG a chance to change this narrative, and Castresana knew it. He also understood that it threatened the legitimacy of the presidency. He assigned dozens of investigators to pore over hundreds of phone records, track car registration and license numbers, view surveillance video, triangulate phone calls and locate witnesses. The investigators assessed the crime scene, chased down leads in remote provinces, and soon began listening to the main suspects' phone conversations.

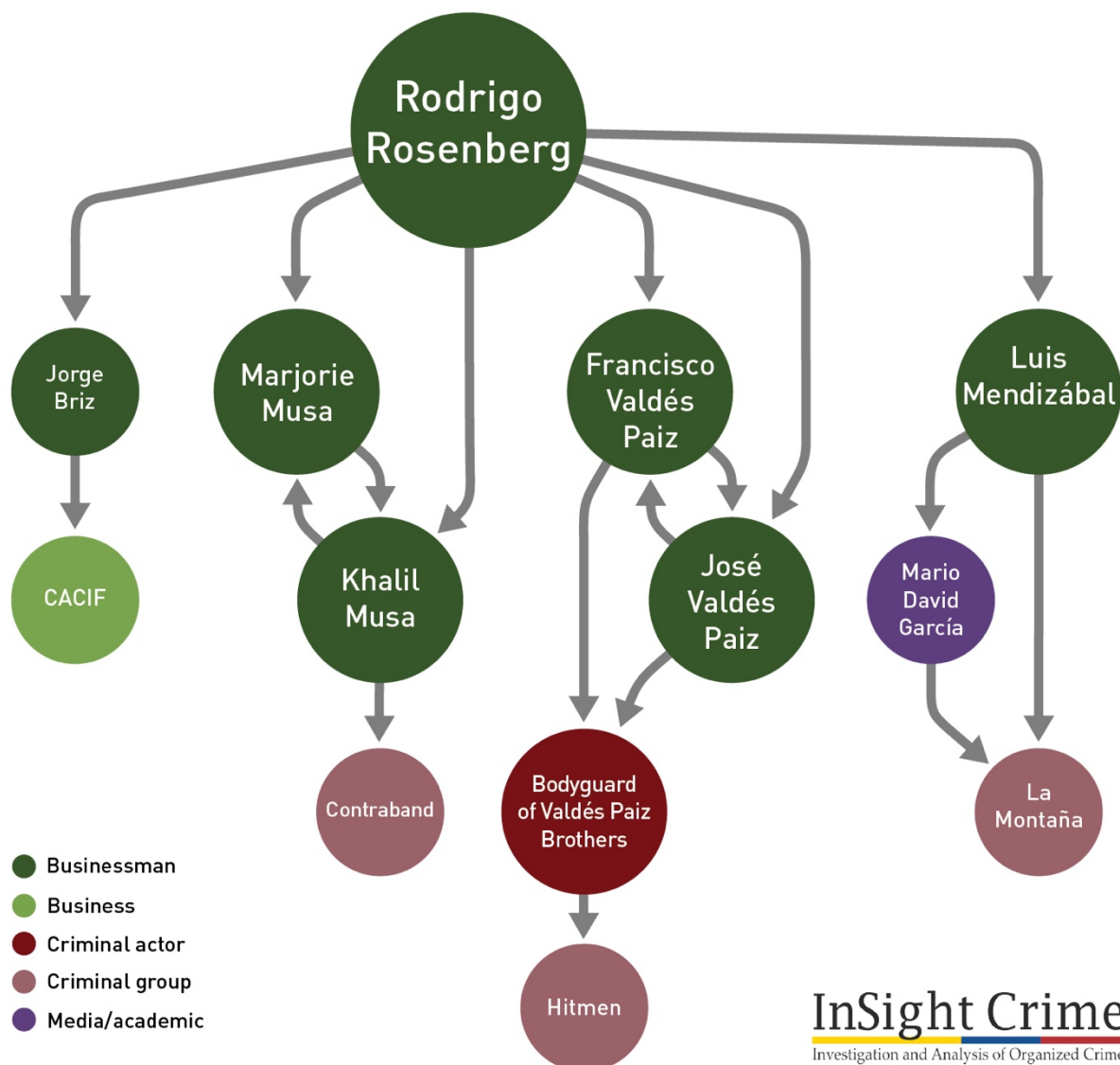
After a few months, a uniquely Guatemalan picture emerged revealing what looked like a conspiracy within a conspiracy. The CICIG kept these preliminary results restricted to a small circle of investigators until September 2009, when the authorities arrested ten suspects, who they said were members of a hit squad for hire that had perpetrated the crime. Several tense months passed, until the CICIG and the Attorney General's Office announced in January 2010 that they would hold a press conference to reveal who killed Rodrigo Rosenberg.

As Castresana took the stage on January 12, his ever-present PowerPoint presentation glowing behind him, the country stood still. The investigation into Rosenberg's death, he began, was "una verdad interina," or "a provisional truth," but one involving dozens of investigators from 11 countries, who had spent day and night unraveling this incredible tale. It hinged on Rosenberg's state of mind in the period after his girlfriend, Marjorie Musa, was killed along with her father, Castresana explained. Between that moment and the moment the assassin shot him dead, Rosenberg was distraught to the point of suicidal: he revised his will, started giving away valuable heirlooms, and readied a gravesite so he could lay in eternity next to his slain lover. Castresana also said Rosenberg made cryptic statements to friends in public and via email hinting that he could not continue his life without her.

Rosenberg was not just sad, but extremely frustrated, Castresana continued. Against the recommendations of his close friend Jorge Briz, the president of CACIF, Rosenberg prepared to make a public accusation against President Colom. Castresana said that Rosenberg's client, Luis Mendizábal, who had his own grievances with the government, helped put him in touch with a longtime journalist, Mario David García. García filmed Rosenberg's statement at the radio station where he was a popular right-wing host. They

copied the recording onto DVDs and got them ready for distribution in case something terrible happened to the lawyer.

Figure 3: Rosenberg Network



In early May, Rosenberg had sent his driver to buy four cell phones, two of which he kept, and two of which he sent to the cousins of his first wife, the brothers Francisco and José Valdés Paiz. As owners of a large pharmaceutical company, the Valdés Paiz brothers are part of the traditional economic elite. They were also close friends with Rosenberg. Unwittingly, Castresana said, the Valdés Paiz brothers put into motion the last part of what he called Rosenberg's plan. Rosenberg told the Valdés Paiz brothers that he was receiving extortion threats and that he needed their help to kill the person

behind the threats. The brothers asked their bodyguard to find someone to do the job, which he did.

On the morning of May 10, just before he began peddling down the quiet streets of Guatemala City, Rosenberg called the leader of the hit squad and said that the extortionist was leaving his home. The leader of the hit squad -- which Castresana called “professional” and “businesslike” -- communicated with his team, who were already patrolling the area in multiple vehicles. The vehicles tracked the target, and a lone gunman made his way to the grassy knoll where he shot and killed Rosenberg.

In other words, Castresana concluded, Rosenberg had engineered his own assassination -- a kind of Guatemalan-style political suicide -- in order to destroy President Colom.

“Who planned this deed?” Castresana asked the hushed audience. “Well, we have to conclude that it was Rodrigo Rosenberg himself.”

The impressive investigation -- and Castresana’s riveting performance -- saved the Colom government.

“You have gone above and beyond,” Colom later told the Spanish magistrate, “because your mandate was not to save democracy.”⁶⁶

However, the complicated case also revealed just how difficult it was for the CICIG to avoid becoming another pawn in Guatemala’s dangerous game of thrones. There were numerous interests in play -- those of the traditional, emerging, and bureaucratic elites among them -- and mountains of money at stake.

For starters, Khalil Musa, the father of Rosenberg’s girlfriend, Marjorie, was from a prominent family in the emerging elite. Rosenberg believed that Khalil’s assassination was related to an invitation he had received to join Banrural’s board of directors. The bank had become an extremely lucrative and powerful entity, perhaps even important enough to attract the attention of traditional moneyed elites, whose fortunes were diving with the US stock market at the time, and who were promulgating rumors about the bank’s alleged nefarious activities, according to several accounts.⁶⁷

In his video, Rosenberg ignored this issue. Instead, he argued that Musa’s “clean” approach came in conflict with the alleged corrupt Banrural schemes engineered by the emerging elites. But when the CICIG investigated the Musa case, they did not find any evidence of Banrural’s connection to the murder of the Musas, or enough evidence to bring a case against the bank for corruption or money laundering. They did find, however, that Musa’s connections to a dangerous contraband network may have been

behind the attack.⁶⁸ In every scenario, Musa's daughter, Marjorie, appeared to be collateral damage.

Unpacking other layers of this case also revealed how CICIG may have missed an opportunity to upend a powerful CIACS. Luis Mendizábal, the man who handed out DVDs at Rosenberg's funeral, was a key CICIG informant in the case, and many of those interviewed by InSight Crime said that Mendizábal was manipulating the commission. This would not be out of character. Mendizábal was a classic Machiavellian in the Guatemalan style -- part tailor, part coup-plotter and part crime fighter. Intelligence documents that InSight Crime obtained from Salvadoran officials connect Mendizábal to clandestine right-wing political networks across the region dating back to the 1980s. He was also connected to a mysterious CIACS group, which called itself the "Los Oficiales de la Montaña," (Officials of the Mountain) or La Montaña, which had participated in two attempts to overthrow Guatemala's civilian government in the late 1980s.

In the late 1990s, Mendizábal used the office behind his boutique clothing store to meet with political officials, and former and current military officers. Dubbed -- appropriately -- "La Oficinita," he and several cohorts, some of them ex-military intelligence officials, did everything from resolving kidnapping cases to undermining judicial investigations against active and retired military personnel. Rosenberg was Mendizábal's lawyer, and was helping him fight the decision by the Colom administration to give a lucrative government contract to a rival bidder. For his part, Mendizábal was acting as Rosenberg's handler in his personal investigation of the murder of his lover and was feeding Rosenberg information about the supposed conspiracy fostered at Banrural.

The CICIG, and Castresana in particular, were criticized for not pursuing these lines of investigation, which many believed led to the real source of the destabilization plot at the heart of the Rosenberg case: bureaucratic elites -- possibly remnants of the La Montaña -- who sought to unseat President Colom. During the press conference, Castresana said that Mendizábal was a key witness in the reconstruction of the events leading up to Rosenberg's death, but insisted that the shadowy Mendizábal "is not a friend of the commission or the Attorney General's Office."

When asked about the existence of a plot to overthrow Colom, Castresana was emphatic. "From what we know, the answer is a resounding no," he said. "We believe the evidence shows that Rodrigo Rosenberg was acting alone. Let me reiterate: he was not part of a conspiracy."

For their part, the traditional economic elites were furious at the results of the Rosenberg investigation. Not only did Colom remain in power -- and was arguably

strengthened by the results -- the case left some members of the elite exposed as employers of assassins.

“An objective study of the crime scene takes us from Rodrigo Rosenberg to the Valdés Paiz brothers,” Castresana declared. “An objective study of the circumstances surrounding the victim takes us from Rodrigo Rosenberg to the Valdés Paiz brothers. And when we asked the ten people who have been arrested, they all confirmed that the people who requested the job be carried out were the Valdés Paiz brothers, and no one else. No politician. No minister. No police chief. No police lieutenant. No one. Only these brothers.”

But in the end, Castresana’s “verdad interina” remained just that: provisional. The Valdés Paiz brothers eventually turned themselves in to the authorities, but were released on bail, and the case remains mired in legal challenges from their lawyers. The other cases the Rosenberg investigation had set into motion also stalled, including the Banrural corruption case and the Musa double homicide. No one seemed satisfied, and Castresana’s list of detractors grew. And while the case saved the presidency, the wheels of the Guatemalan elite’s retribution against Castresana himself were beginning to turn.

Round 3: Chasing the Ghost of Ortega Menaldo

Just days after Castresana’s theatrical revelation about Rosenberg’s suicide-murder, the CICIG arrested former Guatemalan President Alfonso Portillo on corruption charges. It was one of a series of arrests Guatemalan authorities would make during 2009 and early 2010 for a case the Attorney General’s Office had built against the ex-president and several of his top administrators for embezzling money from the Defense Ministry’s pension funds. Simultaneously, the US released an indictment against Portillo on money laundering charges, and requested his extradition.

The case further complicated Castresana’s life. On the surface, it seemed to involve the CIACS, specifically the country’s most powerful CIACS group, Cofradía, and its head, retired Gen. Francisco Ortega Menaldo. It also involved a former president, something that represented a particularly powerful feather in Castresana’s cap.

However, it was also what one UN official called “a garden-variety corruption case.”⁶⁹ What’s more, the Portillo case was part of a longstanding vendetta between the various elites. The families who traditionally controlled the poultry, cement and beer industries -- the famous G8 -- were still seething about the Portillo administration’s moves to open those sectors to competition and to subject them to higher taxes. And numerous critics of Castresana told InSight Crime that the commissioner pushed the

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Portillo case because of his close connections to members of the elite such as Dionisio Gutiérrez Mayorga and his cousin, Juan Luis Bosch.

Of these two, it is Gutiérrez Mayorga (pictured) who is more frequently cited as trying to influence Castresana. Gutiérrez Mayorga is a symbol of the traditional elites and a public figure. In addition to his high profile relationship with the Pollo Campero chicken business, Gutiérrez Mayorga had a television program -- “Libre Encuentro” (Open Encounter) -- and many said that he aspired to be president. His high profile made him the face of the G8 and

brought him into direct conflict with his enemies. In 2003, when Ríos Montt’s supporters flooded Guatemala City to protest a court decision to exclude the former general from the presidential elections, close to a thousand supporters of Ríos Montt’s FRG party forcibly occupied one of Gutiérrez Mayorga’s office buildings.⁷⁰ Gutiérrez Mayorga told InSight Crime that he was personally audited 16 times during the Portillo presidency.⁷¹ “They even looked under my rug,” he said of the government auditors.⁷²

Castresana’s supposed relationship with Gutiérrez Mayorga is the subject of wild speculation and rumors. Some -- such as a former CICIG prosecutor named Gisèle Rivera -- told InSight Crime that Castresana traveled in a Gutiérrez Mayorga-owned helicopter to a remote island to vacation.⁷³ She claimed that Castresana also took special care to make sure the traditional elites were informed of the progress in the Portillo case and to seek their counsel; she told InSight Crime that the commissioner gave at least one private presentation about the case at Gutiérrez Mayorga’s residence for a group of members of the elite.

However, in an interview with InSight Crime, Gutiérrez Mayorga said he had met Castresana only twice in private settings, and twice to interview him for his television program. Neither meeting involved helicopters or vacation islands, he said. Others, such as Alfonso Carrillo, who said he had introduced the two men, also played down any friendship they may have had, saying that Castresana’s interactions with Gutiérrez Mayorga were about securing long-term support for the CICIG.

To be sure, numerous ex-commission members scoffed at the idea that Castresana could be manipulated, much less succumb to undo influence. Castresana, who declined to speak publicly about any of these matters, was astute enough to understand the political implications of any relationship he had with elites, politicians or members of civil society, according to these former colleagues. What’s more, Castresana was keenly

aware of the political implications of the Portillo case -- and others -- and sought to publicly distance himself from these elites for fear he would be accused of tampering.

“This isn’t a pure corruption case. Nor is it political persecution,” Castresana told Gutiérrez Mayorga on his television program *Libre Encuentro* in July 2009. “It’s a case about criminal conduct committed by a clandestine structure that needs to be dismantled.”

But Gutiérrez Mayorga was also an adept operator, who understands that anything he does can be interpreted as influence peddling, or worse. He prefers to work through intermediaries, often lawyers like Alfonso Carrillo, the CACIF’s unofficial interlocutor with Castresana. To be sure, one former Attorney General’s Office official said that it was Carrillo who pushed the Portillo case and possibly a Carrillo-related law firm in the US that helped US prosecutors build their case in that country. For his part, Carrillo denied he had any such influence on Castresana.

“He was very prudent,” Carrillo told InSight Crime. “Carlos never aligned himself with anyone.”

Yet the criticism persisted, in part because of how flawed the Portillo case itself was. In addition to the doubts expressed by the UN official about it being a “garden-variety corruption case,” three former CICIG investigators told InSight Crime the case was very “weak” in judicial terms, leaving it open to manipulation from the deeply corrupt judicial system that was wary of prosecuting a former president in the first place. In these former CICIG investigators’ estimation, the commission should never have assumed the case nor pushed for it. The results seemed to confirm these sentiments.

In 2008, after a four-year battle that finally secured Portillo’s extradition from Mexico back to Guatemala, a judge released him on bail. In 2009, another judge ruled that the CICIG could not assist the Attorney General’s Office. Castresana appealed the decision and won, but the problems continued. The commission had trouble securing cooperating witnesses for the case and getting proof of the CIACS participation in the scheme, particularly that of Ortega Menaldo.

By mid-2010, although the CICIG had arrested Portillo’s finance and defense ministers, Ortega Menaldo seemed to have escaped yet again. And in early 2011, the court found Portillo and his two former ministers not guilty.⁷⁴ Portillo walked out of the court with a huge smile. Portillo was later extradited to the United States where he was tried on money laundering charges and served but two years in jail. He has since returned and remains a prominent political figure in Guatemala.

In the interim, a nefarious campaign had begun to force Castresana from his post. At the UN and in public forums, rumors swirled about an extramarital affair. The smear campaign smelled of military intelligence, but it may have also involved the traditional economic elites, who had by then completely turned on Castresana when they found out that one of their own -- Carlos Vielman -- was the target of a CICIG investigation.

Round 4: The Case of Carlos Vielman

On April 1, 2008, a Costa Rican prosecutor named Gisèle Rivera arrived in Guatemala to work with the CICIG. Rivera had studied in France, and had prosecuted numerous corruption and organized crime cases in her native land under the watchful eye of Costa Rican Attorney General Francisco Dall’Anese, who recommended she take the job in Guatemala. Her work had gotten her in trouble: she had received death threats, she would later tell a newspaper; she was tired of having police escorts in Costa Rica and was feeling “very alone.”⁷⁵ But Rivera was not one to slow down. Her gumption would be an asset as well as a liability at the CICIG.

A week after Rivera took the job, gunmen intercepted Victor Rivera Azuaje -- the Venezuelan security consultant who, until a week earlier, worked at the Interior Ministry -- and his assistant, María del Rosario Melgar, after they had left a restaurant. The assassins pumped 12 bullets into his car, eight of which hit Rivera Azuaje, killing him on the spot. Melgar was hit in the shoulder with an errant shot but was otherwise unharmed. Castresana put Gisèle Rivera on the case. It would be her first chance to peek into the dark underworld of elite-criminal networks in Guatemala. Rivera Azuaje, his work at the ministry, and his former boss, Carlos Vielman, would become her obsession and lead to trouble on both a personal and a professional level.

Rivera’s doggedness immediately clashed with Guatemalan prosecutors’ obstructionism. At first, the local investigators denied Rivera access to the case file and refused her request to re-enact the crime. They edited out sections of security camera video of the murder, and showed up unexpectedly when she went to search Rivera Azuaje’s private office. When the CICIG finally got access to the key witness of the crime, Rivera Azuaje’s assistant, Melgar, Guatemalan investigators were there, cutting parts of the interrogation short and permitting the witness to evade tough questions after she gave seemingly contradictory answers. When CICIG sought Melgar for further questioning, they were surprised to find that the head of the homicide unit, Álvaro Matus, had arranged for her to leave the country.⁷⁶ Even more surprising, Matus had permitted Melgar to clean out her murdered boss’ filing cabinets.

The Rivera murder case was the beginning of three-year long odyssey for Gisèle Rivera that brought her into the belly of the Guatemalan beast. The CICIG later picked up the

Parlacen case -- the murders of Salvadoran members of the Central American Parliament -- and the case of the subsequent murders of the suspects in the Boquerón prison. The CICIG also started investigating the 2005 murders of six men who had escaped a prison known as the Infiernito, and the 2006 murder of seven men inside a prison known as Pavón.

At first, the CICIG investigators did not realize these cases were connected. This was due to the way that Castresana had compartmentalized the information and the cases the commission was managing. But with time, and more than a few lunches together, the investigators realized that all of these cases were linked to Victor Rivera Azuaje and his boss at the Interior Ministry, Carlos Vielman.

Rivera Azuaje had a long history of working in shadowy, partially sanctioned operations like the one he was operating under the Interior Ministry's umbrella at the time of his assassination. In the 1980s, at the behest of the Christian Democratic Party in Venezuela, he went to help work with Christian Democratic Party presidents who were then in power in Guatemala and El Salvador. There are some⁷⁷ who suggest that, at the time, he worked alongside Cuban and US operatives who were supporting right-wing efforts to fight leftist guerrillas in El Salvador and beyond. Rivera Azuaje left Central America after a short time but returned to El Salvador in the 1990s and again worked in an unofficial capacity, this time helping the government to resolve kidnapping cases.⁷⁸

In the late 1990s, after Rivera Azuaje was implicated in the death of a kidnapping victim in El Salvador, he moved to Guatemala. There, he again worked with the government in an unofficial capacity and with the financial support of business association CACIF.⁷⁹ Rivera also supported other elites, such as Adela de Torrebiarte,⁸⁰ who had established "Madres Angustiadas," an organization dedicated to fighting kidnapping in Guatemala. She was from a prominent and politically-connected business family that had suffered at the hands of kidnappers. Her brother-in-law is Juan Miguel Torrebiarte, the head of the Banco Industrial and a member of the G8, the elite-within-the-elite. She would later become minister of the interior.⁸¹

When Carlos Vielman (pictured) was named interior minister under President Berger in 2004, the ministry hired Rivera Azuaje as a special consultant. In the ministry, Rivera Azuaje formed his own team of investigators -- most of them policemen -- whose job it was to resolve kidnappings and bank robberies. This team got access to all the resources and intelligence it needed. It was schooled in the telecommunications system and given exclusive information about where things such as pay phones and cellular antennas were.⁸² The team



became known as the “Riveritas.” Rivera Azuaje and his Riveritas were highly effective, and Vielman praised him for his work after he came under some scrutiny for possible involvement in extrajudicial executions.

“The advisor ... has resolved more than 500 kidnapping cases, more than 90 robberies of banks and other financial operations, has testified as an investigator in 800 court cases ... They are trying to destroy a [security] structure that has broken up kidnapping and bank robbery rings,” Vielman told journalists in 2007.⁸³

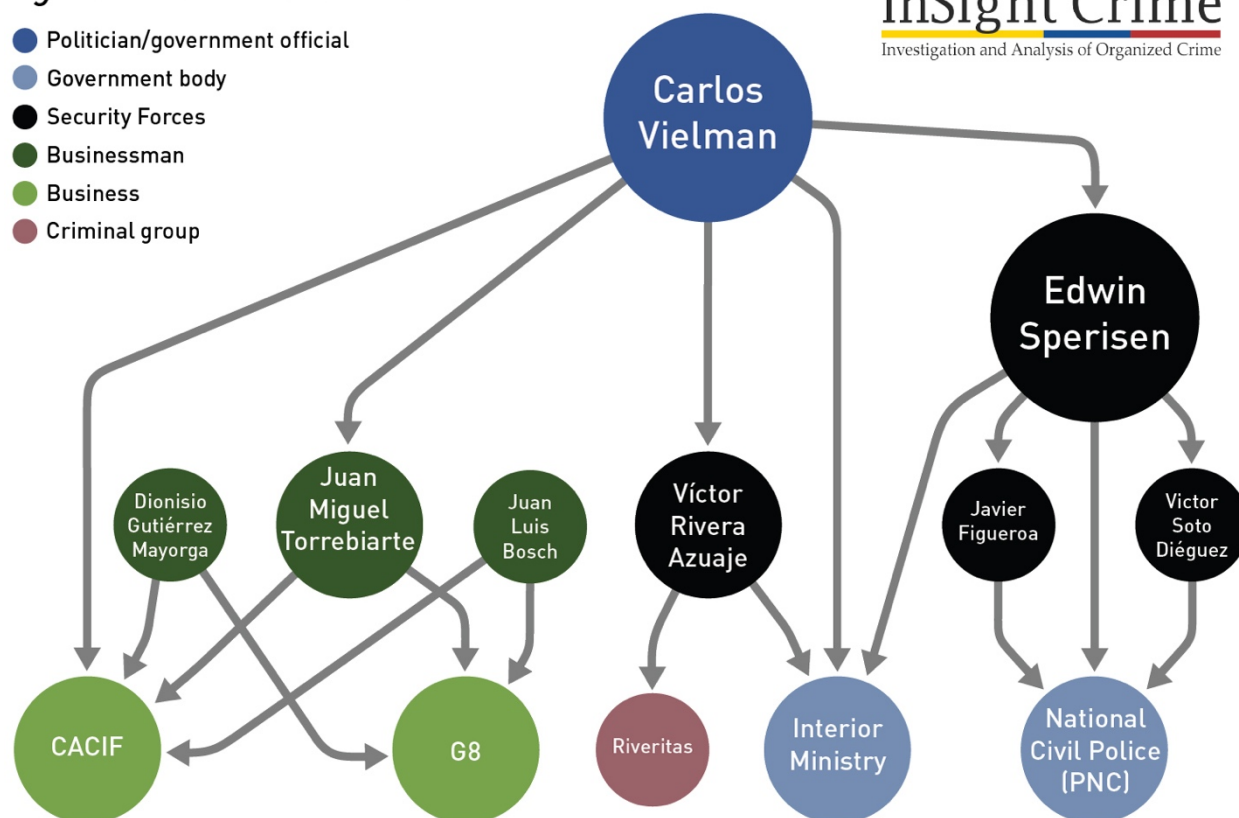
However, by November 2008, Gisèle Rivera and other investigators believed that Victor Rivera Azuaje and his team did much more than resolve kidnappings and bank robberies. In the Infiernito case, CICIG investigators discovered that the Riveritas had summarily executed the escaped convicts. In the Pavón case, investigators found that the police and military had entered the prison, where police had again executed the prisoners. And in Boquerón, witnesses told the commission that Rivera and his team had entered the prison and again executed the suspects, perhaps to cover up the fact that they had stolen \$5 million in cash from the Parlacen representatives who were killed in February 2007.

The testimonies, analysis of telephone calls, videos, photographs, official documents and other evidence painted a picture of something that began as an experiment in social cleansing with the Infiernito case; evolved into an attempt to take advantage of criminal operations with the Pavón case; and culminated in a full-fledged criminal organization with the Parlacen and Boquerón cases. That organization, Gisèle Rivera and others in the CICIG said, included police chief Erwin Sperisen, deputy director of investigations Javier Figueroa, director of investigations Víctor Soto Diéguez, and, of course, Victor Rivera Azuaje. Some of the witnesses and police who had worked with Victor Rivera Azuaje said these operations were carried out with the knowledge of then-Minister Carlos Vielman. As Gisèle Rivera wrote in a January 13, 2009, memo addressed to Castresana:

The investigative group believes that the CICIG should move to establish that Carlos Vielman, Javier Figueroa, Erwin Sperisen, Victor Rivera and Victor Soto Diéguez, acted as an organized crime group; that, using the powers they had, they could camouflage their criminal activities, which included social cleansing; assassinations; drug trafficking; money laundering; kidnapping; extortion; theft of illegal drugs; among others -- all with the goal of economic benefit for themselves. These activities all took place during the Oscar Berger administration, between 2004 and 2008.⁸⁴

The implications for CICIG were tremendous. Vielman, a member of the traditional elite who had been director of the Chamber of Industry, an affiliate of CACIF, and who had lobbied for the creation of the commission, was suddenly a prime suspect in a series of explosive cases that involved extrajudicial executions, kidnapping, drug trafficking, money laundering and more.

Figure 4: Carlos Vielman Network



Over the next several months, the Costa Rican prosecutor wrote seven more memos to Castresana mentioning one or more of these cases. In a July 2009 memo, she recommended that the CICIG present the Parlacen and Pavón cases to the courts.⁸⁵ In an August 2009 memo, she reiterated this recommendation.⁸⁶ In other memos, she simply stated the hypotheses of the cases and recommended next steps for the commission to take. In numerous memos, she complained that the CICIG was not providing enough protection to the witnesses -- which included police deputy director of investigations Javier Figueroa and others who had participated directly as part of, or with, the Riveritas -- and exhorted the commission to make use of their evidence, especially as they appeared to be getting assassinated.⁸⁷ In all these memos, the underlying message was the same: the CICIG needs to take action.

“To comply with the mandate of the CICIG, which requires it to identify criminal groups that are enmeshed in the state, we are obliged to look at the modality of this group, how it was structured -- from the moment it appears like a structure and how these individuals can be connected to a criminal group,” Rivera wrote in her January 2009 memo.

However, Castresana refused, and by November that year Rivera was exasperated, and starting to complain publicly that Castresana and the other CICIG higher-ups were not listening to her. Rivera said that they were also breaking agreements with potential witnesses and collaborators in the case, including Figueroa, and putting them in danger. Simply put, she believed Castresana was obstructing justice.

“Having identified the members of this structure ... would generate a huge problem for Castresana because he did not want these cases presented to the courts,” she would say in a written statement in 2012. “He started to obstruct the investigation; to say that we didn’t have proof and to say that we would not do any deals with those who had provided vital testimony because they were part of the structure. He even wanted to use their testimonies against them, in spite of the fact they were ready to comply with the deals. But Castresana was not.”⁸⁸

The Pavón prison raid was the case that most clearly implicated Vielman directly. The minister was at the prison when authorities retook it and seven prisoners were killed. The evidence indicated that the authorities had extrajudicially executed the inmates. But the CICIG, under Castresana, did not present the Pavón case. They also stayed away from the Parlacen and Infiernito cases during Castresana’s period.

Why Castresana refrained from making a formal accusation against the Vielman network in all these cases is not clear. He has never spoken about it publicly, leaving his motives open to interpretation. Most Castresana critics, like Gisèle Rivera, clung to the rumors about Castresana’s relationship with Gutiérrez Mayorga, and, to a lesser extent, Castresana’s relationship with Gutiérrez Mayorga’s cousin, Juan Luis Bosch. The exact nature of these relationships is hard to characterize, much less corroborate.

Gisèle Rivera says it was a “pact,” something to allow for Vielman to obtain Spanish citizenship and flee the country before his prosecution in the Pavón case. There is no evidence to support this claim, and the case was presented shortly after Castresana left the CICIG, leaving the impression that he left it prepared and ready to go. By then, Vielman was in Spain, Castresana critics point out.

Gisèle Rivera added that Gutiérrez Mayorga’s connection to the case was more than mere loyalty to class interests and his elite friend, Vielman. It was operational.

Specifically, she said that Gutiérrez Mayorga employed Rivera Azuaje. Rivera Azuaje did work with CACIF members for years, and he had an office in one of the Gutiérrez Mayorga office buildings. However, no investigation or government document that InSight Crime found establishes any connection between Rivera Azuaje's alleged criminal activities and Gutiérrez Mayorga or his businesses. In the interview with InSight Crime, Gutiérrez Mayorga said he barely knew Rivera, and even said he did not recall his nationality.

Castresana's critics also ignore the numerous other logical reasons to refrain from launching these cases during 2009, the period in which Gisèle Rivera was furiously writing her memos. For one, CICIG was tied up with the Rosenberg and the Portillo cases. The investigations depleted the commission's resources and required it to expend huge amounts of political capital obtaining evidence and cooperation from authorities. There were political considerations as well. The CICIG, already battling various elite groups including the bureaucratic and emerging elites from the FRG party, could ill afford to open up another front.

Finally, Castresana's defenders say the case simply may not have been ready. As opposed to the Rosenberg case, which relied on telephone records and other forensic evidence, the Vielman-related cases relied heavily on witness accounts. Securing witnesses was difficult, especially since the government was still struggling to set up its witness protection program and key sources like Rivera Azuaje were getting killed. Relying on witness testimony was not a sound strategy when going after an ex-minister from the country's elite.

But here again, there is a dispute, especially as it relates to the Pavón case. The key piece of forensic evidence investigators obtained to make the Pavón case was a video, from which they could extract photographs of the seven victims who had supposedly taken part in a riot and shot at police before getting killed themselves in what the police said was a gun fight. However, the pictures showed at least one of the prisoners who was later assassinated exiting the prison into a courtyard -- not battling with police at the end of a gun, as the police had testified. This prisoner, who was a leader of the group that had taken control of the jail, was later found shot dead in another part of the prison with a gun next to him.

Castresana defenders say CICIG got the video in early 2010, after Gisèle Rivera had left the CICIG. Gisèle Rivera says she obtained the video in March 2009, during a visit to Colombia. There she met with family members of one of the victims who passed her the video. Internal records obtained by InSight Crime do show that Rivera requested to travel to Colombia in early 2009, as part of this investigation.

The she-said-he-said nature of this case became even more complicated after Gisèle Rivera had legal problems of her own, giving rise to strong doubts about her recounting of the facts in the case, her interpretation of Castresana's motives and her own motives for speaking out publicly. In December 2009, unbeknownst to the CICIG, she and another commission investigator met with Stefano Figueroa -- the brother of former police deputy director of investigations Javier Figueroa -- to discuss his defense strategy. Following the Parlacen and Boquerón murders, Figueroa fled to Austria, where Rivera and another investigator interviewed him. In Austria, Figueroa painted himself as an innocent bystander to a series of murders and other crimes committed by his police colleagues.

Back in Guatemala City, Gisèle Rivera and the CICIG investigator who accompanied her talked with the Figueroa family about how to protect Javier. She had allegedly withheld the Austria interview from CICIG on the grounds that the commission had not honored its agreement with him to be a collaborating witness; she also allegedly ignored evidence that pointed to him as one of the culprits of the Pavón killings. Days later, Rivera resigned from the CICIG, but she kept in touch with Javier Figueroa. In June 2010, the two talked on the phone. (The Figuerosas taped the December 2009 meeting and the June 2010 phone conversation). During the phone conversation, Rivera reiterated that she had withheld his testimony from the commission, which she said had made Castresana angry.

"[Castresana] used to go and talk to tons of people," she told Figueroa. "He said that...I wanted to forgive you and not do anything."

The Attorney General's Office seized the recordings when its staff arrested Stefano for his participation in the alleged activities of his brother, Javier. Prosecutors used them as evidence in a case they eventually brought against Rivera and the CICIG investigator who accompanied her to the meeting with the Figueroa family for obstruction of justice. In November 2011, Rivera's old boss, Francisco Dall'Anese, who eventually took over for Castresana as the head of the CICIG, withdrew her immunity. She told InSight Crime in 2013 that they had not spoken since. Her movements restricted due to the obstruction of justice case, Rivera was back in Costa Rica.

Round 5: 'You Have to Know When to Leave'

By the beginning of 2010, Castresana had a long list of enemies that read like a "Who's Who" of Guatemalan power brokers: bureaucratic elites from the CIACS such as former Gen. Francisco Ortega Menaldo; emerging and political elites like lobbyist Roberto López Villatoro and ex-President Alfonso Portillo; and economic elites like the Valdés

Paiz brothers and former Interior Minister Carlos Vielman. The commissioner was wearing out his welcome.

Some of these elites tried to apply direct pressure on the government to put the breaks on the commissioner. When word spread about the CICIG's cases against Vielman and his former security teams, former President Colom told InSight Crime that Vielman himself visited him at his Guatemala City residence and demanded to know why he was under investigation. The former minister was accompanied by Juan Luis Bosch, cousin of Dionisio Gutiérrez Mayorga, and Fraterno Vila, of the powerful coffee, sugar and banking clan, Colom said. Colom told InSight Crime he responded by getting Castresana on the telephone. Castresana, according to Colom, told these elites that it was not Colom who was investigating Vielman, but the CICIG.

Others used the media to attack the CICIG. In an editorial published in *elPeriódico*, ex Foreign Minister Edgar Gutiérrez -- formerly one of the strongest advocates of the commission, but also a loyal backer of ex-President Portillo -- compared the CICIG to a mosquito that "flies above and makes annoying noises that those within its orbit can hear. Every once in a while it points (although extracts little blood), but at the half-way point of his mandate, most of the cases are only getting half-way (without sentences)"; he added that the commission was going after "sardines," while leaving the "sharks" to feast on the Guatemalan state.⁸⁹ This column, and others that he would write, were directed more at Castresana than the CICIG, which he says he has always supported.

Columnists and university professors joined the chorus. Among them was Pedro Trujillo, a former lieutenant colonel in the Spanish military who had worked with MINUGUA and is head of the political science department at the traditionally conservative (and closely connected to the economic elite) Francisco Marroquín University (Universidad Francisco Marroquín - UFM).⁹⁰ In his columns, published in the most widely-read periodical, *Prensa Libre*, Trujillo argued that the CICIG under Castresana was superfluous, ineffective and hypocritical. "What does the CICIG do that local investigators can't do?" he asked in an April 2010 column. "Absolutely nothing."⁹¹

For her part, Marta Yolanda Díaz-Durán, a columnist at the *Siglo 21* newspaper, a radio personality and also a professor at UFM, focused on what she called the "reasonable doubts" of the Rosenberg case. She argued that Castresana should have never made the case public while it was not resolved. "The truth is never provisional," she wrote in an April 2010 column, referring to Castresana's famous "verdad interina" comment in the Rosenberg press conference. "If the premise or the proposition presented does not have sufficient evidence (or is not proven beyond a reasonable doubt) it was, and will ALWAYS be false."⁹²

Later, she broadened her critique: “What many of the actions taken by the CICIG under Castresana’s leadership did was weaken the little institutional strength that was left in this country and almost destroyed the right to due process and its central premise: the presumption of innocence,” she wrote a few months later.⁹³

Castresana’s critics were not limited to pundits and academics. In March 2010, several former CICIG investigators penned a formal letter to the UN denouncing the commissioner. “The commissioner of the CICIG, Carlos Castresana Fernández, has not complied with his obligation to promote, without any exceptions [their emphasis], the prosecution and sanctioning of illegal bodies and clandestine security apparatuses.”⁹⁴

Their complaint focused almost exclusively on the lack of action against the Vielman network. They said Castresana had rebuffed prosecutors’ recommendations to bring the case to the Guatemalan courts on three occasions.⁹⁵

“THERE IS NO JUSTIFICATION, NOR DOES THE COMMISSIONER HAVE ANY JUDICIAL OR POLITICAL REASONS FOR NOT PUTTING FORWARD THE CASES BECAUSE BY NOT DOING SO, HE WAS COMMITTING OMMISION AND SLOWING DOWN THE DISMANTLING OF SAID STRUCTURE,” they wrote in capital letters.⁹⁶

The campaign against CICIG eventually got personal. Mario David García, the radio host who had made the famous Rosenberg video, began a near-weekly tirade against the commissioner on his radio show, *Hablando Claro*. García was more than a journalist. He studied at the UFM and later founded the communications department at the university. And he has been connected to right-wing political parties stretching back to the 1970s, including some with connections to the CIACS ghost Francisco Ortega Menaldo.⁹⁷

Among the subjects García broached was that of an alleged affair between Castresana and a CICIG employee. By May 2010, Castresana was estranged from his wife, Sanjuana Martínez, a renowned Mexican journalist who had reportedly complained to the UN about Castresana’s behavior.⁹⁸ During one transmission of his radio program, García pilloried Castresana for his alleged extracurricular activities and gave details of his breakup.

“Sanjuana Martínez Montemayor started to suspect something about the double life of her husband at the end of last year each time Castresana traveled to Monterrey to be with his family,” he said. “Sanjuana is a seasoned journalist who was able to confirm the adultery the first few days of May [2010], which caused a huge emotional impact.”⁹⁹

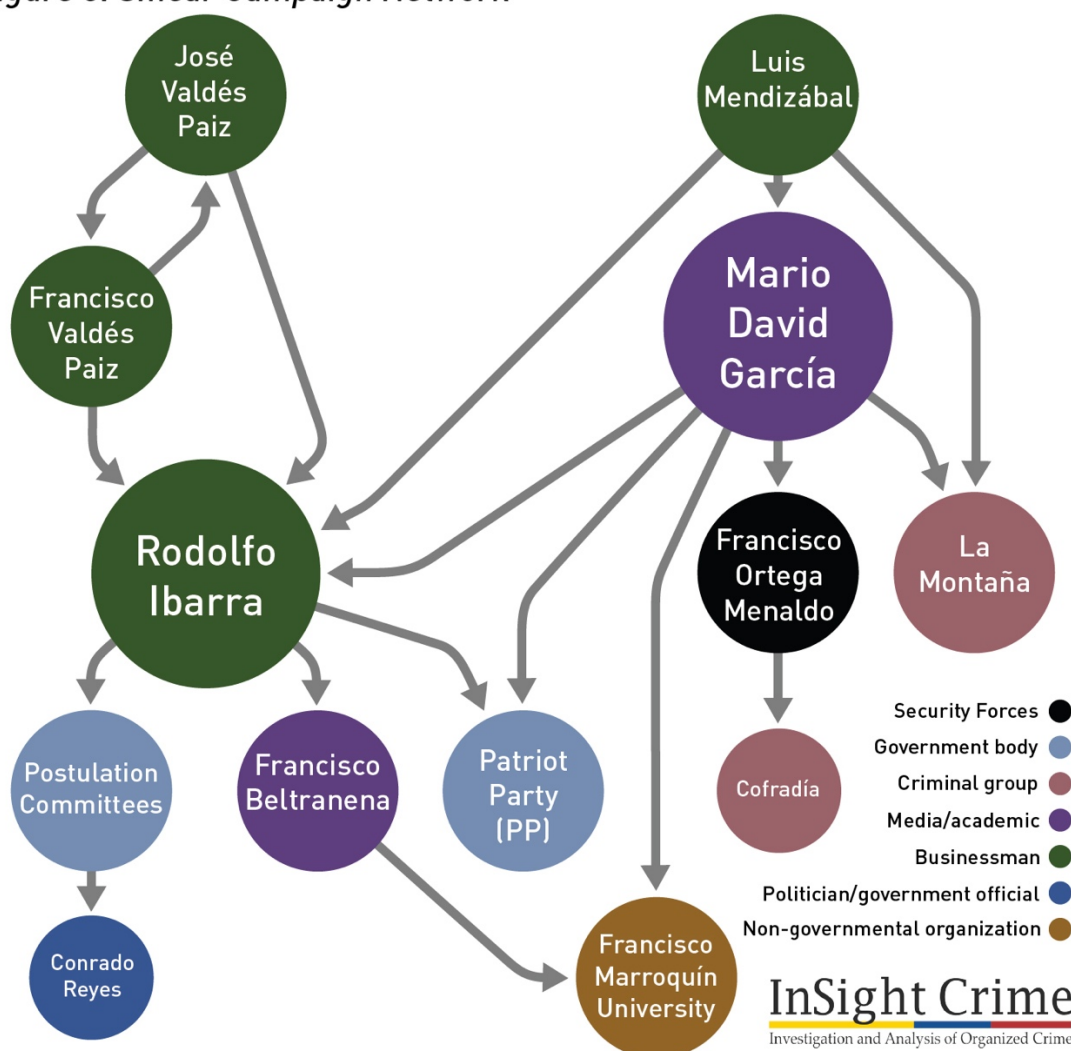
Numerous government and former CICIG investigators told InSight Crime that someone sent a package to Martínez in Mexico containing incriminating materials,

which allegedly included photographs of Castresana with his mistress.¹⁰⁰ Martínez did not answer InSight Crime’s requests to talk about the matter, and no such photographs have ever been made public. For Castresana’s critics, which included his estranged wife, the irony that Castresana’s own “honor” was being questioned made him an easy target. “She understands that her husband Carlos Castresana is a public persona who should offer honor and moral rectitude that he demands from others,” her spokesperson wrote in a statement to García’s radio program, which the host read aloud.¹⁰¹

The former commissioner’s personal life is germane to this case study because numerous people interviewed by InSight Crime speculated that Castresana was being blackmailed to keep the lid on certain investigations. However, there is no evidence that this was the case. Neither the CICIG nor the UN appeared to have investigated this theory, and the majority of those interviewed dismissed it outright. Most said that his enemies were simply trying to force him to resign and leave the country.

And on June 7, Castresana resigned. The reasons, he said in a press conference, were multiple and interrelated. To begin with, Castresana cited the smear campaign against him, which he said had been orchestrated by at least three different groups, and had begun following the arrest of ex-President Portillo in January 2010. However, Castresana and the CICIG could only formally accuse one of those groups: the Valdés Paiz brothers, who had been involved in the death of Rodrigo Rosenberg. Specifically, Castresana said that the Valdés Paiz brothers had hired Rodolfo Ibarra, a public relations professional, to use his contacts in the media to undermine the CICIG’s investigation against the brothers and vilify Castresana.¹⁰²

Figure 5: Smear Campaign Network



At the time, Ibarra was also positioning himself as the spokesman for the Patriotic Party (Partido Patriota - PP), the up and coming political coalition that included former military general Otto Pérez Molina. His connection to the party sparked rumors that he was coordinating the smear campaign with Mario David García -- who would later run for president as the PP's candidate -- and possibly working with Luis Mendizábal, the master operator whose clothing boutique served as the headquarters for more than one conspiracy to undermine the justice authorities. Mendizábal and García were also still seething over the results of the Rosenberg investigation.

Journalists and academics were also implicated. In phone calls, Ibarra made references to meetings with eight "columnists." Notes from the accused, confiscated by investigators, contained the names of several newspaper columnists, including Yolanda Díaz-Durán. Other notes mentioned Castresana by name and his weak flanks.

“Girlfriend of castresana?” one note asked. “Castresana has other issues, try to verify smear his ass,” another read. “Start to attack in the media.”

Phone intercepts implicated others. The commission presented a series of wiretaps in which they recorded Ibarra speaking to Francisco Beltranena, also a professor at the UFM, and apparently scheming to undermine the CICIG. (The case against the columnists and academics languished in the Guatemalan courts, and Díaz-Durán, Trujillo and several others eventually sued a government investigator who did an analysis of the media campaign that he gave to the Attorney General's Office and the CICIG.)

“We aren’t talking about made-up stories,” Castresana said. “We are talking about smears that were ordered, organized, scheduled in some cases by marketing professionals, which attempted to destroy the image of this commissioner because they thought -- and they are mistaken -- that by getting rid of this commissioner, they could get rid of the CICIG.”



Castresana (pictured), clearly offended by the personal attacks, went further.

“We are talking about repeated attacks from January to now in which they have talked about my improper behavior in my personal life that are false and that I have to deny,” the commissioner said.

The commission also alleged that the Valdés Paiz brothers were using Ibarra, as well as their brother-in-law and an employee at their pharmaceutical company, to rig the selection of new attorney general, Conrado Reyes, who had taken office on May 25, 2010. In his first two weeks, according to Castresana, Reyes fired employees who had worked with the CICIG and replaced them with various functionaries who had been removed from their posts due to suspected ties to organized crime; Reyes also took over wiretapping operations and began taking over some of the CICIG’s most sensitive cases. “Conrado is not the person that the Attorney General’s Office needs,” Castresana declared.

Four days later, after Reyes offered a tepid defense, the Constitutional Court annulled his appointment.

However, Castresana was also finished. His final words in the June 7 press conference were representative of his entire period in Guatemala: a mixed bag of ego, martyrdom, defiance, and hope.

“The dark forces of Guatemala will be without one of their aces in the hole if this obstinate commissioner stayed in his post, in spite of his own realization that his day-to-day presence in his post was sucking the life from the commission and its efforts.”

When a journalist asked him if he was frustrated, he scoffed.

“Not a single frustration,” he said. “I am very proud of the work that we did... In life, you have to know when to stay and you have to when to leave. Thank you very much.”

And then he walked away from the podium.

Conclusion: The Problem with Elites

The CICIG is one of the most important experiments in justice in the region, and, in addition to spearheading some of the most important investigations against elites in Guatemalan history, it has many lessons that can be applied well beyond the country. Perhaps the most of important of these is that there is no such thing as a truly independent justice system -- particularly in a country like Guatemala. This stems, in part, from the fundamentally human nature of justice, both at the micro level, where witnesses provide the core of cases, and at the macro level, where the system has become a highly politicized tool of elites, politicians and criminals alike. Judicial actors are subject to pressures that range from the personal to the political to the economic. Independence is impossible, in part because these judicial actors depend on the same networks, political and criminal. The networks might try to manipulate these judicial actors, but they also make their work possible.

Indeed, in Castresana’s case, this network was vital, as it would have been for anyone who became the first commissioner of an entity like the CICIG. Its members were his sources of information on the structure of the elites and the levers of power within government. They were his informants on major cases and often the path to the witnesses themselves. They were also a support network for him and for the CICIG. He needed them to be his cheerleaders and his interlocutors with the local power brokers in order to secure political and -- in the case of the diplomatic community -- economic capital, as the embassies were the source of the commission’s funding. CICIG might not have survived more than two years without this network.

Castresana built a broad and varied network, which included members of the traditional economic elites such as Alfonso Carrillo, the prominent lawyer with strong ties to the CACIF business association; political elites like former Vice President Eduardo Stein; social elites such as Helen Mack, the human rights stalwart; supra-elites like diplomats from the United States; and more nefarious characters, such as Luis Mendizábal, who

operated primarily in the bureaucratic elite world. Depending on who you ask, Castresana managed this network with skill, was manipulated by this network, was co-opted by this network, or a combination of the three.

Castresana was in a difficult position. In a way, he was forced to play two roles at once: that of the canny political operator and that of the staunch prosecutor. As noted, it was his choice to play both roles at once, refusing to accept a deputy and shunning, at times, the efforts of strong prosecutors. But anyone would have a hard time managing these often conflicting tasks, especially in the face of such skilled political and criminal operators. The cases analyzed in this study clearly illustrate the challenge. For example, in the Vielman cases, Castresana had to constantly weigh how much political capital he possessed, and whether he could bring the case to a judicial system that remained weak and corrupt. In the Rosenberg and Portillo cases, he had to answer to political as well as judicial concerns. And he had to absorb the fallout that came with prosecuting, or not prosecuting, these cases.

If there is one clear recommendation to make from this experience, it is that the CICIG might always do better to have a deputy or a political officer at the top to run interference for the top prosecutor, shielding them from some of the compromises of Guatemala's politics.

Castresana also had the unenviable task of establishing the commission's judicial agenda, which was based on a malleable mandate. While the CIACS were its designated target, these groups were so broadly defined that it was easy to justify just about any case. This poses a problem, in that the commission -- and particularly the commissioner -- can select just about any investigation that he or she wants. The chaos this caused was evident in the CICIG during its initial phase. After two years, the range of cases being investigated by the commission lacked focus. Their targets ranged from drug traffickers to CIACS, in the purest sense.¹⁰³

Some would argue that this variety is a good thing, illustrating that the commission was not simply targeting one type of organized crime -- or type of elites -- over another. But within the commission, this wide mandate, and the discretion and reliance on the commissioner's judgment created tension, confusion and misunderstandings. The Vielman cases, for instance, caused broad rifts between Castresana and the Costa Rican investigator Gisèle Rivera that eventually spilled into public view.

Part of Rivera's and others' claims about the commissioner are true: Castresana did stall and failed to push forward the cases connected to former Interior Minister Vielman, especially the Pavón prison case. The CICIG also slowed its investigation into the Parlacén murders, and other related cases languished or saw progress slowing to a halt.

However, Castresana and the CICIG did not drop the cases, and the amount of work that the commission had done on the Pavón case would be evident in the months to come when the CICIG formally presented it.¹⁰⁴ Gisèle Rivera would have us believe that Castresana was corrupted by elites like Gutiérrez Mayorga. But the Spanish judge was not a nefarious or a corrupt person. He seemed trapped by his decision to depend too heavily on one set of elites -- the traditional power brokers from the G8. These elites set the rules, not just for Castresana, but for much of Guatemala. Castresana seemed to have missed the signs that perhaps he was just one of their pawns in a larger game. But while Castresana's reliance on them undoubtedly corroded his ability to act independently, and may have delayed his decision to take action, it did not involve a quid pro quo or any pact.

Castresana also had a near impossible set of tasks as it related to its government interlocutors as well. He had to set the tone with the CICIG's political counterparts and key interlocutors in the government -- the executive branch, the Attorney General's Office and the Interior Ministry. Castresana's office took years to find a balance with the Attorney General's Office, and, as shown by the appointment of Conrado Reyes, this balance could be altered in a short span of time. The commission's relationship with the presidency and the ministry were equally shaky. The CICIG saved the presidency of Álvaro Colom through the Rosenberg investigation and helped it purge its own staff and that of the Interior Ministry, but issues such as alleged corruption at the Banrural simmered throughout Castresana's tenure. In the end, Castresana's time in the post illustrated that the CICIG has to be both an advocate for and a watchdog over the government -- a complicated mix for any international body.

Finally, the commissioner can push certain parts of the mandate more than others. The CICIG's work on the selection process for high-court judges, for example, was largely the decision of Castresana. (Subsequent commissioners have stayed away from this fight.) It was the correct decision at the time, because it allowed the commission to illustrate that core problems needed to be addressed in the selection process in order to make wholesale changes to the judicial system. However, this was a messy case, and the results represented the lesser of two evils. What's more, its method -- which relied more on public shaming than on legal process -- resembled that of the forces that the CICIG was trying to eradicate, and relied on highly charged terms such as "honor," something that would come back to haunt Castresana himself when his own honor came into question.

It was Castresana's reliance on these somewhat antiquated, class-based notions, and his elite network's subjective and biased evaluations of their enemies, that made him vulnerable to criticism in cases like these. This is because those same elites had their own interests -- and that of their cohorts -- in mind when they advised him. They also

understood that the CICIG operated at the whim of its commissioner and that influence with the commissioner was critical for achieving their goals, which at times included undermining justice -- or worse. Some of this attempt to manipulate the commissioner may have been overt, but other strategies were much more subtle. The near-constant presence of elite-linked lawyer Alfonso Carrillo at the commission while the CICIG worked to investigate and ultimately influence the selection of high court judges speaks to a more understated and sophisticated approach. If Castresana sinned, it was due to hubris. Throughout his period, he thought he was in control of the situation. In reality, he might have been the one being used.

In the end, few decisions could placate all of these elite interests. The “provisional truth” of the Rosenberg case left many wondering why the CICIG never prosecuted what appeared to be remnants of the true CIACS group -- La Montaña -- for their bold attempts to destabilize and possibly overthrow the government. Meanwhile, the economic elites felt that the commission had failed to put more careful thought and consideration into Banrural’s alleged corrupt practices. The Portillo case angered the emerging elites and their bureaucratic elite allies, and while Portillo was eventually extradited and prosecuted in the US, he served a short prison sentence, making the CICIG’s case against him look even more like a political vendetta on the part of the economic elites even though the two prosecutions were based on two different charges. The Vielman cases are also playing out in foreign courts, leaving Guatemalans with the sense that justice in their country will always come in second place.

If there was anything that could grant the CICIG, and its commissioner, independence from these elite power brokers, it was empirical evidence. In this regard, the CICIG under Castresana excelled. During his tenure, the commission reformed the laws that allowed for wiretapping, and for plea bargain deals with cooperating witnesses, as well as improving protection for these witnesses. It oversaw the creation of a special investigative unit in the Attorney General’s Office, and began monitoring telephone calls and conversations, putting these tools to work.

The best example of this was the Rosenberg case. The technical aspects of the investigation, which was built on triangulating cellular phone signals, phone records and other forensic investigative techniques, made an impression on Guatemalans. The tradition in the country is to incarcerate only those who are caught in the act or to rely on witnesses to build the case.¹⁰⁵ Conspiracy trials are played out in the media rather than the courtrooms. In the Rosenberg case, CICIG and its Guatemalan counterparts followed the phones and the money, rather than the conspiracies that Rosenberg himself had handed to the press via his video. In the end, the annals of Guatemalan judicial history will be divided into “before the Rosenberg case” and “after the Rosenberg case.”

But even at its most forensic, justice is not a science. It requires a complicated mix of human relationships that stretch from the crime scene to the courtroom, from the military barracks to Congress, from the police station to the ballistics lab, from the mansions of Guatemala City to the halls of the Attorney General's Office. Rule of law requires more than just good forensic scientists, trustworthy police, honest judges and persistent prosecutors. It requires political will from the top -- from those that control the means of production, the levers of government power, and the social and intellectual construction of the society. In a word, it requires the elites.

**Dudley is Co-director of InSight Crime and directed the project on elites and organized crime. Map by Jorge Mejía Galindo. Graphics by Andrew J Higgins.*

Correction: September 3, 2016

An earlier version of this story mistakenly said that Adela de Torrebiarte was a vice minister under Carlos Vielman before becoming interior minister in 2007. She was the first woman to ever hold the job and led an effort to purge the police during her ten months in office. InSight Crime regrets the error.

Correction: September 5, 2016

An earlier version of this story said that Pedro Trujillo was mentioned in the phone intercepts related to the smear campaign case against Carlos Castresana. Castresana, in a press conference on June 14, 2010, hinted that Trujillo was mentioned (see press conference clip -- minute 5:18 -- here: <https://www.youtube.com/watch?v=1WAo5o9GHaM>), but Castresana never mentioned Trujillo by name. The earlier version also incorrectly stated that Trujillo and others sued the CICIG. They did not sue the CICIG, but rather sued a government investigator who had realized an analysis of the press coverage related to the alleged smear campaign that he gave to the Attorney General's Office and the CICIG. (See a copy of his investigation here: <http://www.libertopolis.com/wp-content/uploads/2011/01/Dictamen-Pericial-I.pdf>) InSight Crime regrets the error.

Correction: September 7, 2016

An earlier version of this story said that Dionisio Gutiérrez Mayorga and Juan Luis Bosch worked with Victor Rivera Azuaje, a Venezuelan national who helped the private sector in [kidnapping](#) cases. Although Rivera Azuaje did have an office in a building where the family company also has an office, there is nothing to establish any working relationship between them.

Endnotes

- [1] Taken from elPeriódico's YouTube feed: <https://www.youtube.com/watch?v=qrUfUc-BdII>
- [2] El Faro, "Asesor de Vielman tenia estructuras paralelas en El Salvador," 9 March 2007. Available at: http://archivo.elfaro.net/Secciones/noticias/20070305/noticias11_20070305.asp
- [3] Christian Tomuschat et al., "Guatemala: Memory of Silence," Commission for Historical Clarification, presented 25 February 1999. Available at: http://www.aaas.org/sites/default/files/migrate/uploads/mos_en.pdf
- [4] Kate Doyle et al., "Internal Military Log Reveals Fate of 183 'Disappeared,'" National Security Archive, 20 May 1999. Available at: <http://nsarchive.gwu.edu/NSAEBB/NSAEBB15/>
- [5] Jennifer Schirmer, "A Violence Called Democracy" (Philadelphia, PA, 1998), p. 19.
- [6] Bureaucratic -- or what are sometimes referred to as administrative or institutional -- elites draw on their official posts to gain influence and power. They are often a hybrid form of elite, deriving power from their status as landholders or businesspeople, but using their control of government posts they have gained -- either via election, appointment or ascension -- to set the agenda on security, among other issues.
- [7] Martín Rodríguez Pellecer, "Los militares y la élite, la alianza que ganó la guerra," Plaza Pública, 21 August 2013. Available at: <http://www.plazapublica.com.gt/content/los-militares-y-la-elite-la-alianza-que-gano-la-guerra>
- [8] Ibid.
- [9] For a more thorough account of the CIACS, see: Susan C. Peacock and Adriana Beltran, "Hidden Powers in Post-conflict Guatemala: Illegal Armed Groups and the Forces Behind Them," Washington Office on Latin America (WOLA), 2003. Available at: <http://www.wola.org/sites/default/files/downloadable/Citizen%20Security/past/Hidden%20Powers%20Long%20Version.pdf>
- [10] Carmen Sofía Brenes and Haroldo Shetemul, "La voz que siempre atiende el Presidente," Cronica, 4 September 1992. Available at: <http://www.cronica.ufm.edu/index.php/DOC271.pdf?gsearch=>
- [11] Ibid.
- [12] Bill Barreto and Oswaldo J. Hernandez, "De Moreno a La Linea: la huella militar en la defraudación aduanera," Plaza Publica, 22 August 2015. Available at: <http://www.plazapublica.com.gt/content/de-moreno-la-linea-la-huella-militar-en-la-defraudacion-aduanera-o>
- [13] "Acuerdo global de derechos humanos," 29 March 1994. Available at: <http://cms.fideck.com/userfiles/onu.org.gt/File/24012544994336982.pdf>

[14] Bill Barreto and Oswaldo J. Hernandez, “De Moreno a La Linea: la huella militar en la defraudacion aduanera,” Plaza Publica, 22 August 2015. Available at: <http://www.plazapublica.com.gt/content/de-moreno-la-linea-la-huella-militar-en-la-defraudacion-aduanera-o>

[15] See: Ricardo Barrientos, “Una perspectiva regional sobre la intervencion de las elites economicas centroamericanas en la politica fiscal”, and “Guatemala: Poder de veto a la legislacion tributaria y captura fallida del negocio de la inversion publica,” both in ICEFI, “Politica fiscal: expresion del poder de las elites centroamericanas” (Guatemala, 2015), pp. 1-24, 25-128.

[16] Steven Dudley, “Justice and the Creation of a Mafia State in Guatemala,” InSight Crime, 15 September 2014. Available at: <http://www.insightcrime.org/investigations/justice-and-the-creation-of-a-mafia-state-in-guatemala>

[17] Steven Dudley, “The War of Paz y Paz: Portrait of a Guatemalan Political Broker,” 20 April 2014. Available at: <http://www.insightcrime.org/investigations/the-war-of-paz-y-paz-portrait-of-a-guatemalan-political-broker>

[18] International Crisis Group, “Learning to Walk without a Crutch: An Assessment of the International Commission against Impunity in Guatemala,” 31 May 2011, p. 4.

[19] Ibid.

[20] InSight Crime tapped him to write a case study on the Vielman case, but this was canceled in 2015, as both sides determined that Gutiérrez’s political commitments compromised his ability to be seen as an impartial investigator of some of the issues covered in this report. The two sides remain on good terms, and Gutiérrez was one of the experts consulted for this case study. He also wrote the introductory section for Guatemala.

[21] Alfonso Portillo interview with Guatevision, 17 November 2009. Available at: <https://youtu.be/mA-bby5O-sw>

[22] InSight Crime email exchange, Edgar Gutiérrez, 26 October 2015.

[23] InSight Crime interview, Eduardo Stein, Guatemala City, 7 August 2015.

[24] Ibid.

[25] Ibid.

[26] Ibid.

[27] InSight Crime interview, Renzo Rosal, Guatemala City, 4 August 2015.

[28] Ibid.

[29] InSight Crime interview, Eduardo Stein, Guatemala City, 7 August 2015.

[30] “Agreement between the United Nations and the State of Guatemala on the establishment of an International Commission Against Impunity in Guatemala (CICIG).” Available at: http://www.cicig.org/uploads/documents/mandato/cicig_acuerdo_en.pdf

[31] Ibid.

[32] US State Department, “CICIG Agreement Sent to Guatemalan Congress for Approval,” 1 March 2007. Released by WikiLeaks. Available at: <https://wikileaks.org/cable/2007/03/07GUATEMALA426.html>

[33] Agence France Presse, “Guatemala: diputados con temores para aprobar Comisión contra impunidad,” 18 June 2007. Available at: http://www.nacion.com/ln_ee/2007/junio/18/latinoamericaya-070618185320.y5m6k675.html

[34] Ibid.

[35] Agence France Presse, “Sin ser aprobada, la CICIG convulsiona la vida politica guatemalteca,” 23 July 2007.

[36] US State Department, “Guatemalan Congress Approves CICIG as a Matter of National Urgency,” 1 August 2007. Released by WikiLeaks. Available at: https://www.wikileaks.org/plusd/cables/07GUATEMALA1541_a.html

[37] Xinua News Agency, “EEUU condiciona cooperacion con Guatemala,” 18 July 2007.

[38] CICIG, “Dos años de labores: un compromiso con la justicia,” Annual Report 2009, p. 13. Available at: http://www.cicig.org/uploads/documents/informes/INFOR-LABO_DOC02_20090901_ES.pdf

[39] InSight Crime telephone interview, former CICIG investigator who wished to remain anonymous, 3 September 2015.

[40] Subsequent commissioners refused to have a deputy as well.

[41] This investigation relied on support and research by a Mack associate.

[42] Carrillo & Asociados is best known in Guatemala as the firm that represents the Paiz family’s supermarket business, Supermercados Paiz.

[43] InSight Crime Skype interview, Alfonso Carrillo, 1 September 2015.

[44] Ibid.

[45] InSight Crime interview, former employee of Carrillo y Asociados who wished to remain anonymous because as that person is still practicing law in Guatemala, Guatemala City, 4 August 2015.

[46] Ibid.

[47] CICIG, “Informe de dos años de actividades, 2007 a 2009 a la Comisión Interamericana de Derechos Humanos,” November 2009, p. 6. Available at: http://www.cicig.org/uploads/documents/informes/INFOR-LABO_DOC04_20091102_ES.pdf

[48] See: Steven Dudley, “Backroom Justice: The War for Guatemala’s Courts,” InSight Crime, 15 September 2014. Available at: <http://www.insightcrime.org/investigations/the-war-for-guatemala-s-courts>

[49] CICIG, “La Corte Suprema de Justicia 2009: Los Magistrados no idoneos para representar Guatemala,” 6 October 2009. Available at: <http://eleccionmagistrados.guatemalavisible.org/images/stories/notas%20equipo%20Guatemala%20Visible/Presentacion%20candidatos%20a%20CSJ%20Octubre%206-09.pdf>

[50] InSight Crime interview, Roberto López Villatoro, Guatemala City, 31 July 2014. See also: Steven Dudley, “The ‘Tennis Shoe King’ Who Became Guatemala’s Gentleman Lobbyist,” InSight Crime, 15 September 2015. Available at: <http://www.insightcrime.org/investigations/guatemala-lopez-villatoro-corruption-lobbyist>

[51] Ibid.

[52] US State Department, “Three Supreme Court Justices Replaced at CICIG’s Behest,” 9 October 2009. Available at: https://wikileaks.org/plusd/cables/09GUATEMALA929_a.html

[53] InSight Crime Skype interview, Alfonso Carrillo, 1 September 2015.

[54] The account of Rodrigo Rosenberg’s murder is drawn from the 10 January 2010, CICIG press conference. Available at: <https://www.youtube.com/watch?v=9erCQCxU7WU&list=PL3144D6C7854F1211> See also: David Grann, “A Murder Foretold,” The New Yorker, 4 April 2011. Available at: <http://www.newyorker.com/magazine/2011/04/04/a-murder-foretold>

[55] Banrural has a varied set of investors (including cooperatives, indigenous capital, women, non-governmental organizations, micro and small businesses -- 16,000 investors in total) and the most extensive physical presence in the country. It has become one of the largest banks in the country, and its competition with traditional elite-controlled banks may have been the source of contempt and derision of these elites. While heavy accusations were levied against the bank, investigators never revealed any evidence of wrongdoing linked to the Rosenberg case.

[56] InSight Crime interview, former President Álvaro Colom, Guatemala City, 12 August 2015.

[57] Associated Press, “Guatemalan Protesters Demand President’s Resignation Over Case of Slain Lawyer,” 17 May 2009. Available at: http://www.nytimes.com/2009/05/18/world/americas/18guatemala.html?_r=0

[58] InSight Crime interview, former President Álvaro Colom, Guatemala City, 12 August 2015.

[59] J.A. Fuentes Knight, “El veto de G-8,” Plaza Publica, 27 August 2011. Available at: <http://www.plazapublica.com.gt/content/el-veto-del-g-8>

[60] According to the World Bank, Guatemala collects just 10.8 percent of its GDP in taxes, one of the lowest rates in the world. See: <http://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS>

[61] In an interview, Colom told InSight Crime that Obdulio Solorzano, a congressman who led Colom's presidential campaign in 2007, had ties to Otoniel Turcios, accused and later convicted of drug trafficking in the United States. Solorzano was assassinated in 2010.

[62] Elyssa Pachico, "Guatemala President's In-Law on the Run in Money Laundering Scandal," InSight Crime, 6 December 2011. Available at: <http://www.insightcrime.org/news-analysis/guatemala-presidents-in-law-on-the-run-in-money-laundering-scandal>

[63] InSight Crime interview, individual who wished to remain anonymous because that person still works with the CICIG and with the government, Guatemala City, 3 February 2010.

[64] InSight Crime interview, security official who wished to remain anonymous because that person was still working with the CICIG, Guatemala City, 25 January 2010.

[65] InSight Crime interview, Ana Garita, CICIG chief of staff, and Yolanda Perez, consultant for the CICIG and former Guatemalan judge, Guatemala City, 25 January 2010.

[66] InSight Crime interview, former President Álvaro Colom, Guatemala City, 12 August 2015.

[67] To cite just one example, in a diplomatic cable published by WikiLeaks, then-Ambassador Stephen McFarland writes that Dionisio Gutiérrez Mayorga and Jorge Briz both said in a meeting with him and the Deputy Assistant Secretary of State David Robinson that Banrural's rise was due to "illicit activities." "That's the trouble with corruption," Briz reportedly told the high-level US officials. "Everyone knows where it is but it can never be proven." See: US State Department, "DAS Robinson Highlights Need to Support Democratic Institutions in Wake of Guatemala's Rosenberg Scandal," 2 June 2009. Published by WikiLeaks. Available at: https://wikileaks.org/plusd/cables/09GUATEMALA518_a.html

[68] David Grann, "A Murder Foretold," The New Yorker, 4 April 2011. Available at: <http://www.newyorker.com/magazine/2011/04/04/a-murder-foretold>

[69] InSight Crime telephone interview with United Nations official who requested anonymity, 5 May 2016.

[70] US State Department, "FRG Protests Continue," 25 July 2003. Published by WikiLeaks. Available at: https://wikileaks.org/plusd/cables/03GUATEMALA1904_a.html

[71] InSight Crime interview, Dionisio Gutiérrez Mayorga, Guatemala City, 13 October 2015.

[72] Ibid.

[73] InSight Crime interview, Gisèle Rivera, San Jose, Costa Rica, 16 August 2013.

[74] See: CICIG, "Caso Alfonso Portillo (Causa No. 7102-2001)." Available at: <http://www.cicig.org/index.php?page=7102-2001>

[75] Otto Vargas, “Rivera dice que aqui la tienen en el ‘congelador’,” *La Nacion*, 4 August 2010. Available at: http://www.nacion.com/sucesos/Rivera-dice-congelador_o_1138686141.html

[76] Melgar was eventually arrested and stood trial for participating in the murder of Rivera Azuaje, but she was absolved. See: Jerson Ramos, “María del Rosario Melgar absuelta por muerte de Víctor Rivera,” *Prensa Libre*, 19 April 2016. Available at: <http://www.prensalibre.com/guatemala/justicia/maria-del-rosario-melgar-absuelta-por-muerte-de-victor-rivera>

[77] *El Faro*, “Asesor de Vielman tenía estructuras paralelas en El Salvador,” 9 March 2007. Available at: http://archivo.elfaro.net/Secciones/noticias/20070305/noticias11_20070305.asp

[78] *Ibid*

[79] *Ibid.*

[80] Multiple sources said that Torrebiarte reached out to Rivera Azuaje via Salvadoran contacts and brought him in to help “Madres angustiadas.” The relationship continued well into the 2000s: Rivera Azuaje continued to work in the interior ministry during the time Torrebiarte was the interior minister.

[81] Torrebiarte, who was the first woman to be interior minister, spent ten months on the job during which time she helped purge the police, and strengthen regulatory agencies and the prison system.

[82] InSight Crime interview, former communications ministry official who trained Rivera and his team and wished to remain anonymous because the official still works with the telecommunications industry, Guatemala City, 10 August 2015.

[83] *El Faro*, “Asesor de Vielman tenía estructuras paralelas en El Salvador,” 9 March 2007. http://archivo.elfaro.net/Secciones/noticias/20070305/noticias11_20070305.asp

[84] CICIG internal memo, “Estrategía de investigación en las causas asignadas,” 13 January 2009.

[85] CICIG internal memo, “Plan de acción para los casos Pavón y Parlacén,” 28 July 2009.

[86] CICIG internal memo, “Plan de Acción para los casos Pavón, Parlacén, Boquerón e Infiernito,” 19 August 2009.

[87] Gisèle Rivera, “Tras la condena de Sperisen,” *Contrapoder*, 12 May 2015. Available at: <http://contrapoder.com.gt/2015/05/12/granja-de-rehabilitacion-penal-pavon/>

[88] The statement was provided to Banco Lafisse, and given to InSight Crime by Rivera.

[89] Edgar Gutiérrez, “Escenarios de la CICIG”, *elPeriódico*, 28 January 2010.

[90] Dionisio Gutiérrez Mayorga, for example, is part of the 50-member Fiduciary Commission at the university.

[91] Pedro Trujillo, “¿Sin CICIG?,” *Prensa Libre*, 26 April 2010. Available at: <http://miradorprensa.blogspot.com/>

[92] Yolanda Díaz-Durán, “No resultado: revuelto,” *Siglo 21*, 19 April 2010. Available at: <http://mydda.blogspot.com/>

[93] Yolanda Díaz-Durán, “¿Castrados?,” *Siglo 21*, 21 June 2010. Available at: <http://mydda.blogspot.com/>

[94] Lafitte Fernández, *Crimen del estado: el caso PARLACEN* (San Salvador, 2011), p. 520.

[95] *Ibid*, p. 523.

[96] *Ibid*, pp. 532-524.

[97] Luis Solano, “Mario David García: El ungido por el Partido Patriota,” *Centro de Medios Independientes*, 17 May 2015. Available at: <https://cmiguate.org/mario-david-garcia-el-ungido-por-el-partido-patriota/>

[98] *Siglo 21*, “Castresana renuncia y pide destituir al Fiscal,” 7 June 2010. Available at: <http://www.s21.com.gt/nacionales/2010/06/07/castresana-renuncia-pide-destituir-fiscal>

[99] Quoted in: Jorge Palmieri, “Renunció Carlos Castresana,” jorgepalmieri.com, 7 June 2010. Available at: <http://jorgepalmieri.com/2010/06/07/renuncio-carlos-castresana/>

[100] There are various versions of what, exactly, the photos depict. Some say they are innocuous, with Castresana and the CICIG employee at a restaurant with the employee’s mother. Others say they are more salacious, with Castresana and the CICIG employee on a boat in their swimming suits. The rumors stretch further still: by some accounts, the owner of the boat is Dionisio Gutiérrez Mayorga or Juan Luis Bosch. As noted, Gutiérrez Mayorga denies having contact with Castresana outside of their scant meetings in Guatemala City.

[101] Quoted in: Jorge Palmieri, “Renunció Carlos Castresana,” jorgepalmieri.com, 7 June 2010. Available at: <http://jorgepalmieri.com/2010/06/07/renuncio-carlos-castresana/>

[102] Cerigua, “La CICIG reveló datos de campaña de desprestigio que habría sido orquestada por los Valdés Paiz,” 16 June 2010. Available at: <http://noticias.com.gt/nacionales/20100616-la-cicig-revelo-datos-de-campana-de-desprestigio-que-habria-sido-orquestada-por-los-valdes-paiz.html>

[103] CICIG, “Dos años de labores: un compromiso con la justicia,” Annual Report 2009. Available at: http://www.cicig.org/uploads/documents/informes/INFOR-LABO_DOC02_20090901_ES.pdf

[104] The only ones condemned in Guatemala for the Pavón case were Victor Soto Diéguez, the former head of criminal investigation, and two lower level police; Figueroa’s brother -- the same one who surreptitiously tape-recorded Gisèle Rivera -- was prosecuted for illegal weapons possession. Numerous suspects fled the country, including Vielman, and were arrested in various parts of the world. Sperisen was eventually convicted in Switzerland and sentenced to life in prison; Figueroa was found not guilty by an Austrian court. Vielman’s trial is set for 2016 in Spain. See: CICIG, “Sentencias condenatorias en

procesos que apoya la CICIG,” 18 October 2013. Available at: <http://www.cicig.org/uploads/documents/2013/SENT-20131018-01-ES.pdf>; see also: CICIG, “Informe de la CICIG: Séptimo año de labores.” Available at: http://www.cicig.org/uploads/documents/2014/COM_039_20141023_DOC01.pdf

[105] A top security official called the Rosenberg case “a game-changer” because it did not rely solely on eyewitness testimony, the most fragile part of any case.

The Huistas

By InSight Crime*



Introduction – Three Massacres in Huehuetenango

On the horse racing track known as “Carriles la Frontera” in the Aldea Agua Zarca, a border zone in the department of Huehuetenango, a competition was taking place between Guatemalan and Mexican horse breeders. Despite being a remote area, this was not an unusual event. It was even announced days earlier by the radio station K-Buena.

Among those in attendance were Darío Molina, Walter Montejo and Aler Samayoa, three recognized leaders of the “Huistas,” a drug trafficking group associated with Mexico's Sinaloa Cartel. None of them had an arrest warrant or an extradition request from Guatemalan or US authorities. Their presence at the track was shared by a security ring that comprised of three levels of protection around Samayoa and a vast monitoring

apparatus that extended to the Pan-American Highway, approximately 20 kilometers away.

The security ring in Cuatro Caminos, a town within the neighboring municipality of La Democracia, raised the alarm when it detected the presence of a caravan of vehicles that were transporting more than a dozen suspected “narcosicarios” (“narco-hit men”) that were planning on assassinating Samayoa so that the Mexican criminal group the Zetas could take control of Huehuetenango.

The Huistas' security apparatus worked. It not only prevented the assassination of their leaders, it also neutralized the attackers. Seventeen people were killed in the clash between the two groups, although there is speculation there were additional deaths on the Mexican side. With this battle, the Huistas consolidated their power, which coincided with the decline of a rival local group associated with the Gulf Cartel.

Huehuetenango, December 2012. A vehicle carrying a businessman and some government officials was ambushed on the night of December 23. The crime scene was dramatic: the authorities found the bullet-riddled bodies of the victims in two burned cars (pictured), with 200 shell casings littering the ground nearby.¹ The dead included Luis Antonio Palacios, a local businessman and manager of a luxurious hotel, as well as an official with the Attorney General's Office, a high-level official working on the first lady's social programs, and four other individuals.

Palacios had two partners in the hotel, one of whom also worked with him in a coffee export business, according to the Guatemalan newspaper *elPeriódico*.² The hotel, La Ceiba, has two pools, a disco and a Jacuzzi. It conducted business as usual despite the attack on Palacios. The hotel's Facebook page had advertisements announcing a New Year's celebration and other activities through Valentine's Day.



According to *Prensa Libre*, the authorities linked Palacios to drug trafficking groups in the area and said that one of the burned vehicles had a hidden compartment.³ However, neither drugs nor money were found in the car. And there has been no investigation into Palacios' activities even though official sources told InSight Crime that he was laundering money for Aler Samayoa, alias “Chicharra,” the leader of the Huistas.

To be sure, Palacios' death appears to be connected to an internal dispute, according to local sources consulted during this investigation. Apparently the hotel and other businesses are money laundering fronts for the Huistas, according to sources that did not want to be identified for fear of reprisal. It is not clear if the officials that traveled with Palacios had links to organized crime, or were simply in the wrong place at the wrong time.

Six months later, on the night of June 13, 2013, a similar attack took place in a municipal building in Salcajá, Quetzaltenango. A caravan of vehicles stopped in front of the National Civil Police (Policía Nacional Civil - PNC) station, where a dozen armed men entered and assassinated eight police agents (pictured) and kidnapped a police official.



During its coverage of the attack, Radio Sonora, an important national radio station in the country, invited its listeners to report the caravan's movements. Between 8:00 p.m. and 11:00 p.m. they received calls; some were transmitted on air in which the callers said the caravan was on the road connecting the municipality of Huehuetenango with Mesilla, a small village on the

border with La Democracia. The callers pointed out that the PNC and the army were not taking action against those responsible, laying bare on live radio the links between the authorities and the drug trafficking groups operating in the area.

The kidnapped police officer's body surfaced the following week, and the investigation found Eduardo Villatoro Cano had ordered the officers' assassination as a reprisal for a "tumbe" (drug robbery). At that time, Villatoro Cano was an enemy of the Huistas.

Once this was confirmed, the PNC and the Attorney General's Office (Ministerio Público - MP), with the help of the army, launched an operation involving up to 2,000 officers designed to dismantle the group. They captured more than a dozen people, seized vehicles, weapons and drugs, and finally managed to have Villatoro Cano arrested in Mexico.

This operation weakened the Huistas' rival group, almost to the point of extinction. It also demonstrated that the state security forces could, if given the task, dismantle criminal groups by using intelligence and police action. Following Villatoro Cano's capture, the question became: Why did the security forces respond quickly and

effectively to Villatoro Cano, but there had been no concrete actions taken against the Huistas?

This investigation explores the possible answers to this and other questions about the Huistas by investigating the relationships between politics, elites and organized crime in the department of Huehuetenango, Guatemala.

This is our attempt to make public these links, but it should be noted that this is difficult territory to investigate. Huehuetenango and its surroundings are in large part a black hole with respect to the news and official information. The nucleus of the Huistas is still active and maintains influence over state authorities and non-state actors. And the majority of the sources for this report preferred to talk on condition of anonymity out of fear of reprisal.

Context - Huehuetenango: Between the Communal and the Global

Huehuetenango is a key region for understanding the multiple dimensions of the relationships between organized crime, elites and local power groups, communities and the state. It is a department in northwest Guatemala, on the border with Mexico. It sits adjacent to the departments of San Marcos, Quiché and Totonicapán.

It is a territory profoundly integrated into global dynamics for at least three reasons: it is a border territory, it constitutes a throughway for goods and people, and a lot of international migration emanates from the area.

Since the colonial period, Huehuetenango has been a region on the periphery with respect to the Guatemala valley, and as a result, with respect to the political and economic dynamics formed there. At the same time, it is an area characterized by its commercial and cultural fluidity and by its links to Mexico. Its location on the margins of central Guatemala contributed to the consolidation of community identities and the development of a certain degree of local autonomy.

In addition, the department has historically been a throughway for people and goods; the archaeological and ethnohistoric evidence shows the presence of objects in Huehuetenango that came from various parts of Mesoamerica. What is today considered to be contraband has long been a form of work in the area, which is probably a fact that has facilitated the operations of today's drug traffickers. It is not a surprise, then, that at the end of the 1970s, the residents of various municipalities in Huehuetenango began to migrate to the United States. Initially this involved the movement of individuals, but

later networks were established that facilitated the transit and placement of the so-called “Huehuetecos” in the US.⁴

While the criminal groups studied in this investigation have links to transnational groups, they are profoundly local and have developed a kind of symbiosis with the political, social and cultural environment that is shaped in some form by the shared history of the region, including the transit of goods and, later, people. The links between the criminal groups and political elites in this region also reinforce the the existence of “Illicit Political Economic Networks” (Redes político-económicas ilícitas - RPEI), a term invented by the International Commission Against Impunity in Guatemala (Comisión Internacional Contra la Impunidad en Guatemala - CICIG) to explain this phenomenon.⁵ The RPEI maintain control over key political positions -- town councils, city halls, provincial governments -- that have been used for personal enrichment, as well as the construction and consolidation of social bases. Some of the RPEI's activities are developed on the margins of the law, which is why it is difficult to establish a clear distinction between what is licit and what is illicit.

Huehuetenango's peripheral nature has also contributed to unique development dynamics. The geography has created differences between distinct regions and in some cases even within municipalities. Some 79 percent of the population lives in rural areas; in some municipalities, this figure reaches over 90 percent. This implies not only the dispersion of the population in small towns but also the development of a degree of autonomy. According to 2014 statistics, 73.8 percent of the population lives in poverty and 28.6 percent in extreme poverty. Fifty-six percent of the population is indigenous, and in 18 of 32 municipalities this figure surpasses 90 percent.⁶ More than a quarter -- 28.1 percent -- of the population is illiterate.

The geography, the ethnic diversity, the dispersion of the population and the lack of infrastructure enabled the construction of micro-regions in the interior of the department that generally have a weak state presence, which permitted the creation of unique sociopolitical dynamics.

This geographical diversity has created in Huehuetenango a “complex network of villages” that connect these towns to each other and to Chiapas, Mexico, which has enabled cross border commerce that has somewhat reduced the complete dependence on agriculture. In the department, there is a very intense relationship between the identities of the towns and their geography. The history and geography have contributed to the development of a distinct sociopolitical and cultural framework.⁷ The community panorama of Huehuetenango has territories controlled by specific indigenous groups,



areas where multiple indigenous groups are present, and territories occupied by Spanish-speaking indigenous, known as “ladinos.”⁸

With the expansion of coffee crops, since 1860, the towns with fertile soil for coffee-growing were affected by the expropriation of the land and subjugation of the work force. The owners of coffee plantations became local elites that controlled the political power, the economy, and the labor market. They are, in effect, the principal economic elites in the area. Since colonial times, their distinct forms of social control and labor exploitation led to diverse strategies of community

resistance. In addition to armed insurgency and political uprisings, families and communities migrated to the mountain and jungle areas in order to escape from forced labor.⁹ With the introduction of the coffee crops, Huehuetenango also became linked to the globalized economy, although the organizational structure of means of production and the society were not necessarily capitalist.

The economic, social and political changes triggered by the October Revolution of 1944 (as it is known in Guatemala) continued despite the US intervention in 1954 that toppled president Jacobo Árbenz (for more on this, see introduction). The communities that maintained a certain degree of isolation and relative autonomy became increasingly linked to the internal market and the national political scene. Economically, the end of forced labor and the period of growth that followed World War II resulted in social differentiation and economic accumulation. In several of the border municipalities of Huehuetenango, for example, the small-scale contraband of Mexican products became not only a subsistence strategy, but also a mechanism of accumulation that would form the economic base of some of the emerging elites in the years to come.

Nonetheless, the processes of social differentiation, the dispute for local power and the confrontation over control of the land became integrated with the insurgent movement at the end of the 1970s. During the civil war, especially between 1979 and 1984, the department's internal power structure was modified.¹⁰ A good portion of the elite ladinos in the indigenous communities migrated to Guatemala City and the department capital, Huehuetenango, and the power of the coffee landowners began to fade.

The changes that began in the second half of the 20th century, particularly during the October Revolution and the civil war (1960-1996), resulted in these groups losing power and the disappearance of the majority of the large plantations. They gave way to small and medium-sized properties that are now the principal coffee producers in the department. Currently, the businesses interested in exploiting water and mining resources, which are mostly multinationals, have made alliances with national and local groups to implement their projects, although they face strong community opposition.

In sum, the power groups -- the predominant farmers and the traditional ladinos -- were displaced by the effects of the civil war, since many ladinos opted to migrate to the departmental capital or to Guatemala City, and the municipal power changed hands.¹¹ These changes provoked, initially, a sort of power vacuum, which was occupied by diverse groups.

This vacuum at first was filled by the army and its paramilitary arm, the Civil Defense Patrols (Patrullas de Autodefensa Civil - PAC).¹² For a large part of the 1980s, the head of the military in the area assumed the coordination of the public entities in the department, and maintained control over the municipalities and the communities via the PAC. This situation began to change when the country returned to a democracy in the mid-1980s; the demilitarization of the government continued through the peace process of the mid-1990s.

Since the beginning of this century, the local and departmental power structures have become more complex, fluid and decentralized. The municipal autonomy and the decentralization of functions and resources have enabled both city halls and the very communities to exercise control over certain local decisions. For their part, the regional power groups have achieved a certain influence in the department and have constructed national alliances. Within this context, criminal groups have developed and established themselves in some areas of the department.

Huehuetenango's political elites have been formed within this regional context and in interaction with a national political system characterized by the fluidity of its political parties. These parties are based on individuals rather than political ideology, and the private financing of electoral campaigns. This political system not only has democratic

deficits, it has made politics as a whole a form of personal enrichment, in which elections permit the people and groups involved to access key positions for their own benefit. At the same time, politics has been penetrated by private interests that prevail over those of the general public.¹³ These actors that look to influence the political decision-making process range from large multinational corporations and businesses to criminal groups.¹⁴

In Huehuetenango it's possible to identify various Illicit Political Economic Networks (RPEI) by studying what Jahir Dabroy called the political lineages of the department.¹⁵ These are family clans that have achieved control over city halls and district councils, where they consolidate their political and territorial bases and remain entrenched in public office.

One example is the López Villatoro family. Originally from the municipality of Cuilco, the family owns a diverse array of businesses. The López Villatoro family has constructed a political network in the southern municipalities of Huehuetenango that allows them to exert decisive influence in elections.¹⁶

One family member, Roberto López Villatoro, known as the “Tennis Shoe King,” is accused of conducting smuggling operations.¹⁷ He is also thought to have influence within the judicial system. And while he has been accused of criminal activity in the past, none of the allegations against him have led to a successful criminal prosecution.¹⁸

The Huistas, Their Illicit Activities and Their Protection Network

The diverse and extensive geography, as well as the border location and the constant flow of people and goods, create opportunities for an array of criminal groups to operate. As previously mentioned, the group led by Aler Samayoa Recinos (pictured), alias “Chicharra,” based in the Huista region, is one of the groups operating in Huehuetenango with the most autonomy and organizational development. The centralized and hierarchical organization includes structures specialized in money laundering as well as smuggling, storing and producing drugs.¹⁹

According to local and national sources, as well as prominent politicians in the area who prefer anonymity, the basis of the Huistas' illicit activity



was established years ago. Since the 1970s, marijuana and poppy have been planted in some of the mountainous areas of the department, but these were isolated activities that responded to the demand of Mexican intermediaries. It wasn't until the end of the 20th century that groups like the Huistas developed the capacity to handle the storage and transport of drugs into Mexican territory. Initially, these groups were comprised of Mexicans who belonged to the Sinaloa and Gulf cartels that had established alliances with local groups and who also had experience with contraband and migrant smuggling. These groups gradually built their own logistics structures, which permitted them to move and store drugs from the capital city, Huehuetenango, all the way to the border.

The Huistas took their name from the area where the group is based. “Huista” refers to San Antonio Huista and Santa Ana Huista, two small municipalities in the department's northeast. The group is linked to the Sinaloa Cartel, but little by little it has acquired a certain degree of autonomy. It has gone from transshipment to storage and, in the last five years, to the production of methamphetamine. The Huistas also developed a national strategy, which in addition to providing the group with an infrastructure for drug trafficking, has enabled it to build a network of businesses that include: hotels, recreation centers, businesses, workshops, construction companies, and even computer academies, according to official sources that have investigated the group. All of these businesses have allowed the group to not only launder illicit money, but also to establish contacts and links with business people, officials and other authorities through intermediaries on the local and national level.

With the intensification of the government's efforts to fight drug trafficking, the conflicts between Mexican cartels and the rise of networks dedicated to “tumbe,” or drug theft, security is fundamental to the survival of these criminal groups. The Huistas, for example, have created a sophisticated security apparatus that is designed to protect Samayoa and the group's principal leaders from attacks by rival groups and potential security operations designed to capture him. It is also intended to protect the group's licit and illicit activities, and establish a safety zone in its territory.

This security system monitors the principal roads, bridges and intersections and controls the passage of people and vehicles. It also reports any suspicious movements. Once the alarm is raised, the members of the apparatus analyze the potential threat. Generally, each “lookout” is comprised of two people: one is on foot and responsible for the communication, and the other is on a motorcycle, ready to follow any suspects. The investigator of this report observed how these lookouts operated, and on occasion was photographed by them.

This monitoring system is fundamental for the group to maintain territorial security, however it is insufficient to shield them from operations by the security forces. That is

why in addition to maintaining territorial monitoring, the group has created a network of informants within the PNC and the Attorney General's Office at the local level. According to one source,²⁰ the group maintains relationships with commissioners, deputy commissioners and police in Huehuetenango and the neighboring department of San Marcos, some of whom are on the group's payroll, and provide them with information on both police operations and the activities of rival groups.

The network extends to the judicial system as well. In the local Attorney General's Office there is apparently a flow of information from relatives who work there, as well as corrupt officials, who provide the group with information on inquiries or investigations against them. At the highest levels, there are allegedly contacts in both the legislative and executive branches, which will be explored in the following section.

The effectiveness of this security system became evident when the group of hit men linked to the Zetas tried to ambush the Huistas during the horse race in November 2008. At that time the Zetas were the most feared criminal group in Guatemala. Its strategy was to control territory in order to charge "piso," or rent, on all of the illicit and many of licit activities in the area. That strategy aligned perfectly with its distinctive character and military origin: the group's nucleus had defected from Mexico's Special Forces. The Zetas also looked for local allies that had the same distinctive character. That's how they found Eduardo Villatoro Cano, who employed equally rough and violent tactics.

In March 2008, the Zetas killed Juancho León, the most powerful person in Guatemala's underworld at the time. With the help of their allies, the Zetas were taking control of eastern Guatemala and its drug corridors. By November 2008, they were already eyeing the western half, specifically Huehuetenango. Nonetheless, instead of eliminating their enemies, it was the Huistas who ended up leaving over a dozen Zetas operators dead.²¹ As noted, the massacre consolidated the Huistas' power in the area and provoked the decline of Villatoro Cano's group.

The Huistas and Social Control

Within its territory, principally in the municipalities of Santa Ana Huista and San Antonio Huista, the group's security strategy focuses on the construction of a protection network and an unwritten rule that punishes informants; and the construction of social legitimacy based on the sharing of wealth. The money laundering activities have enabled the creation of a network of businesses that offer employment to the residents of the municipalities. Participation in the group's various illegal activities has become a sign of prestige and a source of aspiration for a large number of youths in the municipalities,

who hope to become part of the group. (These same youths form part of the aforementioned security networks.)

On the other hand, the inhabitants of these municipalities know that any comment that reveals the group's activities is violently punished. In everyday conversation there is an agreement to not talk about “that.” Everyone knows, but no one mentions it, and when locals talk with visitors or foreigners, these topics are not discussed. In addition, in the towns there is a “zero tolerance” policy towards common crime. The Huistas' security groups have assassinated suspected gang members, rapists and criminals in order to prevent the presence of rival groups and demonstrate to the communities that their presence guarantees them safety.

The National Civil Police rarely intervenes in these types of situations. In fact, it is common knowledge that some of its members are on the group's payroll. Although there is a strong police presence on the roads leading to the municipalities of San Antonio Huista and Santa Ana Huista, the security agents do not stop the transporters believed to be smuggling illicit substances. Indeed, they appear to protect these groups, as they exert a strong control over the visitors and strangers who visit the municipalities.

According to information collected in the field that was informally confirmed by officials within the Attorney General's Office and the General Directorate of Criminal Investigation (Dirección General de Investigación Criminal - DIGICI), the Huistas have diversified their drug trafficking activities to include the production of methamphetamine in their areas of control. Nonetheless, their principal revenue stream continues to be the smuggling of cocaine from the Honduras and El Salvador borders, as well as from the Pacific coast and Guatemala City, to the Mexican border. The Huistas have storage facilities in Huehuetenango, Santa Ana Huista, San Pedro Necta and Nentón.

According to former prosecutors from the Attorney General's Office that investigated drug trafficking activity in Huehuetenango, every week there are drugs being shipped from the eastern border, southern coast or Guatemala City into Huehuetenango. Caravans of three to five vehicles carry the drugs in hidden compartments inside the cars. During these transfers, the security system is in place in order to anticipate checkpoints, police operations and the presence of rival groups.

The group has also been detected using small trucks that are supposedly empty but in reality have hidden compartments. These caravans do not stop at checkpoints set up by police or MOSCAMED, the agency in charge of eradicating the Mediterranean fruit fly, according to the aforementioned sources. An official in the Guatemalan army who asked

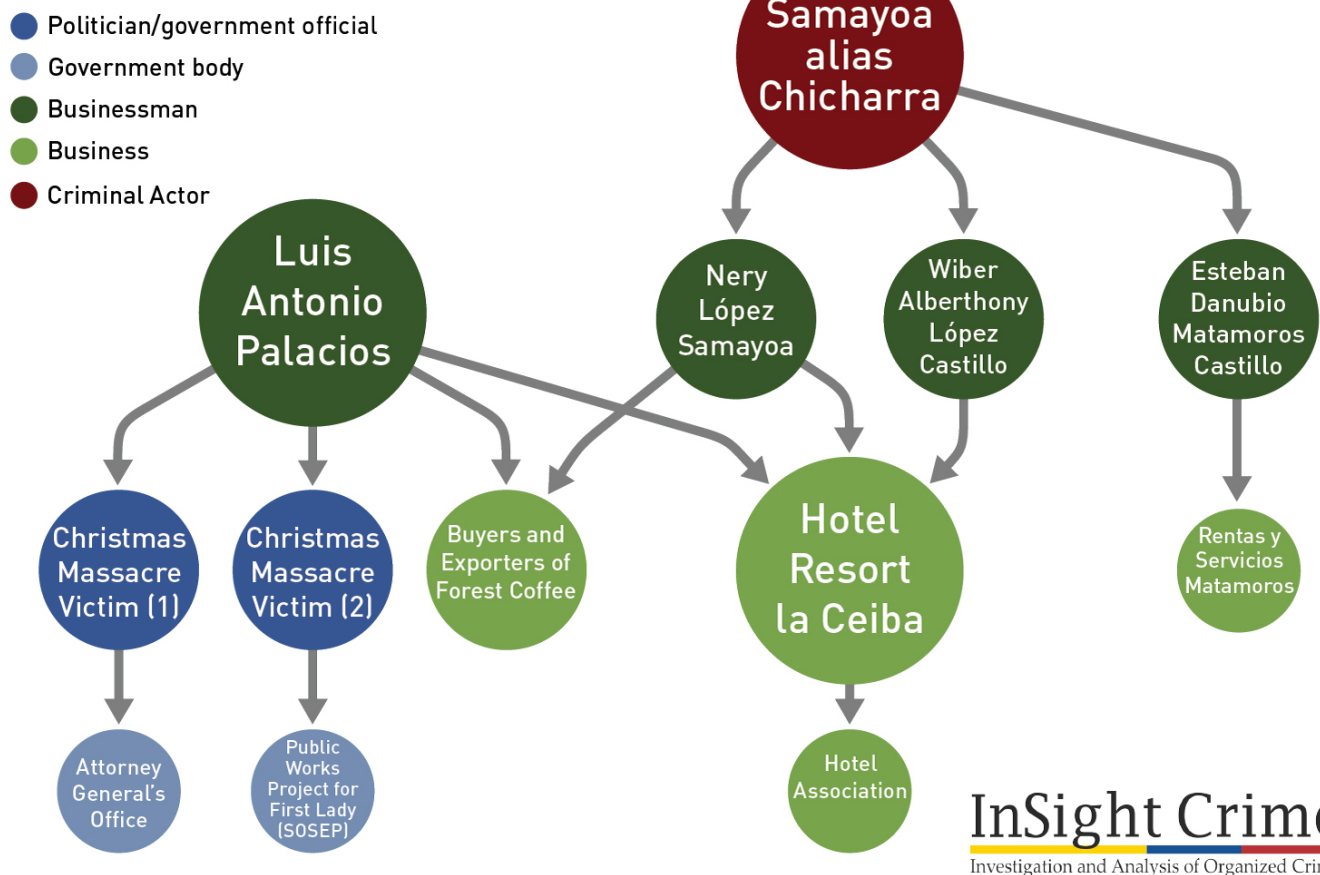
for anonymity said there is a de facto agreement between the criminal groups and local police authorities that permits the drug smuggling operations.

The drug trafficking routes that begin in Guatemala City pass through Chimaltenango, Los Encuentros, Cuatro Caminos, Huehuetenango and the Gracias a Dios border. An alternate route links Cuatro Caminos to Quiché, and from there heads towards the border. From the southern coast, the route passes through Zarco, Quetzaltenango, Huehuetenango and the border zone. Another possible route goes through Alta Verapaz, Baja Verapaz, Uspantán, Cunén, Zacapulas, Aguacatán and Huehuetenango before finally arriving at the border.²² All of these routes pass through La Democracia, Santa Ana Husita and Nentón, which confirms the existence of drug storage facilities in these municipalities.

In addition to the use of land routes from one border to the next, sections of roads in northern Huehuetenango have been identified as runways for drug planes. On the outskirts of Nentón, there is a formal runway that is sporadically used. According to local informants, the operations are conducted in a matter of minutes; the section of the road is illuminated by torches, where the plane lands before the drugs are unloaded into four or five pickup trucks. Once this is done, the plane takes off, and the vehicles bring their load to the established warehouses. In addition, methamphetamine laboratories have been detected in the municipalities of La Democracia, Santa Ana Huista, Jacaltenango and Nentón, which, according to officials from the Attorney General's Office and DIGICI, means the storers and transporters are now becoming producers.

The Huistas and the Local Economic Elite

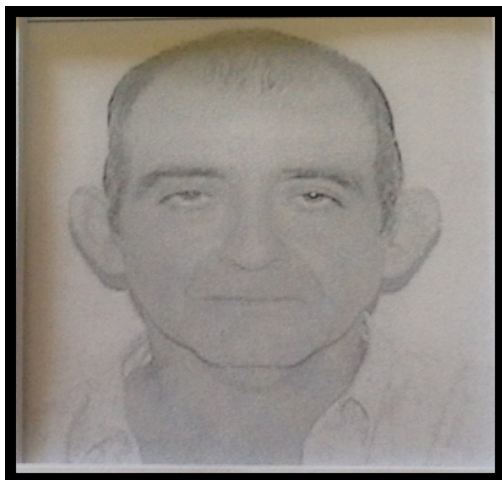
Figure 1: Huistas Elite Local Network



The Huistas' money laundering structure has resulted in the formation of a network of businesses that extends into various departments of the country, but the nucleus is in Huehuetenango. In this department, the group has been known to make investments in real estate, hotels, recreation centers and possibly the cultivation and sale of coffee, according to sources in the Attorney General's Office that have investigated the case. These businesses include: the Hotel & Resort La Ceiba on the Inter-American Highway; the housing complex Mira al Bosque in Huehuetenango City; the recreation center and shopping mall Victoria Center in Santa Ana Huista; the Finca el Sabino in La Democracia; and other properties in the departments of Retalhuleu, Izabal and Petén.²³

The manager of Hotel & Resort La Ceiba was Luis Antonio Palacios, who died in the 2012 Christmas massacre along with six other people. According to the trade register consulted at that time by elPeriódico, the hotel was registered under the names of Nery López Samayoa (pictured below) and Wilber Alberthony López Castillo.²⁴ According to official sources consulted for this investigation, López is a very important part of the

Aler Samayoa network, appearing as the owner of several properties and businesses belonging to the Huistas. He was also a partner of Palacios in a business called Compradores y Exportadores de Café del Bosque (Buyers and Exporters of Coffee of the Forest), according to the trade registry consulted by elPeriódico.²⁵



The contact between the Huistas and Compradores y Exportadores shows the interest and possible activity of the group in the most important agricultural sector in the region. To be a producer and exporter of coffee would not be outside the norm for an organized crime group. From Honduras to Colombia, the agriculture industry and livestock are the best ways to camouflage large capital flows and the movement of illicit products. It also serves as a way to accumulate political and social capital.

In the case of the Huistas, it may have even more significance. The flight of the large coffee growers in the last 30 years has left a power vacuum of elites in Huehuetenango. On the one hand, it could be argued that the politicians and emerging businessmen are filling that vacuum, something which we will cover in the next section. Nonetheless, groups that are accumulating capital via illicit means -- whether it be contraband or drug trafficking -- also appear to be well-positioned to fill the power void.

The Huistas appear to be part of the other large industry associated with the emerging business class: the hotel sector and shopping malls. Both businesses represent areas where it's possible to invest large sums of money without much oversight -- even in foreign currencies -- as well as the expansion of social and political networks. For example, Hotel & Resort say in their advertisements that staying in the hotel costs roughly \$200, however the real price is closer to \$30, which presents ample possibility to manipulate the accounting books.²⁶

The hotels and shopping malls also appear to be places where it's possible to establish networks with authorities, security forces and potential partners. Several official sources commented that the hotels are where the parties (with an abundance of alcohol and prostitutes) take place in order to earn the trust of members of the Attorney General's Office, the police and the army. "They don't even have to be bribed" with cash, one official said.²⁷

The supposed link between Palacios and the Huistas also provides us a clue about how the managers of this important business intersect with certain bureaucratic elites.²⁸ At least two of those who were with Palacios on the night of December 23, 2012, were

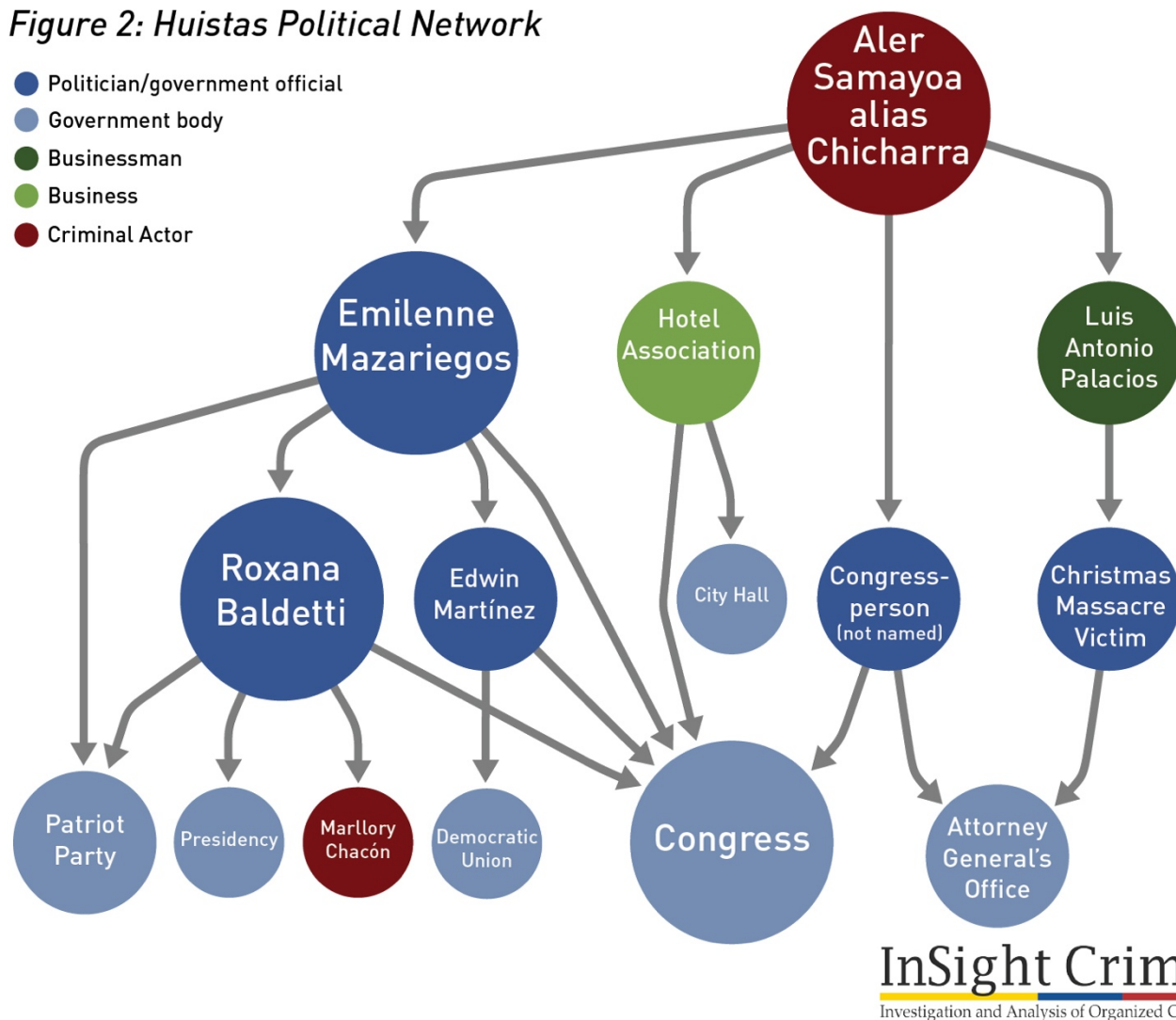
prominent members of the government: one was the prosecutor of the Attorney General's Office and the other was the director of the Secretariat of Social Works of the Wife of the President (Secretaría de Obras Sociales de la Esposa del Presidente - SOSEP) in the department of El Progreso.

Lastly, the hotels and the shopping malls give a certain social cache to their owners because they represent some of the few public spaces in these areas, spaces that end up determining the social activities of the locals. The Hotel & Resort La Ceiba, for example, opens its pool to the public on the weekends for a minimal fee.

The Huistas understand the importance of building social ties and therefore maintain very close contact with an individual associated with the local soccer team. As we have seen in the other case study, the local soccer team not only represents a common space where fans get together, but also a place to build one's networks.²⁹ That same contact on the soccer team, for example, is also a frontman for one of the Huistas' businesses and was even a mayoral candidate.

The Huistas and the Political Elite

Figure 2: Huistas Political Network



The strongest relationship between the Huistas and the elites appears to be through the local politicians. According to three politicians in Huehuetenango, those who exercise a substantial amount of power in the Huistas' area of influence are members of this group, which is why during electoral campaigns they obey the tacit pact of silence regarding the group. Generally, the mayoral candidates seek to avoid direct and public contact with these groups, although the distance is observed in such a way as to avoid conflict with them. As previously noted, the security role these groups assume ends up being useful to the local authorities, who have one less problem to face.

Several local sources say that, in certain situations, the Huistas finance some municipal activities such as festivals, although on occasion they have helped with payroll, and

some infrastructure projects. Nonetheless, this relationship has become tense at times. In 2010, to cite just one example, the mayor of La Democracia was assassinated. According to one source,³⁰ the mayor was killed because he began to use the town's ambulance to transport drugs from Guatemala City to Huehuetenango, and eventually tried to act autonomously.³¹

At the departmental level, these groups' key relationships, according to several sources, are with: the district representatives, the local Attorney General's Office and the hotel association. In addition to information provided by both city and departmental sources, *elPeriódico* has published several articles on the existence of links between the Huistas and the representative Emilenne Mazariegos, as well as another individual that has worked both in the Attorney General's Office and as a congressional representative. These connections could also serve as interlocutors to manage contacts at the highest levels of government.

The district of Huehuetenango³² happens to be an electoral priority for all parties, because of the number of voters, the quantity of representatives that are elected from the department, and the number of mayors it has. It is the district with the third-highest number of voters, behind the municipalities of Guatemala and its surroundings.³³ However, political parties are not well organized in Huehuetenango,³⁴ since the parties prefer not to legally organize themselves in order for the central authorities to be able to name mayoral and representative candidates.

This district elects 10 of the country's 158 congressional representatives.³⁵ Representatives constitute key pieces in the creation of the distinct levels of political action because they are integrated into national networks through legislative blocs. They also have influence over the decisions that affect their department, which enables some of them to be the natural interlocutors with the voters. Moreover, they generally have projects in the municipalities and communities. They play an important role because they are the players that act with the most autonomy in the different spheres of political action, which allows them to help both their constituents and financiers.

At the national level, they can negotiate and influence global public investments, the location of certain projects, funds for the departments' development councils, etc. In the departmental arena, congressmen influence the composition and functioning of the local bureaucracy, particularly in areas such as health and education, where they insert members of their networks as public employees. In the municipalities, they establish relationships of reciprocity with local and community groups. In sum, influence over congressional representatives equals a large supply of political, social and economic capital.

The development of the congressional representatives as the nucleus of the departmental power groups is relatively recent. One of the results of democratization was the weakening of the centralist government and the erosion of the power of the presidency. This was complemented by the laws of decentralization and the strengthening of the development councils, which awarded the departments with more resources, and a certain degree of autonomy to determine their own destiny. This contributed to the empowerment of some local actors that, through their control over public works (managed by private businesses and independent brokers known in Guatemala as non-governmental organizations, or NGOs) and the departmental bureaucracy, managed to consolidate power structures. This in turn increased their capacity for influence at the national level and, in many cases, improved their prospects for illicit enrichment.

The now former Congresswoman Emilenne Mazariegos (pictured) is a good example of this dynamic between the central powers and local politics. She was not born in Huehuetenango, but she penetrated the department's political life through her association with the representative Edwin Martínez of the Democratic Union (Unión Democrática - UD), a party she joined in 2003. In 2007, she ran in the number two position in Huehuetenango, making a pact with Martínez -- who she had or had not married, depending on the source³⁶ -- that if the party did not win the necessary number of votes to elect two representatives, they split time in congress. At first Martínez complied with the pact, and after two years he asked Congress permission to hand over his responsibilities to Mazariegos.³⁷ Nonetheless, 11 months later, Martínez returned to Congress to replace her. There was a public dispute, and Mazariegos was forced to cede the office.



Mazariegos would later return to Congress, but this time with the Patriotic Party (Partido Patriota - PP). During her time in Congress, Mazariegos established a close relationship with the secretary of the PP and eventual vice president of the country, Roxana Baldetti.

Baldetti is a controversial figure in Guatemala. The former beauty queen and owner of beauty salons is a good representation of the new political elite in Guatemala. After serving on the public relations team for the presidency at the beginning of the 1990s, Baldetti became a candidate and later a congressional representative. Through politics, she would consolidate her own private economic empire. During her time as vice president (2012-2015) she was repeatedly accused of corruption. She was also believed to have been associated with the money laundering structure run by Marllory Chacón,

the so-called “Queen of the South,” who was sentenced in the United States on drug trafficking charges.³⁸

In April 2015, the CICIG and the Attorney General’s Office said Baldetti was part of the criminal structure that defrauded the customs office.³⁹ Baldetti resigned and she is currently in prison while her trial proceeds. This was the beginning of a series of corruption cases against representatives, mayors and the highest levels of the executive branch including the president himself.

The political elite was formed through its control over public resources, which were used to enrich themselves and remain in positions of power. One of the key institutions for understanding this corruption dynamic are the development councils. These kinds of councils are where power is built in Guatemala today. The 1985 Constitution established that the municipalities would receive 8 percent of the national budget (distributed according to the size of the population); this number was raised to 10 percent following the peace agreement.⁴⁰ On top of this was the “executable” revenue for the departments that went to public works projects and the operating costs of the departmental bureaucracy.⁴¹

The government, which was further weakened by a series of neoliberal reform measures in the 1990s, stipulated that public works had to be carried out by private businesses. The government did not create a strong regulatory framework, however, and these businesses now compete for public funds without proper oversight. In addition, the decision of the state to provide certain services through the aforementioned brokers, the NGOs, entities that receive public resources, has further weakened the government’s hold over the process.

This resulted in the proliferation of construction companies and NGOs⁴² that became intermediaries in the implementation of public works projects. Generally, these businesses or NGOs operate under the control, or in the orbit, of these elites who, in exchange for public works concessions, receive commissions and in some cases are part of these economic structures.

This system has turned the public budget into a battleground between political groups, construction companies and other state providers.⁴³ The fragmentation and fluidity of the party system has resulted in such a situation that when the executive lacks a parliamentary majority, it exchanges votes for resources destined for public works, which are channeled to businesses in which the representatives have stakes or which finance their political campaigns.

Political actors are not the only participants in the dispute for public works projects. In a systematic manner similar to what has been seen in other countries in Latin America, drug trafficking groups have built construction firms that permit them to access public funds while also laundering their money and diversifying their business portfolio. Guatemala is no exception, as illustrated with the country's most notable family-run drug trafficking groups. To cite just two examples, in the northeast, the Mendoza group has builders that have won public work assignments; and in Alta Verapaz, various businesses owned by Ottoniel Túrcios -- who until relatively recently was incarcerated in the United States -- benefitted from government contracts during the management of Obdulio Solórzano -- who was linked to drug trafficking and murder -- and the presidency of Álvaro Colom (2008 - 2012).

The Huistas are no exception. This investigation found that at least one construction firm was linked to this group. The company is called Rentas y Servicios Matamoros, which is registered under the name of Esteban Danubio Matamoros Castillo. This business benefitted from municipal projects⁴⁴ in Huehuetenango between 2012 and 2016, according to the website Guatecompras.⁴⁵ According to the CICIG, Danubio Matamoros is an alleged drug trafficker, and authorities have issued a warrant for his arrest. He is currently a fugitive from justice.⁴⁶

The Huistas' links with the political elite are not limited to the municipal level; they also have relationships with representatives and officials within the executive branch. Several local sources have said that the group financially backed Emilenne Mazariegos' congressional campaign in 2011.⁴⁷

Mazariegos denies any type of link to the Huistas, and there are no formal accusations against her. Nonetheless, according to a civil society leader in Huehuetenango who requested anonymity for security reasons, Mazariegos admitted that she had 4 million quetzales (roughly \$500,000) to finance her 2011 campaign, a large sum for a local election. When she was interrogated by a journalist about the origins of this money, she hesitated before saying that it came from her businesses, without providing further details.⁴⁸ She later used a much lower figure, saying that her campaign had 800,000 quetzales (close to \$100,000).⁴⁹ Mazariegos was re-elected as a representative of Huehuetenango in the 2015 elections, but the Supreme Electoral Tribunal declared her "unsuitable" due to alleged "influence peddling" with employees of a state health care agency.⁵⁰

We should emphasize that the two people accusing Mazariegos of having a connection to the Huistas are political rivals, as well as a source that works with the government intelligence services and another source connected to a local think tank. Mazariegos has

not just denied the accusations but, on at least one occasion, has threatened to sue a journalist from Plaza Pública who asked about these alleged connections.

"How can you say that?" she reportedly asked the journalist. "I am going to sue you for defamation."

InSight Crime called two telephone numbers it had for Mazariegos, leaving detailed messages on both, and we sent an email asking for her response to these matters. However, Mazariegos did not respond to our efforts.

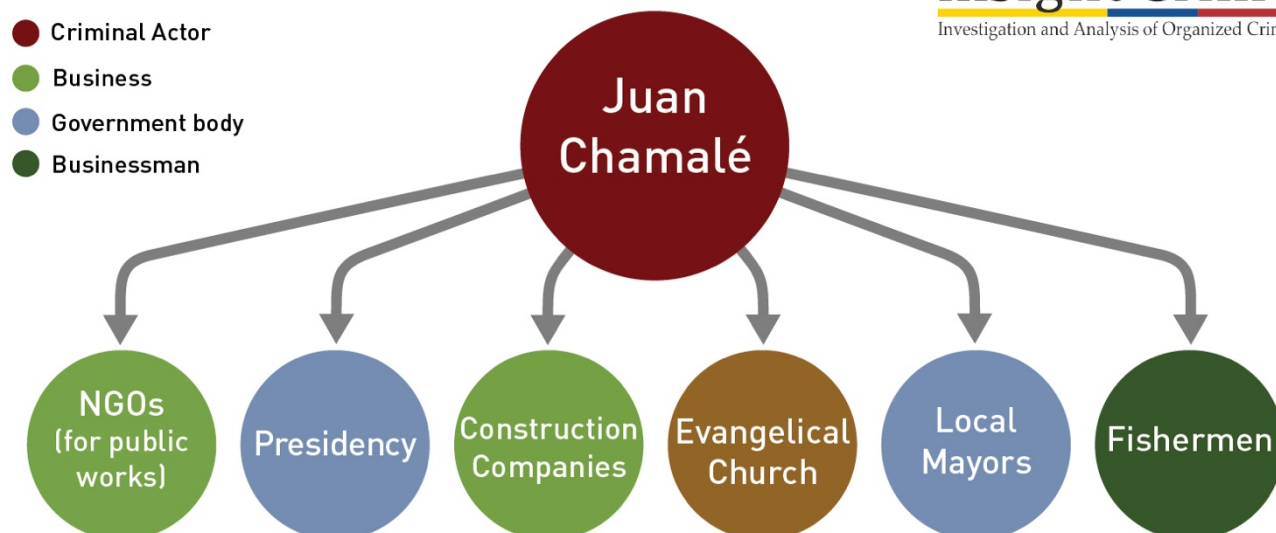
The case involving the other representative linked to the Huistas is different. Because there is less certainty and few sources on this person, InSight Crime is not naming her. However, according to information collected by several sources on the ground, we can say that this person is from the region and therefore has contacts and relationships with these groups. Like in the case of Mazariegos, this person has been accused of receiving resources from these groups to finance congressional campaigns, although there are not any formal accusations against her.⁵¹

However, an ex-official from the Guatemalan government intelligence services said that the rise of this person to Congress was a "huge leap" for the organization in terms of their reach and power because "now they have a political operator on the inside ... of Congress that is loyal and responds to the interests of the cartel."⁵²

In addition, former Attorney General's Office officials say that she still maintains certain links with the prosecutor's office as a result of working in Huehuetenango in that office. The weakness of the local Attorney General's Office has forced the prosecutor's office in Guatemala City to lead the investigations into organized crime in the region.

The Huistas and the Chamalé Group – a Comparison

Figure 3: Chamalé Network



In many ways, the Huistas are a typical regional organized crime group. They look for alliances that shield them from the law and from their enemies. They look to improve their businesses and launder money through investments in local businesses, especially those that deal mostly in cash and that can help them camouflage several activities at once. They intersect with elites -- above all local political and economic elites -- who can serve as interlocutors to political groups at the national level.

In this sense they are similar to another Guatemalan group that operates in the border area with Mexico. The Chamalé group is named after its leader, Juan Alberto Ortíz López, alias "Chamalé." Chamalé was a much more public figure than Samayoa, the head of the Huistas. He was a pastor and an open benefactor of political parties and candidates. Chamalé was the owner of businesses and NGOs that benefitted directly from the economic resources of the state. And he was openly violent within his area of operation in the south of San Marcos department, especially in the municipalities of Malacatán and Ayutla.

Both Chamalé and the Huistas also have been identified for having a strong relationship with the political parties in power. For his part, Chamalé allegedly provided funds to candidates of various parties at both the local and national level so that they would let him continue his illicit activities.⁵³ He is also alleged to have had a relationship with Gloria Torres, sister of former first lady Sandra Torres. Chamalé (pictured below) allegedly negotiated municipal works projects with Gloria Torres,⁵⁴ although Torres has never been prosecuted for these supposed ties.

This relationship was similar to the one the Huistas seek with representatives: fixers who provide access to both local and national power. This is fundamental for the Huistas' business interests, especially in terms of security but also for money laundering purposes. It also provides a possibility for the group to accumulate political and social capital at the local level.

This type of political support comes from backing candidates with campaign funds. In Huehuetenango, all of the information linking organized crime to congressional representatives revolves around campaign financing and indirect communication with various officials. Nonetheless, as has been previously mentioned, concrete evidence does not exist. Based on the above information it can be inferred that the typical behavior of these groups is to build a circle of territorial protection through bribes and cooperation, and to establish agreements at the different levels of politics in order to achieve a certain degree of security for their operations and contributions to economic projects.



Nonetheless, in another sense the Huistas are distinct from the Chamalé group. For example, one of the peculiarities of the Huistas is their territorial nature. The Huistas region is defined by geography and a strong local ladino and indigenous identity. There is also a strong connection to the land as well as complex kinship and cronyism networks among the mestizos that favor the development of criminal structures.

This unique identity is explained, in part, by the demography and political importance of the region. While in the south of San Marcos -- where Chamalé operated -- there is an important state presence derived from the area's strategic importance as an international commercial hub, the state has a weaker presence in the Huistas' region. In the municipalities of Malacatán and Ayutla, where Chamalé operated, the respective city halls led development projects, and there was a strong culture of political activity.

In the aforementioned municipalities of Huehuetenango, community organizations look to meet the local needs and demands. While in the south of San Marcos, the indigenous population is a minority, in Huehuetenango, the Huistas municipalities (mainly mestizos) are surrounded by indigenous communities that have a strong identity and self-organization that contains the expansion and activities of the criminal groups. In short, the Chamalé group developed in a politically and economically strategic area, while the Huistas established themselves in a relatively marginalized area.

In addition, it appears the Huistas do not want to expand their territory nor fight over new drug routes. The large clashes this group has engaged in have been in defense of their territory rather than attempts at expansion, and although their leaders own properties in other departments, they and their families continue to live in Santa Ana Huista and San Antonio Huista as well as La Democracia. This has retained their status as a local group, which prioritizes the safety of their lives and operations, as well as the building of public works projects and the attainment of a certain degree of social legitimacy.

With respect to political links and legal protection, both groups managed to establish a strong influence over local authorities. This influence combines bribes to political and judicial authorities with distinct forms of interactions with local political leaders. Nonetheless, in Chamalé's case, there was cooperation with the municipal authorities in Malacatán, especially regarding municipal infrastructure projects. In the Huistas area, there seems to be a coexistence based on tolerance rather than cooperation. What's more, there is a strong element of family, or blood-relations, that control key positions and facilitate interactions among the various licit and illicit actors.

In both cases the groups established a degree of social legitimacy, but they did so using different methods. Chamalé began in the drug business through his experience as a fisherman. Gradually, he built a business emporium that included agriculture and ranching activities, cable television channels, construction companies and other legal activities that permitted him to build local and regional alliances. He also supported the churches in the area and considered himself to be an assistant pastor, which earned him social recognition. In a moderate and discreet way, Chamalé began to exhibit luxury goods and show them off at local festivals. In the end, he was considered an upstanding man, a benefactor and a legitimate businessman. Following his March 2011 capture, some workers on his farms protested, demanding his liberty.

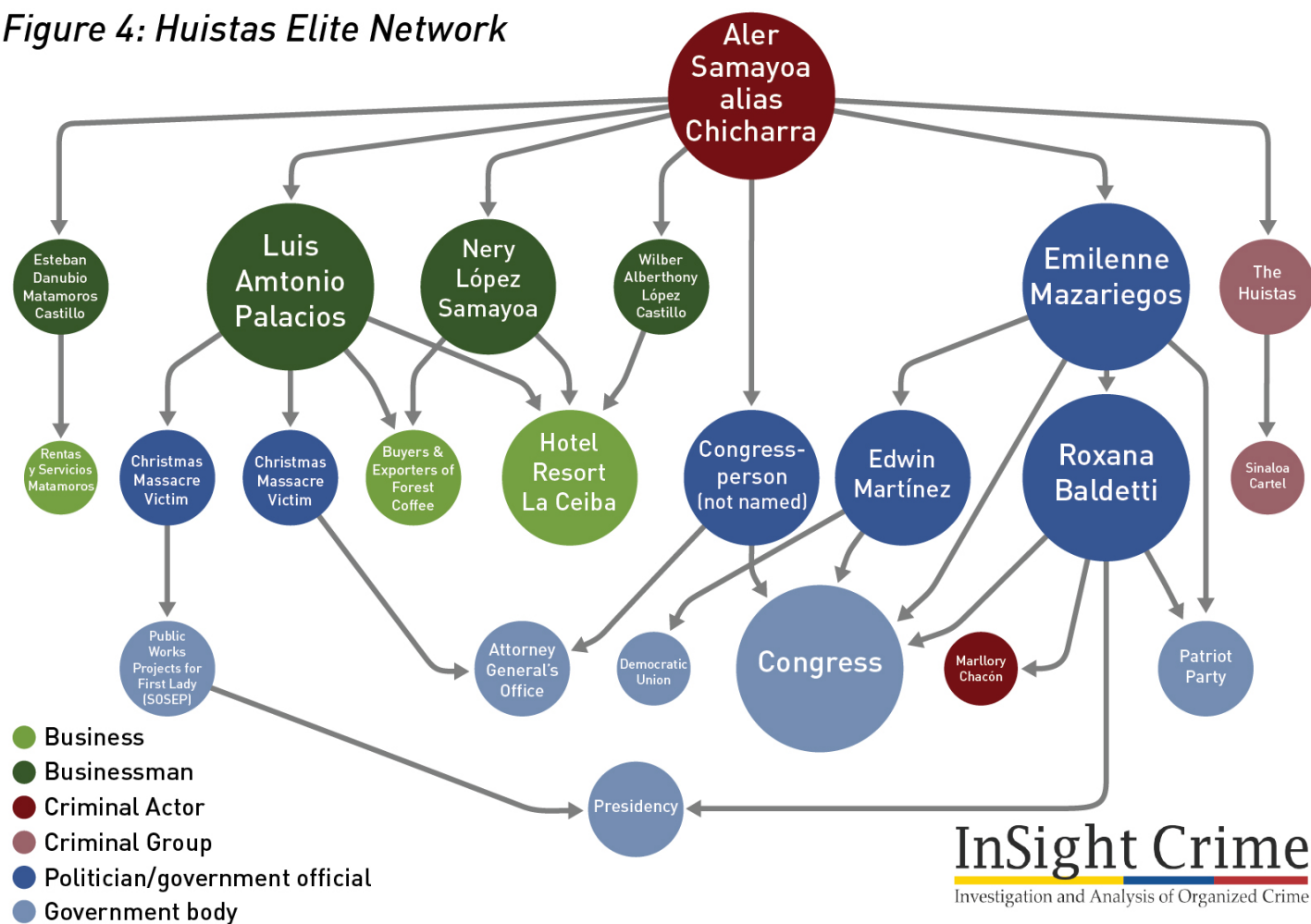
Meanwhile, the Huistas and their leader, Aler Samayoa, have maintained a much lower and more localized public profile. The legitimate businesses they have founded are principally hotels and a recreation center. Although he's well-known in the municipalities where he operates, since the incident with the Zetas, Samayoa almost never appears in public and, according to prosecutors, he has a sophisticated security system that has protected him from the authorities.

Perhaps what separates these groups the most are their respective uses of violence and how they maintain order in their areas of operation. According to the United Nations, the Chamalé group was responsible for approximately 50 homicides per year in Guatemala, and it is involved in extortion and land expropriation. The Huistas, according to what InSight Crime has been able to establish, are violent and take action

against rivals and possible threats, but they do it outside of their territory in order to maintain relative calm and not expose themselves to criminal investigations. In addition, as was previously mentioned, the Huistas act against gang members, rapists and other criminals; indeed, their areas of operation are among the safest in the entire country.

Conclusion: The Huistas and Their Model of Resistance

Figure 4: Huistas Elite Network



It was the capture of Eduardo Villatoro Cano and the dismantling of his group, which had assassinated the police officers as reprisal for a “tumble” (drug robbery)⁵⁵ in 2013, which laid bare the differences between the Huistas and other criminal groups. The Huistas, it appeared, were relatively untouchable.

Indeed, in addition to the neutralization of Villatoro Cano, between 2010 and 2014 authorities captured the leaders of numerous Guatemalan drug trafficking groups. This includes the capture and extradition to the US of Mauro Salomón Ramírez (captured in

October 2010) and Juan Chamalé (captured in March 2011), both of whom operated in the country's southwest; Waldemar Lorenzana Lima (captured in April 2011) and Elio Lorenzana Cordón (captured in November 2011), from Zacapa in eastern Guatemala; Horst Walther Overdick Mejía (captured in April 2012), from Alta Verapaz; and Jairo Orellana Morales, a violent drug trafficker linked the Lorenzana group (captured in May 2014). As mentioned above, the Zetas group was also dismantled.

Despite the series of captures of important drug traffickers between 2010 and 2014 and the dismantling of the Villatoro Cano group, the Huistas and their leader Aler Samayoa “El Chicharra” remain intact. During the weeks-long investigation into the police massacre in Salcajá, the Villatoro Cano structure was linked to the Huistas, and numerous news articles noted the existence and regional importance of this group.⁵⁶ Nonetheless, at the time of this writing the authorities have not touched the Huistas. And, according to local sources, following several weeks of maintaining a low profile they have resumed their activities.

There are a few potential hypotheses -- some of which are complementary -- that can explain why the Huistas continue to operate with impunity. These hypotheses are based on the field interviews conducted during this investigation.

The first explanation is that the Huistas count on sufficient political protection to keep their leaders immune to investigation and arrest. As was noted in this report, this criminal structure could be linked to an important political party via a congressional representative. But there are no known investigations in the Attorney General's Office into these ties. What this field investigation was able to confirm was the existence of links between this group and local police, some departmental officials and low-level officials in the Attorney General's Office.

Nonetheless, it's necessary to go further to understand the Huistas' power. Ties to police and the Attorney General's Office did not save their rivals, nor did contributions to political campaigns. The Huistas have become the local elite through their economic, political and social activities. They are sponsors, benefactors and protectors of the area, in both a symbolic but also in a very real sense. They are the ones who make sure that other criminals (or those from a parasitic state) do not enter and take advantage of a population that has not had a protector for the past 50 years.

The group's social ties are the key to the second hypothesis. The Guatemalan government seems to pursue criminal structures when they cross the accepted limits on the use of violence: indiscriminate attacks on civilians; attacks against authorities; or armed groups that put into risk the predominance of the security forces, particularly the army. According to a former official in the Attorney General's Office, the Huistas

structure constitutes a “village group” that has limited reach and specializes in the storage and transport of drugs. And they do not, like the Zetas and Villatoro Cano, rely heavily on violence.

From this perspective, the group's key to survival is due to their apparent decision not to leave their comfort zone -- the area where they are based and their established routes; their defense of territory; and their very disciplined use of violence in the areas where they operate, to the point of controlling the violence and crime committed by other criminal groups. This has enabled them to remain out of the crosshairs of the authorities, avoid conflicts with rival groups, and maintain control over the region.

For these reasons, the Huistas were also able to successfully rebuff an attempt by the Zetas to occupy their territory. What the Zetas and their local ally, Villatoro Cano, did not understand was that their one-dimensional strategy of force could not compete against the multidimensional strategy employed by the Huistas. While the Zetas had more gunmen and more weapons, the Huistas had the support of the local population and important links to the state which gave them legitimacy, economic power and, in this case, protection.

The intervening years have provided more evidence of the effectiveness of the Huistas' strategy. The names of their leaders circulate among international and local law enforcement agencies, but there are no formal accusations, investigations or extradition requests against the Huistas group led by Aler Samayoa.

**This report was researched and written by a Guatemalan investigator who for safety reasons did not want to reveal his/her name. InSight Crime has corroborated the information presented in this report. Map by Jorge Mejía Galindo. Graphics by Andrew J Higgins.*

Endnotes

[1] Steven Dudley, “Guatemala Massacre Opens Window into Elite’s Ties to Organized Crime”, 14 February 2013. Available at: <http://www.insightcrime.org/news-analysis/guatemala-massacre-window-elite-organized-crime>

[2] elPeriódico, cited by Steven Dudley, “Guatemala Massacre Opens Window into Elite’s Ties to Organized Crime”, 14 February 2013. Available at: <http://www.insightcrime.org/news-analysis/guatemala-massacre-window-elite-organized-crime>

[3] Prensa Libre, “Confirman identidad de víctimas de masacre en San Pedro Necta”, 28 December 2012. Available at: http://www.prensalibre.com/noticias/justicia/Confirman-identidad-San-Pedro-Necta_o_836916485.html

[4] On migration from Huehuetenango to the United States, consult: Manuela Camus, *La sorpresita del Norte* (Guatemala, 2008); Camus (editor), *Comunidades en movimiento: La migración internacional en el norte de Huehuetenango* (Guatemala, 2007).

[5] Comisión Internacional Contra la Impunidad en Guatemala (CICIG), “El financiamiento de la política en Guatemala” (2015), p. 19. Available at: http://www.cicig.org/uploads/documents/2015/informe_financiamiento_politicagt.pdf

[6] Instituto Nacional de Estadística, “Encuesta de Condiciones de Vida 2014: principales hallazgos” (Guatemala, 2015).

[7] According to Manuela Camus, it is possible to identify the following regions in Huehuetenango: 1) q'anjob'al, including the chujes and akatekos, which were pioneers in the migration to the United States; 2) the southern Mam; 3) The Huista region, which is characterized by diverse ethnicities and the presence of a mestiza population; 4) the awakateka zone, where awakatekos, chalchitekos y k'iches live; 5) the multi-ethnic areas that have recently been developed for agricultural purposes, to the north of Nentón and Barillas; 6) the settlements belonging to the ladinos. See: Camus, *La sorpresita del Norte* (Guatemala, 2008), p. 42-44.

[8] Ibid., p. 45.

[9] Ibid., p. 41.

[10] On the armed conflict in the department, consult: Paul Kobrak, *Huehuetenango: historia de una guerra* (Guatemala, 2010).

[11] Ibid.

[12] The PAC were groups of civilians who in most cases were forced to complete auxiliary tasks for the counter-insurgency movement, including patrols, controls of towns and routes, and in some instances they assumed real power in the municipalities.

[13] According to CICIG Commissioner Ivan Velázquez, "Corruption unifies the Guatemalan political system." See: Prensa Libre, “Guatemala es propicia para cometer delitos electorales,” 16 July 2015. Available at: <http://www.prensalibre.com/guatemala/politica/cicig-presenta-informe-de-financiamiento-de-partidos-politicos>

[14] Comisión Internacional Contra la Impunidad en Guatemala (CICIG), “El financiamiento de la política en Guatemala” (2015), pp. 16-19. Available at: http://www.cicig.org/uploads/documents/2015/informe_financiamiento_politicagt.pdf

[15] Jahir Dabroy, Caracterización del sistema político de Huehuetenango: análisis del proceso electoral (Guatemala, 2012), pp. 95-108.

[16] Fundación Propaz's map of who holds power shows that López Villatoro's territorial power base is in the central area of the department and the Mam area (south), while a strong relationship with construction businesses permits him channel public funds.

[17] See: Steven Dudley, "The 'Tennis Shoe King' Who Became Guatemala's Gentleman Lobbyist", InSight Crime, 18 September 2014. Available at: <http://www.insightcrime.org/investigations/guatemala-lopez-villatoro-corruption-lobbyist>

[18] On 6 October 2009, the then-commissioner of the CICIG Carlos Castresana denounced, the existence of a network that influenced the process of selecting Supreme Court judges being led by Roberto López Villatoro. The presentation made by Castresana can be found in the following link: <http://eleccionmagistrados.guatemalavisible.org/images/stories/notas%20equipo%20Guatemala%20Visible/Presentacion%20candidatos%20a%20CSJ%20Octubre%2006-09.pdf> and the formal letter to congress can be found here: <http://eleccionmagistrados.guatemalavisible.org/images/stories/notas%20equipo%20Guatemala%20Visible/Ref10-2009-162%2005Oct09.pdf>

[19] While developing this report, InSight Crime conducted eight field investigations in Huehuetenango, including the department capital and the municipalities of Santa Ana Huista, San Antonio Huista and la Democracia. During the field research we conducted more than 10 interviews and conversations with local authorities, community leaders, politicians, religious leaders and other individuals.

[20] InSight Crime interview with a Public Ministry official that requested anonymity, Huehuetenango, February 2013.

[21] When InSight Crime visited the zone in 2010, several locals talked of more than sixty deaths.

[22] Public Ministry investigators consulted by InSight Crime on why Guatemala City is the origin of various drug trafficking routes, said that drug planes from South America continue to land at La Aurora International Airport. In recent years, authorities have made several seizures in these facilities. With respect to the drug routes from the Southern Coast, the investigators stated the ports are used to receive drug shipments.

[23] This information was provided by an ex-intelligence official who in many cases indicated the name of the legal owner and the name of the legal representative of these businesses. This information was confirmed by interviewees for the businesses in the Huistas region and La Democracia.

[24] elPeriódico, "Los negocios de Palacios, quien murió carbonizado en Huehuetenango", 28 December 2012. Available at: http://transdoc.com/pagina_interna/25309

[25] Ibid.

[26] InSight Crime's researcher investigated on his own the prices for the hotel.

[27] InSight Crime interview with a high-ranking military official who preferred to remain anonymous, Huehuetenango, 31 May 2013.

[28] Bureaucratic elites make reference of the elites that depend on their government posts or their political seats to gain influence and power.

[29] Steven Dudley, "How a Good Soccer Team Gives Criminals Space to Operate", InSight Crime, 11 June 2014. Available at: <http://www.insightcrime.org/news-analysis/how-a-good-soccer-team-gives-criminals-space-to-operate>

[30] Information provided by a district representative that preferred to remain anonymous, Guatemala City, 15 January 2013; an ex-intelligence official corroborated this information, Huehuetenango, departmental capital, 22 January 2013.

[31] According to the press agency Centro de Reportes Informativos sobre Guatemala (CERIGUA), the assassination of the mayor of La Democracia, Huehuetenango in 2010 was attributed to organized crime. See: CERIGUA, "Crimen organizado e intereses personales pintan un panorama electoral sombrío en Huehuetenango", 5 September 2011. Available at: <http://cerigua.org/article/crimen-organizado-e-intereses-personales-pintan-un/>

[32] The department of Huehuetenango is an electoral district.

[33] According to statistics from the electoral authorities corresponding to the 2011 elections this district represented 7.2 percent of all voters.

[34] Asociación de Investigación y Estudios Sociales (ASIES), "Partidos Políticos guatemaltecos. Cobertura territorial y organización interna" (Guatemala, 2013).

[35] In this department during the 2011 elections, voters elected four representatives from the Unidad Nacional de la Esperanza (UNE), four representatives from the Partido Patriota (PP), one representative from the Unión del Cambio Nacionalista (UCN), and one representative from the Partido de Avanzada Nacional (PAN). The representational make-up, however, has since been modified: currently the UNE has two representatives; the Libertad Democrática Renovada (LIDER) party has three representatives; two from the UNE and one from the PAN; one representative from the Unidad Revolucionaria Nacional Guatemalteca URNG – MAIZ party (a post that had been fraudulently assigned to the PP); and an independent representative.

[36] Luis Angel Sas, "Emilenne recargada", Plaza Pública, 6 July 2011. Available at: <https://www.plazapublica.com.gt/content/emilenne-recargada>

[37] Ibid.

[38] Paola Hurtado, "Marllory Chacón, la reina que abdicó", Contrapoder, 30 April 2015. Available at: <http://contrapoder.com.gt/2015/04/30/la-reina-del-sur-marllory-chacon-la-reina-que-abdico/>

[39] Comisión Internacional Contra la Impunidad en Guatemala (CICIG), "Capturan a Ex Vicepresidenta Ingrid Roxana Baldetti Elías y solicitan antejudio contra Presidente Otto Fernando Pérez Molina", 21 August 2015. Available at: <http://www.cicig.org/index.php?mact=News,cntnto1,detail,o&cntnto1articleid=627&cntnto1returnid=67>

[40] Instituto Centroamericano de Estudios Fiscales ICEFI, "Guatemala: poder de veto a la legislación tributaria y captura fallida del negocio de la inversión pública", in Política fiscal: expresión del poder de las elites centroamericanas (Guatemala, 2015), pp. 25-125.

[41] Ibid.

[42] Historically the NGOs in Guatemala have been involved in promoting development projects and civil society initiatives. However, due to a legal loophole, from the 1990s until 2012 NGOs were created that served as intermediaries for public resources. Many of these institutions were created by political structures to capitalize on public funds. In 2012, the Ministry of Finance prohibited the financing of NGOs for public funds.

[43] See: Steven Dudley, “Justice and the Creation of a Mafia State in Guatemala”, InSight Crime, 15 September 2014. Available at: <http://es.insightcrime.org/investigaciones/justicia-y-creacion-estado-mafioso-guatemala>

[46] See: <http://guatecompras.gt/PubSinConcurso/Proveedores/ConsultaDetPubSinCon.aspx?prv=589040&an=2016>

[47] Ibid.

[48] Comisión Internacional Contra la Impunidad en Guatemala (CICIG), “Presentan pruebas contra dos ex policías en caso de desaparición forzada”, 11 March 2015. Available at: <http://www.cicig.org/index.php?mact=News,cntnto1,detail,0&cntnto1articleid=584&cntnto1returnid=67>

[47] This statement has been made by the Guatemalan newspaper elPeriódico, which has also noted the influence of the Huistas within the local police.

[48] Luis Angel Sas, “Emilenne recargada”, Plaza Pública, 6 July 2011. Available at: <https://www.plazapublica.com.gt/content/emilenne-recargada>

[49] Ibid.

[50] Soy502, “Definitivo: CC deja sin curul a Emilenne Mazariegos y otros diputados”, 4 January 2016. Available at: <http://www.soy502.com/articulo/hichos-mazariegos-arreaga-chavez-quedan-sin-curul-segun-cc>

[51] The accusations against this person come from political opponents. There are no formal accusations or investigations against him.

[52] Interview with InSight Crime, January 2013, an ex-member of the Secretary of Intelligence that requested anonymity.

[53] Jorge Dardón and Christian Calderón, “Estudio de caso de la red de Juan Ortíz, alias ‘Chamalé’”, in Ivan Briscoe, et al. (editors), *Redes Ilicitas y Política en América Latina* (Suecia, 2014), p. 232.

[54] Ibid., p. 234-235.

[55] Charles Parkinson, “Mexico Catches Alleged Ringleader of Guatemala Police Massacre”, InSight Crime, 4 October 2013. Available at: <http://www.insightcrime.org/news-briefs/mexico-catches-guatemala-police-massacre-leader>

[56] Siglo 21, 21/09/13, p. 4: Tráfico de drogas está en manos de 12 grupos; Prensa Libre, 12/12/13 pg. 10, Agentes estarían ligados a narcos.

Project Description

Elites and organized crime is a multiyear project financed by the International Development Research Centre that investigates the dynamics between organized crime and elites in four countries: Honduras, Guatemala, Nicaragua and Colombia.

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Team

InSight Crime Co-director Steven Dudley was the director of the project. Javier Meléndez was the project coordinator. Dudley coordinated research in Honduras, along with the Centro de Investigación y Promoción de los Derechos Humanos (CIPRODEH) and the Asociación para una Sociedad más Justa (ASJ). Edgar Gutiérrez coordinated research in Guatemala, along with the Fundación DESC. Meléndez coordinated research in Nicaragua, along with Expediente Abierto and the Instituto de Estudios Estratégicos y Políticas Públicas (IEEPP). InSight Crime Co-director Jeremy McDermott coordinated research in Colombia. Several independent investigators, who wished to remain anonymous, also greatly assisted project work in Honduras, Guatemala, and Nicaragua. Jorge Mejía Galindo developed the maps. Andrew J Higgins did all the graphics. InSight Crime wishes to thank all the partners and collaborators.

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