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Guatemala: The Military in a Supporting Role in the Fight Against Transnational Organized Crime*

Guatemala: Los militares en apoyo de la lucha contra el crimen organizado transnacional

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Resumen: Este artículo examina el desafío de las organizaciones criminales y pandillas transnacionales en Guatemala y la respuesta del Estado guatemalteco. Se centra en la importancia estratégica de la nación como zona de tránsito para los estupefacientes vinculados a los Estados Unidos, con rutas controladas por una matriz fragmentada de organizaciones de contrabando familiar que trabajan para o con carteles mexicanos. La amenaza de las pandillas callejeras violentas es menor que en los países vecinos de El Salvador y Honduras, en tanto que el gobierno ha hecho un proceso significativo, aunque no muy apreciado, en la reducción de la tasa de homicidios. Los avances en la reforma del sector de la seguridad, incluidos los esfuerzos para reemplazar a los escuadrones paramilitares de seguridad ciudadana por la policía nacional, y un ejército que apoya los esfuerzos de seguridad interna, incluidos los grupos de trabajo conjuntos con la policía, pero que es deferente a la autoridad civil. Se describen los esfuerzos de Guatemala en materia de planificación de la seguridad nacional, el uso de un innovador concepto de "nodriza" para extender la resistencia de las patrullas navales en el Pacífico y el trabajo de su unidad de inteligencia financiera (IVE) de reconocimiento. Se recomienda una mayor coordinación de los Estados Unidos con las autoridades guatemaltecas, tanto militares como civiles, especialmente si Estados Unidos amplía las deportaciones de guatemaltecos con antecedentes criminales.

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También recomienda que continúe el apoyo a la Comisión Internacional contra la Impunidad en Guatemala (CICIG), así como un mayor apoyo de recursos e información para las fuerzas de seguridad del país, incluida la capacitación y la participación en la educación militar profesional.

Palabras claves: Guatemala – Maras – Crimen Organizado Transnacional – CICIG – Escuadrones de Seguridad Ciudadana

Abstract: This article examines the challenge from transnational criminal organizations and gangs in Guatemala, and the Guatemalan state's response to that challenge. It focuses on the nation's strategic importance as a transit zone for U.S.-bound narcotics, with routes controlled by a fragmented array of family-based smuggling organizations working for or with Mexican cartels. The work notes that the threat from violent street gangs is less than in neighboring Salvador and Honduras, and the government has made significant, if underappreciated, process in lowering the homicide rate. The article further notes progress in security sector reform, including efforts to replace paramilitary citizen security squadrons with national police, and a military which supports internal security efforts, including joint task forces with the police, but which is deferential to civilian authority. The article also finds Guatemala's efforts at national security planning, its use of an innovative "mothership" concept to extend the endurance of naval patrols in the Pacific, and the work of its financial intelligence unit (IVE) within the nation's banking supervisory organization, worthy of recognition.

The paper recommends enhanced U.S. coordination with Guatemalan authorities, including both military and civilian officials, particularly if the U.S. expands deportations of Guatemalans with criminal priors. It also recommends continued support for the International Commission Against Impunity in Guatemala (CICIG), as well as expanded resource and information support for the country's security forces, including training and professional military education engagement.

Key words: Guatemala – Maras – Mara – Transnational Organized Crime – CICIG – Citizen Security Squadrons

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Prologue

In 2008, the Central American state of Guatemala was beset by the most severe public security crisis since its 1960-1996 civil war. Beginning in the early 2000s, Guatemalan immigrants deported from the United States had established local cells of the violent Mara Salvatrucha (MS-13) and Barrio 18 (B-18) street gangs, which quickly spread through the marginal suburbs of Guatemala City. The country's police force had been disassembled and imperfectly re-constructed following the 1996 peace accords, helping the gangs to infest the country, bringing previously unseen levels of crime and violence to the country.

During the same period, increased U.S. maritime interdiction of drug flows was pushing increasing quantities of narcotics overland through Central America. In the face of the new threats, Guatemala's post-peace accord political leadership presided

over a dramatic reduction in the size of the military, from 56,000 persons during the civil war, to a low of 15,000. Under President Oscar Berger, from 2000 through 2004, the Guatemalan army withdrew from the majority of the bases that it had previously used to assert its presence in, and support law and order throughout the country.

Enabled in part by this retreat of state authority, powerful, well-connected Guatemalan narcotrafficking groups such as the Lorenzanas, Mendoza, Leon, and Lopez Ortiz families converted the country into a major transit area for cocaine and other drugs traveling from Colombia and Peru, toward the United States. In the north of the country, the feared, militarily adept Mexican cartel Los Zetas saw an opportunity and aligned with the organization of Guatemalan drug trafficker Horst Walther Overdick to move into areas such as Alta Verapaz, assassinating and terrorizing their rivals.[1]

Compounding the problem, Guatemala had also become a key transit zone for migrants from Central and South America, and even China, attempting to reach the United States.

By 2008, Guatemala's homicide rate was 46 per 100,000, one of the highest in Central America and nearly twice that of war-torn Colombia. Corruption in the country had become so widespread that, in a respected poll, only 28.4% of Guatemalans expressed at least some, or much confidence in public institutions.[2]

Although Guatemala, as an important transit zone for drugs and migrants, continues to be plagued by gangs, smuggling groups, and public corruption, it has made significant progress in the fight against those ills. It has done so through the lead of civilian institutions, and has surprised the world with a campaign against on public corruption that has led to the ouster and imprisonment of a sitting president and vice-president.

By 2015, Guatemala had more than cut its murder rate by more than 50% to 29.5 per 100,000 persons, and was likely to finish 2016 with a rate for the year of approximately 23/100,000.[3]

Important for the United States, those successes have been achieved, in part, through Guatemala's partnership with the United States, including not only material aid, but also support in attacking the leadership and financial resources of

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1 Steven Dudley, "The Zetas in Guatemala", *Insight Crime*, September 8, 2011, http://www.insightcrime.org/images/PDFs/2016/InSight_Crime_The_Zetas_in_Guatemala.pdf.

2 "Confianza en el Gobierno", *Latinobarometro 2008*, http://www.latinobarometro.org/latOnline.jsp.

3 Interview with personnel at the Office of the Technical Secretary of the Guatemalan National Security Council, Guatemala City, November 2, 2016.

criminal groups, as well as national security planning and other institution building efforts.

The Strategic Importance of Guatemala to the U.S.

The success of Guatemala in its fight against transnational organized crime, and its work to strengthen democratic institutions is of strategic importance to the U.S. and to the region. Guatemala's geographic position at the heart of the Central American landmass make it a key chokepoint for controlling both U.S.-bound flows of people, drugs, and other contraband. With its territory spanning the continent from the Pacific Ocean to the Caribbean, it is impossible to transit Central America by land without passing through Guatemalan territory. Guatemala is also a source zone country for economic migrants and U.S.-bound heroin, and the waters off of Guatemala's Pacific coast are an important source of maritime drug transits to the U.S. from South America.

The combination of these geographic and other factors mean that the conditions in the country strongly impact the arrival of migrants, drugs and other illicit goods to the U.S., as well as the risk that terrorist networks can leverage illicit networks in the country to move people material and money with the intent to harm the United States.

Because Guatemala has worked closely with the U.S. in its struggle against organized crime, its experience impacts the willingness of others to follow the U.S. example. Moreover, that working relationship has important lessons for how U.S. resources and technology can strengthen a nation's institutions and help it to resist criminal actors undermining the democratic order.

The Strategic Geography of Guatemala with Respect to Organized Crime

As noted previously, Guatemala is a natural waypoint for illicit shipments by air and sea from South America to the U.S., and a necessary part of moving those goods and people to the U.S. by land.

Guatemala's relatively flat, remote, heavily forested northern province of Petén has historically been an area for receiving and refueling narcoflights, until expanded government enforcement, and the 2009 political crisis in neighboring Honduras shifted part of those flights to Honduras.

The country's long, sparsely-inhabited Pacific coast has facilitated the use of Guatemala's territorial waters to move drugs, including by narcosubmarines, submersible towed buoys, and watercraft, which sometimes work in conjunction with larger ships which pass far from the Guatemalan coast.

With respect to land routes for both drugs and people, the country's borders are very porous, with an estimated 148 "blind crossings".[4]

The country itself features numerous overland routes for smuggling drugs, which have historically been dominated by different narcotrafficking families, as well as multiple possible combinations of options for moving drugs from the Honduran or Salvadoran border to Mexico.

The geography of Guatemala presents smugglers with a range of options for moving people and illicit goods.

The relatively flat, sparsely populated, jungle-covered department of Petén has facilitated the use of remote narco airstrips, and to some degree, transit via the department's shallow rivers.

In the center of the country, relatively flat land of northern Huehuetenango, Quiche, and Alta Verapaz hosts the transversal highway, permitting the movement of people and goods relatively quickly across the country.

In the southwest of Guatemala, the poverty and inaccessibility of the mountainous states of San Marcos and Huehuetenango facilitate their use as bases by criminal groups well-integrated into the difficult-to-penetrate local population, to include the growing of heroine poppies, and previously, synthetic drug laboratories.

Transnational Organized Crime Groups and Activities

The panorama of transnational organized crime groups in Guatemala is shaped by the role of the country as a transit zone, particularly for the movement of people and drugs (mostly cocaine). There are generally no laboratories for the processing intermediate products into cocaine, although facilities have been discovered for temporarily warehousing the drug as part of its journey toward the United States.

In the poor, remote mountainous department of San Marcos, in the west of the country, heroin poppies are grown on the mountainsides, then boiled to extract their chemical resin, and sold in an intermediate form to Mexican narcotraffickers. Indeed, the portion of San Marcos bound by the towns of Ixchiguan,

[4] Interview with General Juan Manuel Perez Ramirez, Chairman of the Guatemala Defense Staff, Guatemala City, October 31, 2016.

Tajumulco, and Sibinal, referred to as Guatemala's "opium triangle". The chief heroin trafficker in the region was the indigenous leader Cornelio Chilel (the "don of poppies"), working with Juan Alberto ("Juan Chamale") Ortiz Lopez. Following the capture of Chilel (for the second time) in May 2015,[5] members of his family reportedly continue the illicit business.

Prior to 2012, the Department of San Marcos was also the site of laboratories for producing methamphetamines, importing precursor chemicals through the Pacific coast commercial port of Quetzal, although a laboratory has also been discovered in El Progresso, in the center of the country. Nonetheless, the challenge of synthetic drugs began to abate in 2009 when the government tightened restrictions on chemicals required for their production, as well as signing an agreement with the PRC (through the United Nations), in which the later passed Guatemala information on the characteristics and destination of relevant chemicals leaving Chinese ports bound for Guatemala.

With respect to smuggling groups, Guatemalan government actions against high value criminal targets in recent years have substantially fractionalized the groups. There are now an estimated 54 criminal organizations in the country, with most focused-on charging extortion or moving drugs relatively short distances from one side of Guatemala to the other.

Prior to 2014, the major transporter groups in the country were the family-based Lorenzana, Mendoza, Leon, and Lopez Ortiz organizations. The heightened emphasis on the use of land routes through Guatemala in the 2000s helped to increase the competition of those groups with each other, with the Mendozas and Leon groups particularly known for "tumbes" (robbing drug shipments from rival groups). In recent years, however, each of those family-based organizations have lost key leaders, leaving splintered groups with less prominent family members and former subordinates in charge.

The Lorenzanas operated in the center and the West of the country, from their traditional family home in Zacapa, moving cocaine across the country to Mexico, often in the department of San Marcos, and generally for the Sinaloa cartel.[6] Under the presidency of Otto Perez Molina the family patriarch Waldemar Lorenzana was

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5 "Cornelio Chilel era amo y señor de la amapola", *Prensa Libre*, July 8, 2016, http://www.prensalibre.com/guatemala/san-marcos/cornelio-chilel-era-amo-y-seor-de-la-amapola.

6 "Guatemala decide extraditar a veterano narcotraficante a EEUU", *Reuters,* August 6, 2012, http://lta.reuters.com/article/domesticNews/idLTASIE87600320120807.

arrested, as well as his sons Eliu and Waldemar, leaving their brother Haruldo (considered by many to be much less capable) to carry on the business.[7]

The Mendoza organization generally operated in the east of the country, near the family hometown of Morales (Izabal department), and in the northern department of Petén. By contrast to the other family groups, their location straddling the country from east to north created a logical disposition for them to sell cocaine to the Gulf Cartel, which would move it from the border of Petén across the Mexico's Yucatan peninsula and up Gulf coast. Nonetheless, the family's penchant for robbing shipments from others also disposed them to sell the shipments to the cartel willing to buy it, or buy it back at the highest price those robbed shipments to the highest bidder.

The Mendoza family was particularly impacted by the incursion of the Mexican cartel Zetas into the country from 2008 through 2011, yet continued their business after the Zetas' decline.[8] In November 2014, however, the head of the clan, Haroldo Mendoza Matta, and nine other leaders, were captured by Guatemalan security forces.[9] In April 2016, Walter Mendoza, who had taken Haroldo's place, was arrested during government raids in Petén and Izabal.[10]

The Leon family, like the Mendozas, specialized robbing the shipments of their rival smuggling groups, contributing to a gun battle in March 2008 in which the group's leader Juan ("Juancho") Leon Ardon and other key Leon figures were killed.

Juan Alberto ("Juan Chamale") Ortiz Lopez was once considered the most important trafficker in Guatemala, smuggling both cocaine and heroin products, principally across Guatemala's Pacific coast and through San Marcos for the Sinaloa Cartel, until his capture with U.S. assistance in March 2011.

With the previously mentioned debilitation of important parts of the major drug smuggling families in the country, a powerful but low profile group, the "huistas", long established in the department of Huehuetenango, has assumed an elevated role in smuggling drugs through the region. As with San Marcos, Huehuetenango is strategically located in the West of the country, positioning the Huistas to sell drugs

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7 Julie López, "Los Lorenzana se quedan sin Patriarca. ¿Quién tomará su lugar?", *Soy502*, March 18, 2014, http://www.soy502.com/articulo/extraditan-waldemar-lorenzana-quien-era-y-quien-lo-sucedera.

8 Elyssa Pachico, "Guatemala Arrests Alleged Leader of Mendoza Criminal Clan", *InsightCrime,* April 6, 2016, http://www.insightcrime.com/news-briefs/guatemala-arrests-alleged-leader-of-mendoza-criminal-clan.

9 "Mendozas", *InsightCrime,* Accessed August 30, 2016, http://www.insightcrime.org/guatemala-organized-crime-news/los-mendoza.

10 *La Hora*, April 6, 2016, http://lahora.gt/capturan-walter-mendoza-presunto-lider-estructura-criminal.

that they have acquired to the Sinaloa cartel. In addition, the complex geography of the department, with each valley occupied by a different indigenous town with its own dialect, has also made the area remarkably difficult to penetrate for Guatemalan security forces.

With respect to outside actors, although the once feared Mexican cartel, the Zetas, have been almost entirely expelled from Guatemalan territory, security experts interviewed for this study mentioned evidence that the increasingly powerful cartel *Jalisco Nuevo Generación* (CJNG) is seeking to establish ties with the remnants of groups, such as the Overdick organization, that once worked with the Zetas. Yet to date, such efforts have been small scale and have not prospered.

A significant challenge facing Guatemalan authorities in the battle against the maras is the prospect that the incoming U.S. administration of Donald Trump will expand deportations from the U.S. of Guatemalans and other undocumented immigrants with criminal histories. As occurred during the 2000-2004 period as well, such deportations could potentially put thousands of persons with limited economic prospects back on the streets, susceptible to recruitment by criminal organizations, or increasing the potential for violence as they establish new criminal organizations which established ones would likely seek to violently suppress.

Maras

The challenge of Central America's two principal violent street gangs, MS-13 and B-18, is arguably less sever in Guatemala than it is in neighboring El Salvador and Honduras. There are an estimated 12,000 maras in Guatemala, amidst a population of 16.5 million, roughly half that of El Salvador and Honduras on a per capita basis.[11]

Of the two principal gangs, B-18 is the larger in Guatemala, by contrast to El Salvador where MS-13 is larger. There are almost no independent groups.

In Guatemala both groups are concentrated in the marginal outlying suburbs of the capital city such as Villa Nueva and Mixto. By contrast to other Central American states, the geography of Guatemala City has separated the mara-dominated neighborhoods from the more affluent areas in the center of the city, where private security forces make it difficult for the gangs to enter.

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[11] U.N. Office on Drugs and Crime (UNODC), Transnational Organized Crime in Central America and the Caribbean: a Threat Assessment, September 2012, http://www.unodc.org/documents/data-and-analysis/Studies/TOC_Central_America_and_the_Caribbean_english.pdf.

While there are some gangs in smaller Guatemalan cities, narcotraffickers and landed elites in these areas have conspired to keep these areas free of maras, reportedly by killing ("cleansing") any groups who dare to enter and seek to extort money from the local shopkeepers.[12]

As with criminal groups, a significant increase in deportations from the U.S. could swell the ranks of the maras, expanding urban crime and insecurity in Guatemala City and elsewhere in the country.

Guatemalan Government Efforts Against Transnational Organized Crime

The work of the Guatemalan government in combatting transnational organized crime, includes interagency planning, institutional reform, and new resources. These activities and reflect cumulative progress over multiple administrations, including that of Guatemala's previous president, Otto Perez Molina, as well as the current administration of Jimmy Morales.

Little known outside of Guatemala, since 2008 with the passage of the National Security System enabling law (Decree 18-2008), the nation has adopted a relatively sophisticated, whole-of-government national security planning system developed in coordination with U.S. government institutions such as the Defense Institutional Reform Initiative (DIRI). The Guatemalan system includes a national security council (NSC), convened by the President at least once a month with the Ministers of Defense, Interior, and Foreign Relations, the Attorney General, the Secretary of National Intelligence, and the Vice President.

The National Disaster Management Agency (CONRED) and the Guatemalan Secret Service (SAAS) is also represented within the system, but their heads do not sit on the council.

The NSC process is coordinated by a technical secretariat which manages an interagency coordination process with a set of interrelated planning documents, including the government's 2016-2020 strategic plan (released in the summer of 2016), the "National Risk Agenda", the National Security Policy, and the Strategic Agenda for the Security of the Nation. The NSC has also published a new National Security "white book" setting forth the principles guiding the state in its actions in

[12] Interview with Guatemalan security experts, Guatemala City, November 2016.

the national security realm, expanding on white books published by the Defense ministry.

Nonetheless, despite such successes, some argue that the system is too heavily focused on the production of documents, at the expense of substantial interagency coordination by the principals involved.

The interior ministry generally leads the effort against organized crime in Guatemala

Within the ministry, the principal entity for combatting organized crime in the country is arguably the national civil police (PNC). Particularly since 2011, the Guatemalan government has worked to overcome corruption and other institutional difficulties within the PNC, created in part through the dismantling and reconstruction of the Guatemalan national police with the help of the Spanish following the 1996 peace accords ending Guatemala's civil war.

Under the Perez Molina administration, the Interior Ministry sought to increase professionalism within the PNC by instituting a more structured career path, including an expanded requirement for a year-long education program in police sciences to become an officer, supplemented by master's degrees in criminal investigation and police forensics.

The PNC also instituted an expanded program of entry-level screening and regular confidence testing, working within the established system to identify and eliminate officers, and putting them in prison for criminal wrongdoing where appropriate. Those responsible for the reforms suggest that, although the process may have been slower than using externally-provided lists to eliminate corrupt police, it arguably helped avoid the costs of an excessive number of appeals by wrongfully expelled police officers, as well as avoiding putting corrupt police onto the streets, where they may become bitter criminals, knowledgeable of the law enforcement system.

The Interior Ministry has also sought to improve PNC effectiveness through better technology, connecting the officers who interact with suspects on the street with police and other databases, allowing them to identify persons wanted on criminal charges, and reciprocally, recording such inquiries so as to oblige police to detain suspects who are flagged by the system.

Despite such efforts, however, too many PNC units continue to suffer from deplorable working conditions, including non-functional computers and servers, the absence of air conditioning in the summer, and inefficiencies obligated by

technology shortcomings, such as having to physically print reports, then use scarce gasoline and PNC vehicles to physically transport data reports from units in remote areas to police headquarters in Guatemala City.

Currently the PNC has been expanded from less than 30,000, to 35,000, with plans to grow by another 6,000 persons as it seeks to replace military personnel filling public security roles with civilian police.

The government has also sought to achieve greater interagency coordination between ministries in the fight against transnational organized crime and gangs. Under the previous government of General Otto Perez Molina, reflecting the president's military background, the government created a series of "task forces", including functional task forces against the nation's most pressing public security challenges, including entities to combat extortion, robbery of vehicles and cellular telephones, crimes against public transportation, and the murder of women, among others. The task forces were initially small groups of experts, coordinating across ministries (including the PNC, the public ministry, and the military, among others), to combat crime in the designated focus area.

With time, geographic task forces were also created to provide public security in particular zones, with a focus on public security in urban areas (including *Maya*, *El Milagro* and *Kaminal* in Guatemala City).

Later, the government also created PNC-military entities to combat narcotrafficking and other illicit flows in the border regions, including *Interagency Task Force Tecun Uman* in San Marcos, near the border with Mexico (operational since October 2013) and *Interagency Task Force Chorti* active in Chiquimula, Zacapa and Izabal near the border with Honduras (operational since October 2014). The government is currently creating a new interagency task force "*Xinca*" for deployment in Jutiapa, on the border with El Salvador, to begin operating in 2017, and a proposed new task force "Balan" to operate in the west of Petén, focused on that department's border with Mexico.

While the prior government's "thematic" task forces have been disbanded, some have been incorporated into new interagency-focused organizations within the PNC such as the anti-pandillas directorate (DIPANDA). The work of DIPANDA has also been helped by the trinational agreement with neighboring El Salvador and Honduras to combat organized crime, whose contributions to information sharing and the construction of confidence have already facilitated the repatriation of captured MS-13 leader José Alonso Marroquin to neighboring El Salvador, his country of origin.[13]

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[13] "Cabecilla prófugo migró a Guatemala a extorsionar", *La Prensa Gráfica*, October 13, 2016, http://www.laprensagrafica.com/2016/10/13/cabecilla-profugo-migro-a-guatemala-a-extorsionar.

Another important group is the Interagency task force against terrorism (FIAT), which includes PNC special forces (the *Halcones*) transported by the Guatemalan Air Force, and is used to go after high-value targets.

The interior ministry has further established contraband and immigration police, DIPAFRONT, which works alongside the customs service (SAT), to control the nation's ports, airports, and official border crossings, and which has had some success seizing contraband goods coming through the country (although the informal crossings are left to the police and interagency task forces).

In the country's two major commercial ports, Puerto Quetzal on the Pacific Ocean, and Puerto Santo Tomas on the Atlantic, coordination between agencies is supported by information fusion centers (UCCs) in which the SAT, PNC, military, and other government organizations can leverage shared information to better identify contraband material passing through the port.

Despite some advances in supervision of ports and airports, the country continues to lack technology to help control its internal roadways. Guatemala currently has only one mobile scanning device for detecting contraband at established highway checkpoints, currently controlled by the counter-narcotics department of the interior ministry.[14]

The Guatemalan government is also seeking to reform the nation's prison system. The 22 departmental-level facilities with a capacity of 7,000, which held approximately 4,000 prisoners in the 1970s, today houses over 20,923. The situation of those awaiting trial in preventative detention is even worse, with 2,485 spaces for 8,538 detainees, with some prisoners waiting up to 6 years in such overcrowded facilities for trial. Indeed, because the conviction rate is very low, the majority of detainees housed under such conditions for years at government expense are ultimately turned loose.

Guatemala is currently working with the Dominican Republic to adopt that nation's "model penitentiary" approach to reforming the system, transforming facilities one at a time. Its initial step, however, is very modest in the face of such overcrowding: to build, as a pilot project, one 100-person jail for women with children, the old, and the terminally ill. Even this project has problems, with residents of the neighborhood where the facility is to be built, Villa Nueva, resisting its construction.[15]

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14 Interview with Guatemalan security experts, Guatemala City, November 2016.

15 Edwin Pitán, "Gobierno seguirá con plan para abrir cárcel pese a controversia", *Prensa Libre*, November 2, 2016, http://www.prensalibre.com/guatemala/comunitario/gobierno-seguira-con-plan-para-abrir-carcel-pese-a-controversia.

Money Laundering

One of the most effective tools in the Guatemalan government's fight against organized crime is its capacity to detect and combat the financial dimension of organized criminal activity, including, but not limited to, money laundering. The government's core capability in this regard is the "Special Verification Unit" (IVE), established by the money laundering law of 2001 (77-2001) and located within the organization for the supervision of banks. The IVE is independent from, but coordinated with financial crimes special prosecutor organization in the Attorney General's office, to which it recommends cases and supports with data and analysis as requested. The two are complimented by a specialized financial crimes unit within the PNC.

Guatemala's IVE is one of the most capable of its counterpart organizations in the Americas, based on the most recent, 4th round of review by the Financial Action Task Force for Latin America (GAFILAT), of which it is a member, and has provided consulting to other nations in the region such as Panama and Honduras regarding some of its practices. The IVE further shares information and best practices with other nations through its membership in the Edgemont Group, of which it has been a member for more than a decade.

Pursuant to Guatemala's 2001 anti-money laundering law, the government has also passed a series of increasingly strict regulations for banks, cooperatives, cash transfer companies, and other financial, as well as non-financial. Institutions. These include resolution 108-2010 which restricts the quantity of dollar denominated deposits that banks can accept and imposes reporting requirements. Such regulations have prompted many institutions to adopt even stricter internal regulations, including not accepting large dollar deposits in $20 bills (that preferred by narcotraffickers in Guatemala).

Defense

The Guatemalan armed forces, which occupied a dominant position in the nation during the 1960-1996 civil war, currently have a modest and decreasing role in supporting efforts against organized crime.

At the senior level, the Guatemalan military is well-aligned with the civilian leadership of President Morales, with its senior leadership (Minister of Defense Williams Mansilla Fernández and Chief of Defense Staff Juan Pérez Ramírez) demonstrating

a strong commitment to the limitation of the military to a support-only function in internal public security matters.

Since the end of the 1960-1996 Civil War, the Guatemalan military has been one of the most poorly funded in Latin America. The 1996 peace accords limited the size of the Guatemalan defense budget to a mere .33% of Gross Domestic Product and an end-strength of 33,000 troops, down from 54,000 during the war. Under President Oscar Berger (2004-2008), the size of the military fell to a mere .17% of GDP, with a mere 15,000 members. By 2016, the Armed Forces had been restored to the level authorized under the 1996 Peace Agreement, although critics note that when special requirements are subtracted from the armed forces account, the actual funding received is closer to .27% of GDP.

Despite its miniscule funding, the Guatemalan military is one of the institutions which has most thoroughly integrated itself in the national planning process, authoring a defense policy "White Book" in 2003, updated in 2015, and elaborating and updating a defense strategy planning document aligned with the national strategy planning document. With the help of DIRI, the Ministry of Defense is also moving toward a sophisticated, capabilities-based planning and budgeting system SIPLAGDE (*Sistema de Planificacion y Gestion de Defensa*). The system has helped to increase efficiency and reduce corruption in defense spending by subjecting procurement decisions to a requirements-based process with more actors involved. Nonetheless, SIPLAGDE has introduced delays that have obliged the Ministry of Defense to release reserve funds to provide resources for operational needs that were not requested in a timely fashion under the new rules. Some interviewed for this research criticized system as too complicated and not appropriate for Guatemalan needs, although others noted that the increased transparency that it has brought to the acquisition process have produced cost savings.

Since 2006, the Guatemalan military has supported the PNC in maintaining public order through its "citizen security squadrons". The Armed Forces originally established six such squadrons, each with 500 persons, to fill a need created by the combination of the 2004-2008 dramatic reduction in the size of the armed forces, combined with persistent problems within the reconstructed national police.

The squadrons are led by active duty military personnel down to the company level, with the rank-and-file principally comprised of former soldiers brought back under contract. President Otto Perez Molina, upon taking office in 2012, added three more citizen security squadrons, bringing the sum to 9, totaling 4,500 persons. The Interior Ministry initially compensated the Armed Forces for the added costs associated with the squadrons, leading some to complain that the police were "paying the Army" for their help.

Citizen security squadrons are currently integrated with PNC units in order to form combined patrols of various sizes to perform public security functions in major urban areas. Currently four of the squadrons are deployed in Guatemala City and the surrounding area, including one which supports Task Force Maya in the marginal suburb of Villa Nueva, and another which supports Task Force Maya in El Milagro.

Although these units are relatively well regarded, the current government seeks to abolish them and replace them with civilian police forces, potentially as early as the end of 2017.

In the past year, the government has withdrawn citizen security squadrons from 21 urban neighborhoods and transferred them to the country.

Adding to the public pressure over the units, in October 2016, a left-of-center member of Guatemala's Congress introduced legislation to defund the units, proposing the transfer $38 million (the amount required to fund the squadrons), from the Defense to the Health Ministry.

Security experts consulted for this study believed it unlikely that the military would eliminate the force entirely, given the political sensitivity of putting 4,500 former military personnel on the streets. Yet as of the time this article went to press, the debate over what the citizen security squadrons could be turned into had not been resolved.

The armed forces are also co-participants, with the PNC in the previously discussed geographically oriented task forces *Chorti* and *Tecun Uman* deployed to control narcotics and other illicit flows on Guatemala's borders. Both have been outfitted with prototype Jeep J8 armored vehicles provided by the U.S. military (although the vehicles have had maintenance problems, and their weight has caused them to become bogged down in some muddy terrain where they are forced to operate).

Although the task forces have participated in a number of important operations against narcotraffickers, they are broadly perceived as ineffective.[16] Such perceptions are, however, arguably because they tend to operate in support of other units (rather than realizing high-profile detentions), and because such successes are reported through the Interior Ministry, minimizing the public credit received for actions in media reports.

Within the geographic task forces, coordination between the police and the military component is reportedly problematic. The exchange of data between PNC

[16] Based on interviews with multiple Guatemalan security experts, Guatemala City, November 2016.

units in the task force and PNC units deployed in the localities is limited due to concerns over local corruption, fueling frustration on the military side that their PNC counterparts are insufficiently tied into the police system. In addition, the task forces are, by policy, always led by police commissioners, creating occasional tension with the military element, whose Coronel-level head may have more years of experience, coordinating larger organizations, than the police commissioner to which he is subordinated.

The task forces have also been limited by equipment performance issues. The prototype armored CJ-8s provided by the U.S. Department of Defense have suffered from a large number of mechanical problems, and in some occasions, have proven too heavy for the soft, muddy rural roads in which they are required to operate, although U.S. Southern Command is reportedly working with its Guatemalan partners to address the problem.

In addition to coordination and technical issues, the ability of the task forces to proactively pursue criminals may also be undermined by a lack of confidence by military regarding the legal protections for its members conducting public security activities. Multiple persons interviewed for this study, made reference to an incident in a mountainous area known as the "Alaska Summit", in which protesters who had blockaded a road and surrounded a group of soldiers who were responding to the incident, attempting to disarm them, and prompting the soldiers (presumably fearing for their life), to open fire. The incident led to the imprisonment of several of the soldiers and the military head of the group, who remained in prison at the time of this writing. Such stories, although not common, appear to dispose military members to significant caution in carrying out public security missions.

Beyond these border-oriented task forces, the Guatemalan government also employs an elite unit, the GEIR (*Grupo Especial de Interdicción y Rescate*), which is the military compliment of the previously mentioned FIAT. Instead of the elite *Halcones* police special forces used by the FIAT, the GEAR employs the *Kabiles* (military special forces) against high value organized crime targets.

The Guatemalan Army has also formed new brigades to augment its presence in areas of the country presenting significant narcotrafficking challenges. These include a new jungle brigade, deployed to the western portion of Petén, including the Maya Biosphere Reserve (national park), where clandestine narco airstrips are a persistent problem.[17] It has also established a "high mountain" brigade in the department of

[17] Deborah Bonello, "Criminal Activity Spreading Fire in Guatemala's Maya Reserve", *Insight Crime*, July 1, 2016, http://www.insightcrime.org/news-briefs/criminals-spread-fire-in-guatemala-maya-reserve.

San Marcos, site of both significant narcotrafficking smuggling operations and drug laboratories.

Unfortunately, due to severe budgetary limitations, the Guatemalan military has not had the resources to provide special the equipment to either unit corresponding to their designation as "Jungle Brigade" or "High Mountain Brigade", that would allow them to effectively control the territory to which they have been assigned.

In the maritime domain, the government has created a Naval Infantry Brigade (BIM), which it uses for law enforcement missions in the nation's territorial waters and in its rivers. Within the BIM, the Navy's special forces, the FEN, has earned the reputation as an effective interdiction force, realizing arrests of narcotraffickers in Guatemala's territorial waters and inland waterways.

For control of its inland rivers, the Navy has a series of U.S.-donated "metal shark" speed boats, now operating primarily in the Petén region.[18]

With respect to the ocean, Guatemala faces a difficult challenge of controlling the 200 nautical miles of waters extending from its Pacific Coast, given that its seagoing fleet is limited to 9 small ocean-going Boston Whaler watercraft operating from a single port, Quetzal, plus several smaller go-fast boats confiscated from criminals under the country's 2010 asset appropriation law (58-2010). The distance from the port to the remote parts of the offshore areas to be patrolled severely limit the time that the watercraft can remain on-station.

To help the Guatemalan Navy meet this challenge, in 2017, the U.S. is donating a $1.9 million "mothership", specially equipped to refuel and resupply the Guatemalan watercraft at sea, so that they can remain in their offshore patrol areas longer in support of their mission. A second mothership may be sold to the Guatemalan navy through the U.S. Foreign Military Financing program the following year.

As an alternative to the mothership concept, the Guatemalan Navy evaluated the possible establishment of a second naval base at Champerico, near the border with Mexico, but decided against the option because the port required extensive dredging to be usable.

Finally, Guatemala's ability to control its airspace has been limited by both a lack of interceptor aircraft, and the absence of an integrated radar picture which incorporating national radar assets to coordinate the government's response to aircraft making unauthorized transits of the national airspace.

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[18] Based on interviews with multiple Guatemalan security experts, Guatemala City, November 2016.

The few functional aircraft in the Guatemalan Air Force are small fixed wing planes confiscated from narcotraffickers, and relatively slow helicopters.

Guatemala currently has a small fixed-wing B-200 Beechcraft King Air, outfitted by the U.S. with Forward Looking Infrared Radar (FLIR) to detect targets at sea in support of the FEN. It is expected to acquire a second B-200 this year. It also has a fixed wing Cessna Caravan which helps to identify narco landing strips in remote areas such as Petén, and at least three other aircraft that the Guatemalan Air Force has obtained during the last year by confiscating the assets of criminal actors. Yet none of these have the armament or speed to effectively intercept suspected narcotraffickers.

The Guatemalan Air Force previously sought to purchase high-performance Super Tucano aircraft from Brazil to use as interceptors, but the government of Otto Perez Molina canceled the contract at the last minute.

Beyond the aircraft mentioned in the preceding paragraph, virtually all that remain are grounded and too expensive to repair or keep flying. All 5 of Guatemala's Bell UH-1H helicopters are in non-flight status due to a need to overhaul their turbine engines, including two such helicopters donated by Taiwan at the end of their useful service lives. The Air Force also has two Bell-212s, whose two turbines per helicopter make them even more expensive to maintain. Similarly, Guatemala's U.S.-donated A-37, and Pilatus P-7 aircraft are too expensive to repair and return to flight status.

With respect to radars, Guatemala currently has three (sub-optimally located) primary radars, in San Jose, Puerto Barrios, and Petén, and three secondary radar receivers, in San Jose, Petén, and Palermo. Yet none are integrated into the national command and control system; if the radar detects a target, its operators must manually report it to the command system. Although Guatemala's national command center does receive radar feeds from the U.S. Joint Interagency Task Force South (JIATF-S), it cannot integrate detections from its own radars into a common air picture.

The Canadian government is currently working with Guatemala to establish a Joint Operations Center in the country, yet the center does not currently include the integration of feeds from the nation's radars to form a common air picture.

International Commission Against Corruption in Guatemala (CICIG)

The CICIG is an international organization, operating under an agreement between Guatemala and the United Nations, to facilitate the investigation and

prosecution of complex criminal cases in the country, generally involving protected elites, as part of the fight against impunity.

Since the acceptance of its jurisdiction in Guatemala in 2007, CICIG has successfully brought a number of high-profile cases, including "La Linea", which ultimately produced the resignation and imprisonment of Guatemala's sitting President Otto Perez Molina, and his vice-president, Roxana Baldetti. While not focused against organized crime per se CICIG investigations are taking down those benefitting from and protecting criminal organizations in the country, and in some cases, criminal leaders.

In addition, the success of CICIG has been a source of inspiration in the fight against corruption and impunity in Guatemala and throughout the region. Nonetheless, its activities have been controversial. The increasingly broad scope of its activities has threatened Guatemalan political and economic elites feel threatened. In addition, the independence and secrecy with which CICIG operates have caused some to view it as a tool for those in a position to guide it, to persecute their enemies.

Policy Recommendations

For the incoming U.S. administration of Donald Trump, the importance of Guatemala makes policy coordination with Guatemala's leaders and support for its security efforts a good investment.

First, if the administration begins deporting undocumented aliens, it is imperative that it coordinate deportations to the maximum extent possible with the Guatemalan government, as well as other recipient nations, to minimize and manage the effects of those deportees joining criminal gangs. In addition, the relevant U.S. organizations, such as SOUTHCOM, should monitor the situation closely for indications that growth in criminal groups are creating a public security crisis, or leading expanded illicit networks into new threatening forms of behavior such as collaboration with violent anti-U.S. extremists.

Beyond coordination and vigilance, U.S. intelligence and other support for operations against transporter groups, gangs, and other criminal elites should be continued and expanded, including U.S. Treasury and other support against money laundering. To the extent possible, material, training and other support should be consistent with the policies and priorities identified by Guatemala's new planning system that the U.S. has encouraged Guatemala to adopt.

The U.S. should continue work through regional institutions such as the Central American Armed Forces (CFAC) and the Conference of American Armies (CAA) (of which the U.S. is host in the present cycle), to support continued coordination on transnational criminal issues that affect multiple nations in the region, including border cooperation and information sharing regarding migrants, drugs, and other illicit flows, as well as the activities and trends of street gangs.

Consistent with Guatemalan needs, the U.S. should expand funded professional military education and training billets in U.S. institutions such as the Western Hemisphere Institute for Security Cooperation (WHINSEC), and as the pool of qualified Guatemalan officers fluent in English expands, more funded billets in the Command and General Staff College and the U.S. Army War College.

With concurrence from Guatemala's leadership, the U.S. should prioritize support for the reform and expansion of the nation's overcrowded prison system, including anti-corruption measures and the enhancement of control systems. Reducing the backlog of persons in pretrial detention should be an immediate focus. Yet prison reform should be coordinated with improvements in judicial processes and prosecutorial capabilities.

The U.S. should continue to actively support CICIG, since this reduces opportunities for corruption that can be exploited by transnational criminal groups, but also builds the faith of the Guatemalan people in democratic institutions while aligning the U.S. with the people of the country in the fight for justice. Yet while doing so, the U.S. must take care not to be perceived as violating Guatemala's sovereignty.

In the context of concerns created in the region by the contentious 2016 U.S. presidential election, U.S. support for, and continued coordination with Guatemala is strongly in the U.S. interest. Guatemala has consistently put its faith in the U.S. as a partner, and a model for its institutions, processes and national development. The willingness of others throughout the world to continue to work with the United States will be shaped by the perception of the fate of those who trust in us.

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