

# CENTRAL AMERICA AND THE MERIDA INITIATIVE

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TENTH CONGRESS  
SECOND SESSION

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THURSDAY, MAY 8, 2008

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:12 a.m., in room 2226, Rayburn House Office Building, Hon. Eliot L. Engel (chairman of the subcommittee) presiding.

Mr. ENGEL. Good morning. A quorum being present, the Subcommittee on the Western Hemisphere will come to order. I am pleased to welcome everyone to today's hearing on Central America and the Merida Initiative.

As always, I am delighted to welcome back my good friend, Assistant Secretary of State for Western Hemisphere Affairs Tom Shannon. One of the things about Tom, without embarrassing him, is wherever I go, and I talk about him, everyone has just nothing but good things to say about him, and I think it is very, very well deserved. So welcome, Tom. I am very happy, again, to have you back.

Before we get started, let me again say and make clear our committee's policy on handling protests. We have no objection to audience members wearing t-shirts and expressing their views, but, to maintain order in the hearing room, we request that audience members please do not hold up or wave signs, make gestures to attract attention, stand up in protest, shout or yell your views, or otherwise disrupt the hearing.

I am sorry to have to say this, but, you know, we have had a problem from time to time, and we are going to ask the Capitol Police to remove anyone from the room who violates this policy. It is the policy of the Capitol Police to arrest anyone ejected from a hearing room. So I really think that we need to be very careful.

As you know, the Appropriations Committee is producing its supplemental war spending bill. To be frank, I am disappointed that Mexico would receive less than \$300 million of the \$500 million requested by the administration.

I hope to work with the appropriators in conference to push this number up, and I have also been working closely with Chairman Berman on the Merida Initiative legislation, which would authorize full funding for the Merida Initiative. I think that it is time that the committee reasserts itself in this process.

I would like to commend Chairman Berman for pressing ahead with our legislation. This effort will demonstrate to the Congress,

the administration, and our friends in Mexico and Central America that we understand the problem the region is facing with narcotrafficking and violence, and we strongly support full funding for the Merida Initiative.

When the Merida Initiative was first unveiled last October, many of us in Congress were concerned about the disparity in funding between Mexico and Central America. These concerns were shared by our friends in Central America.

In November, the Washington Post reported that “the funding imbalance in the Bush administration’s new antidrug plan, which would send 10 times as much aid to Mexico as to all seven Central American nations combined is generating anxiety in Central America.”

To be frank, the initial \$50 million proposed for Central America was really just a drop in the bucket, so I was pleased that the appropriators decided to up this number to \$61.5 million in the supplemental bill. This is especially important, considering that 90 percent of the cocaine shipped from the Andes to the United States flows through Central America, and homicide rates are on the rise in El Salvador, Honduras, and Guatemala.

Even Costa Rica, renowned for being one of the safest countries in Central America, is beginning to suffer from increasing rates of violent crime and murder. The Costa Rican Government said, in early 2008, that robbery rates have risen by 700 percent since 1990 while drug-related crime is up 280 percent in the same period.

I was encouraged to see that, in Fiscal Year 2009, the proposed Merida funding for Central America was doubled, and I hope we can continue in that direction in future years.

Last year, the House of Representatives passed a resolution that I authored commending the State Department’s participation in the first U.S.-Central American Integration System (SICA) Dialogue on security and “encouraging Central American and United States officials to meet on a regular basis to further cooperate in combating crime and violence in Central America.” The Central American piece of the Merida Initiative is very much a result of the U.S.-Central American Integration System Dialogue, and, as a result, I think it is, by and large, quite a positive proposal.

Let me quickly list some of my concerns. First and foremost, I believe there should be a greater focus on the prevention side of youth gang violence. Less than 10 percent of the proposed assistance for Central America is for prevention programs. I hope we have learned by now that failing to adequately invest in prevention programs will only hurt us in the future. Let us not learn this lesson the hard way in Central America.

Secondly, perhaps the number one issue that is raised with me by officials from Central America is the havoc wreaked on their countries by the deportation of criminals from the United States back to Central America. While I am not objecting to the deportation of these individuals, we must do more to support the countries of Central America who receive these deportees.

We had a hearing on that a year ago. I was, quite frankly, shocked that no funding in the Merida Initiative was budgeted to support programs that help reintegrate deportees back into society in their home countries. I also continue to be extremely appointed

that the Department of Homeland Security refuses to provide our friends in the hemisphere with the full rap sheet of criminal deportees arriving in their countries. Again, this came out at a hearing that we had last year on this subject. I would like to hear Secretary Shannon address some of these points today.

Thirdly, while I was pleased to see that the Mexico portion of the Merida Initiative includes proposed funding to develop a witness and victim protection program, I am disturbed that no such funding is proposed for Central America. Particularly, with the creation of the U.N. International Community against Impunity (CICIG) in Guatemala, there will be a significant need for enhanced witness- and victim-protection programs.

I recently sent a bipartisan letter, with 32 of my colleagues, to U.S. Attorney General Michael Mukasey urging the Department of Justice to provide operational and technical assistance to the U.N. International Commission against Impunity. This would include technical assistance for the creation of a witness- and victim-protection program, as well as the short-term provision of detailees from the FBI specializing in forensics, financial crimes, and drug trafficking. This additional assistance to this Commission would be a perfect complement to the Merida Initiative.

Finally, I recently learned in the press that there are discussions underway in the administration to consider providing \$300 million worth of military equipment to Central American countries. The proposal, announced by U.S. Air Force commanders in Tucson, Arizona, reportedly aims to outfit Central American countries with cargo aircraft, helicopters, and attack planes.

It is shocking to me that Members of Congress are still learning about Merida-related proposals from the Bush administration's statements in the press rather than from the administration itself. It is very, very disheartening that the administration does not treat Congress as a co-equal branch in this matter. It is very, very disheartening, from the initial not informing us of what is going on and the proposals for the Merida Initiative, and now we have to read about these things in the newspapers.

While this may perhaps be a worthy proposal, I think the administration should do a better job communicating what exactly this additional \$300 million might do and how it would fit or not fit within the Merida Initiative.

Again, I am pleased with the funding announced for Central America, not pleased with the funding announced for Mexico. I think we have to do better and fund Mexico more.

Again, I want to thank Secretary Shannon for testifying today, and we also look forward to hearing from our private witnesses, who I will introduce after the first panel.

[The prepared statement of Mr. Engel follows:]

PREPARED STATEMENT OF THE HONORABLE ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

I am pleased to welcome you to today's hearing on Central America and the Merida Initiative, and as always, I am delighted to welcome back my good friend, Assistant Secretary of State for Western Hemisphere Affairs Tom Shannon.

Yesterday, the Appropriations Committee unveiled its supplemental war spending bill. To be frank, I am disappointed that Mexico would receive less than \$300 million of the \$500 million requested by the Administration. I hope to work with the

appropriators in conference to push this number up. I also have been working closely with Chairman Berman on Merida Initiative legislation which would authorize full funding for the Merida Initiative. I would like to commend the Chairman for pressing ahead with our legislation. This effort will demonstrate to the Congress, the Administration, and our friends in Mexico and Central America that we understand the problem our region is facing with narco-trafficking and violence and strongly support fully funding the Merida Initiative.

When the Merida Initiative was first unveiled last October, many of us in Congress were concerned about the disparity in funding between Mexico and Central America. These concerns were shared by our friends in Central America. In November, the *Washington Post* reported that “the funding imbalance in the Bush Administration’s new anti-drug plan, which would send 10 times as much aid to Mexico as to all 7 Central American nations combined is generating anxiety in Central America.” To be frank, the initial \$50 million proposed for Central America was really just a drop in the bucket, so I was pleased that the appropriators decided to up this number to \$61.5 million in the supplemental bill. This is especially important considering that 90% of the cocaine shipped from the Andes to the United States flows through Central America, and homicide rates are on the rise in El Salvador, Honduras and Guatemala. Even Costa Rica—renowned for being one of the safest countries in Central America—is beginning to suffer from increasing rates of violent crime and murder. The Costa Rican government said in early 2008 that robbery rates have risen by 700 percent since 1990, while drug-related crime is up 280 percent in the same period.

I was encouraged to see that in FY 2009, the proposed Merida funding for Central America was doubled, and I hope we will continue in that direction in future years. Last year, the House of Representatives passed a resolution that I authored commending the State Department’s participation in the first U.S.—Central American Integration System (SICA) Dialogue on security and “encouraging Central American and United States officials to meet on a regular basis to further cooperation in combating crime and violence in Central America.” The Central American piece of the Merida Initiative is very much a result of the U.S.—SICA dialogue, and as a result, I think it is by and large quite a positive proposal.

Let me quickly list some of my concerns. First and foremost, I believe there should be a greater focus on the prevention side of youth gang violence. Less than 10% of the proposed assistance for Central America is for prevention programs. I hope we have learned by now that failing to adequately invest in prevention programs will only hurt us in the future. Let’s not learn this lesson the hard way in Central America.

Second, perhaps the number one issue that is raised with me by officials from Central America is the havoc wreaked on their countries by the deportation of criminals from the United States back to Central America. While I am not objecting to the deportation of these individuals, we *must* do more to support the countries of Central America who receive these deportees. I was quite frankly shocked that no funding in the Merida Initiative was budgeted to support programs that help reintegrate deportees back into society in their home countries. I also continue to be extremely disappointed that the Department of Homeland Security refuses to provide our Central American friends with the full rap sheet of criminal deportees arriving in their countries. I would like to hear Secretary Shannon address these points today.

Third, while I was pleased to see that the Mexico portion of the Merida Initiative includes proposed funding to develop a witness and victim protection program, I am disturbed that no such funding is proposed for Central America. Particularly with the creation of the U.N. International Commission against Impunity (CICIG) in Guatemala, there will be a significant need for enhanced witness and victim protection programs. I recently sent a bipartisan letter with 32 of my colleagues to U.S. Attorney General Michael Mukasey urging the Department of Justice to provide operational and technical assistance to the CICIG. This would include technical assistance for the creation of a witness and victim protection program, as well as the short-term provision of detailees from the FBI specializing in forensics, financial crimes and drug trafficking. This additional assistance to the CICIG would be a perfect complement to the Merida Initiative.

Finally, I recently learned in the press that there are discussions underway in the Administration to consider providing \$300 million worth of military equipment to Central American countries. The proposal—announced by U.S. Air Force Commanders in Tucson—reportedly aims to outfit Central American countries with cargo aircraft, helicopters and attack planes. It is *shocking* to me that Members of Congress are still learning about Merida-related proposals from the Bush Administration’s statements in the press rather than from the Administration itself. But,

given the way this Administration has failed to treat Congress as a co-equal branch, I should not be shocked at all. While this may perhaps be a worthy proposal, I think the Administration should do a better job communicating what exactly this additive \$300 million might do and how it would fit—or not fit—within the Merida Initiative.

Again, I want to thank Secretary Shannon for testifying today. And, we also look forward to hearing from our private witnesses who I will introduce after the first panel. I am now pleased to call on Ranking Member Burton for his opening statement.

Mr. ENGEL. I would now ask my colleagues if they would like to, before we go to vote, have an opening statement. Mr. Fortuño.

Mr. FORTUÑO. Thank you, Mr. Chairman. I want to thank you for holding this hearing on the Merida Initiative and for your leadership on this issue.

Secretary Shannon, the title of a recent book on Latin America refers to that region as the “forgotten continent.” This title echoes the conventional wisdom that Latin America has been neglected by United States policymakers compared to other regions of the world. The author of the book argues that the indifference historically shown Latin America has only increased as the end of the Cold War deprived the region of its role as a strategic battleground between grand ideologies.

Secretary Shannon, it appears to me that this administration, and you and your team in particular, have done much to refute this conventional wisdom. You have strongly supported free trade with our friends and neighbors in Latin America and made aid programs to enhance opportunities to reduce poverty in the region a top priority.

Most relevant to today’s hearing, you have clearly understood, and emphasized to this Congress and the general public, the various ways in which the problems in the region have a direct impact on U.S. national security, which we define as this country’s core foreign policy, defense and economic interests.

Mr. Secretary, it is a testament to the efforts of you and others that today no right-thinking person would minimize the impact that events in the region have in our own country.

Mr. Chairman, we must be careful not to overstate or understate the security problems that Latin America poses for the United States. It is clear that, in certain respects, these threats are not as serious as they are from other regions. In general, the region has made tremendous progress in recent years. Most of the governments of Latin America are strong allies of the United States.

No government in the region poses, or is likely to soon pose, a conventional or unconventional military threat to this country, and the State Department continues to assert that no operational cells of Islamic terrorists have established a foothold in Latin America and the Caribbean region, and that certainly is good news.

The bad news is that the region’s proximity to the United States means that the problems in Latin America often spill over into this country. Of all of the security threats that emanate from Latin America perhaps the greatest threat is from the drug trade. Drugs destroy lives and devastate communities in the United States, whether in the suburbs of Westchester, the cities of Indiana, or the island of Puerto Rico, and drug gangs threaten security and democracy in Latin America as well.

I want to emphasize that this is a problem for which the United States bears considerable responsibility. It is the demand from our country that makes the drug trade in Latin America profitable, and weapons purchased in this country are used by the cartels to kill and intimidate mayors, police chiefs, and innocent civilians in the region.

Therefore, this country has both the practical incentive and the moral obligation to help the Governments of Mexico and Central America combat the drug trade and the violence that accompanies it. It is estimated that 90 percent of the drugs that enter the United States do so via land routes in the Central American corridor.

The Merida Initiative strikes me as an important and sensible plan that has the potential to produce tremendous results. In addition to explaining the plan's many merits, I would ask all of the panelists to address its potential weaknesses and limitations. In particular, as the sole representative from Puerto Rico, I am concerned about the so-called "balloon effect" that the plan may have.

As long as the demand for drugs is there, the cartels will continue to search for ways to smuggle drugs into this country. If the Merida Initiative makes the operational environment in Central America more difficult for traffickers, the cartels may turn to already established maritime routes in the Caribbean corridor.

South American traffickers currently transport hundreds of kilograms of cocaine every year to Puerto Rico, the U.S. Virgin Islands, and other islands in the eastern Caribbean for eventual transport to the mainland United States. Drug-related violence in Puerto Rico is substantial.

I hope that the panelists will discuss whether an unintended consequence of the Merida Initiative will be to worsen an already bad situation in Puerto Rico and throughout the region. I would also ask whether they have considered potential options to mitigate this result.

Again, thank you, Mr. Chairman. I commend you for your leadership on this issue.

[The prepared statement of Mr. Fortuño follows:]

PREPARED STATEMENT OF THE HONORABLE LUIS G. FORTUÑO, A REPRESENTATIVE IN  
CONGRESS FROM PUERTO RICO

Thank you, Chairman Engel. I want to thank you and Ranking Member Burton for holding this hearing on the Mérida Initiative, a multi-year plan for U.S. assistance to Mexico and Central America intended to help these governments combat drug cartels and other criminal organizations.

Secretary Shannon: the title of a recent book on Latin America refers to that region as "the Forgotten Continent." This title echoes the conventional wisdom that Latin America has been neglected by U.S. policymakers compared to other regions of the world. The author of this book argues that the indifference historically shown Latin America has only increased since the end of the Cold War deprived the region of its role as a strategic battleground between grand ideologies.

Secretary Shannon: it appears to me that this Administration—and you and your team in particular—have done much to refute this conventional wisdom. You have strongly supported free trade with our friends and neighbors in Latin America and made aid programs to enhance opportunities and reduce poverty in the region a top priority.

In addition, and most relevant for today's hearing, you have clearly understood—and emphasized to this Congress and to the general public—the various ways in which the problems in the region have a direct impact on U.S. national security, which we can define as this country's core foreign policy, defense and economic in-

terests. Secretary Shannon: it is a testament to the efforts of you and others that—today—no right-thinking person would minimize the impact that events in the region have in our own country.

Mr. Chairman: we must be careful not to overstate or understate the security problems that Latin America poses for the United States. It is clear that, in certain respects, these threats are not as serious as they are from other regions. In general, the region has made tremendous progress in recent years. Most of the governments in Latin America are strong allies of the U.S. No government in the region now poses, or is likely to soon pose, a conventional or unconventional military threat to this country. And the State Department continues to assert that no operational cells of Islamic terrorists have established a foothold in the Latin American and Caribbean region. That is the good news.

The bad news is that the region's proximity to the United States means that problems in Latin America often spill over into this country. Of all the security threats that emanate from Latin America, perhaps the greatest threat is from the drug trade. Drugs destroy lives and devastate communities in the United States—whether in the suburbs of Westchester, the cities of Indiana, or the island of Puerto Rico. And drug gangs threaten security and democracy in Latin America.

I want to emphasize that this is a problem for which the United States bears considerable responsibility. It is demand from our country that makes the drug trade in Latin America profitable. And weapons purchased in this country are used by the cartels to kill or intimidate mayors, police chiefs and innocent civilians in the region. Therefore, this country has both the practical incentive *and* the moral obligation to help the governments of Mexico and Central America combat the drug trade and the violence that accompanies it. Because it is estimated that 90% of the drugs that enter the United States do so via land routes in the Central America corridor, the Mérida Initiative strikes me as an important and sensible plan that has the potential to produce tremendous results.

In addition to explaining the plan's many merits, I would ask the panelists to address its potential weaknesses and limitations. In particular, as the representative from Puerto Rico, I am concerned about the so-called "balloon effect" that the plan may have. As long as the demand for drugs is there, the cartels will continue to search for ways to smuggle drugs into this country. If the Mérida Initiative makes the operational environment in Central America more difficult for traffickers, the cartels may turn to already-established maritime routes in the Caribbean corridor. South American traffickers currently transport hundreds of kilograms of cocaine every year to Puerto Rico, the U.S. Virgin Islands and other islands in the Eastern Caribbean for eventual transport to the mainland United States. Drug-related violence in Puerto Rico is substantial. I hope the panelists will discuss whether an unintended consequence of the Mérida Initiative will be to worsen an already-bad situation in Puerto Rico and throughout the Caribbean. And I would ask whether they have considered potential options to mitigate this result.

Thank you, Mr. Chairman.

Mr. ENGEL. Thank you very much, Mr. Fortuño. Mr. Delahunt?

Mr. DELAHUNT. I will be very brief. Welcome, Mr. Secretary. I would echo many of the sentiments that were expressed by the chair, and I think that the gentleman from Puerto Rico makes an excellent observation in terms of the euphemism, the "balloon effect."

I think it is very, very—I do not want to use the term "dangerous" because I think that overstates it, but to fund or to bring Central America into this effort, and I applaud that, and I agree with the chairman. I think it demands more resources, simply given the state of the economies in Central America, but I also think that the Caribbean has to be integrated into this effort. To not accommodate, if you will, the Caribbean in this overall effort, I think, is a recipe for disappointment in terms of the bottom line.

I would also make a follow-up point, as far as the deportees issues. We have been hearing this for as long as I have served on this committee, dating back to my involvement in Haiti, when these deportees were returned without notification. I would encourage the Department of State, the Department of Homeland Security,

city, and the Department of Justice to review the records of those that are deportees.

I dare say, in most cases, we would discover that there are criminal charges emanating from American courts, most likely at the state level, and that there is an option, and the option is to proceed criminally, if there are charges outstanding, and to incarcerate, if found guilty, these individuals in American prisons and provide an opportunity for the governments in the region to catch their breath to deal with the whole issue of impunity rather than just simply send them back and put them on the streets of these countries.

I think that is a way to solve, if you will, the issue, in terms of the impact of the deportees who, I am sure in many cases, have committed serious crimes in this country: Incarcerate them here.

I thank the chair, and I yield back.

Mr. ENGEL. Thank you, Mr. Delahunt. I just want to say that I am glad that the appropriators are putting in \$2.5 million for the Dominican Republic and \$2.5 million for Haiti. It is something that I had urged them to do and I am happy that they have done that. Mr. Faleomavaega?

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman, for calling this hearing, and, just briefly, as our previous speakers stated earlier, I do associate myself with the remarks that they made earlier. I do want to welcome Secretary Shannon also for his intended testimony before the subcommittee.

There are two things that I just want to emphasize, and Secretary Shannon could help me also. Why such an insatiable demand for drugs coming from this country? I always remember one of the Latin American leaders who said, "If there was not so much demand coming from the United States, maybe there would not be an effort to supply such a tremendous amount of consumer demand coming from my own country."

Secondly, and correct me if I am wrong, why is it that 80 percent of the weapons or the sales of small arms in Mexico comes from the United States also? That is one of the ironies and twists that I wanted to kind of hear from Secretary Shannon, if he could help me out. We are putting the thrust of the blame somewhat by saying we have got problems in Latin America.

I think we have got problems in our own country, and I want to know why. Domestically, maybe we need to look into finding out what seem to be the motivating factors that allow the problems that we are faced with now, not only in Central America but throughout Latin America. With that, Mr. Chairman, thank you.

Mr. ENGEL. Thank you. I will keep the subcommittee in recess now. We have got five votes, and immediately when we come back, Secretary, we will have your testimony. We are in recess until 5 minutes after the last vote.

[Whereupon, at 10:30 a.m., a recess was taken.]

Mr. ENGEL. The subcommittee will come to order. I know we are going to be joined by several of our colleagues as we move through the hearing. Sorry for the delay, and, again, as always, I am delighted to welcome my good friend, the Assistant Secretary of State for Western Hemisphere Affairs, Tom Shannon. Mr. Secretary, the floor is yours.

**STATEMENT OF THE HONORABLE THOMAS A. SHANNON, AS-  
SISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE  
AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. SHANNON. Thank you very much, Mr. Chairman. I would like to express our real appreciation to you and to other members of the committee and to Chairman Berman also for this opportunity.

We know that Merida is of deep interest to you. You have held a variety of hearings on it. It has given us a chance to explain our approach on Merida to important members of this committee and of the House, so, again, thank you very much for this.

I would also like to underscore our appreciation for your willingness to work for full funding of Merida. This is, again, very important. The President, yesterday, at a meeting of the Council of the Americas, underscored the importance of full funding of Merida as we attempt to build partnerships with Mexico and Central America and address the very difficult problem of organized crime and drug trafficking in our hemisphere.

Because of the time constraints and the importance of getting to many of the issues and questions that you and your colleagues raised, I would just ask that my statement be read into the record. But I would like to note a few things.

Again, the outlines of Merida, both the Mexico and Central America portion, have been discussed in a variety of hearings, but we would like to underscore that, from our point of view, the Merida package represents a partnership with Mexico and Central America, and, in regard to Central America, this partnership is a new partnership, built off of a dialogue that the United States and the Central American republics had in 2007 under the auspices of the Joint U.S.-SICA Dialogue, with "SICA" standing for the Central American Integration System.

Based on conversations that we had through SICA, and also based on conversations that the Government of Mexico had with Central America, through the umbrella of Plan-Puebla Panama, the Central Americans were able to devise and develop a regional security strategy, the first time such a strategy has been developed in the history of Central America. This is a huge step forward, in terms of integration, and it is a huge step forward in terms of cooperation, but what is especially important is that this integration and cooperation is being done at the level of civilian institutions.

While there is cooperation and exchange at the military level, the broader security agenda that Central America developed, especially the fight against drug trafficking and organized crime, the fight against gangs, and the fight against illegal trafficking in weapons, is largely seen as an issue that must be confronted by civilian institutions, such as police institutions and intelligence institutions, but also other institutions of society.

It is our hope to be able to use this process and approach to deepen our partnership, recognizing that the challenges we face are common and so are our responsibilities. As President Bush has noted on several occasions, we have a large responsibility for the kinds of problems that Central America and Mexico face, both in terms of the demand for narcotics in the United States but also for the trafficking of illegal weapons out of the U.S. into the region,

and also the movement of bulk currency and money laundering out of the United States.

So we would like to underscore that, as we engage with Mexico and Central America, and in the context of this hearing, especially South America, it is our intent and purpose to engage as partners, to have a level of cooperation built on dialogue, and to build a common security agenda. In this regard, I would like to close my initial comments by highlighting that the threat that Central America faces is large. It is specific, and it is detailed in my testimony, and it is well known to many people who work on issues related to Central America.

But it is also important to underscore the tremendous progress that Central America has made in a very short period of time, especially in regard to the integration and building relationships through dialogue and cooperation, whether it is on the trade side, through the Central American Free Trade Agreement; whether it is on the security side, through SICA; whether it is breaking down barriers of immigration and customs to facilitate the flow of people and goods and services in Central America; or whether it is in the Central Americans' ability to reach out to Mexico and recast Pan-Puebla Panama; whether it is the ability of Central Americans to reach out to the European Union and begin negotiating association agreements and trade agreements with them; or the interest expressed by Central American countries to participate in the Asia-Pacific Economic Cooperation Forum and to begin to negotiate agreements of trade and political cooperation with Asian democracies.

I think we see today in Central America a region that is confident of its place in the world, confident of its ability to operate in the world, that has, indeed, transformed core institutions that had posed significant problems in Central America in the past, especially military intelligence services, but a region which, while recognizing its potential, recognizes that to fulfill that potential, it must be able to face the threat posed by organized crime and drug trafficking, and their willingness to reach out to us, their willingness to work together to fashion a common strategy should be a sign of great hopefulness and one that we need to grab as it is available to us. So thank you very much.

[The prepared statement of Mr. Shannon follows:]

PREPARED STATEMENT OF THE HONORABLE THOMAS A. SHANNON, ASSISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Ranking Member Burton, and Members of the Subcommittee:

Thank you for the opportunity to appear before this Subcommittee today to discuss the Central America portion of the Merida Initiative and the opportunity it represents for regional security cooperation among not only the countries of Central America, but also with the United States and Mexico.

Drug trafficking, gang violence, crime, and human smuggling, all linked to Central America, now directly afflict many areas of the United States, while arms and cash flows move south across our border and through Mexico to sustain these criminal organizations. The United States has a compelling strategic interest in moving quickly to reinforce our partnership with Central America to check illicit activity in the region. Drug trafficking and criminal organizations in Central America have grown in size and strength over the last decade, suborning and intimidating police and judges, which weakens the states' abilities to maintain public security. The results have been a region-wide surge in crime and violence and the emergence of gangs as major social actors. Central American leaders and public opinion, espe-

cially in El Salvador, Honduras, and Guatemala, have characterized this situation as a national emergency requiring an urgent response. Furthermore, the effects of these Central American problems are readily apparent in the United States.

Since 2005, more than 1,800 alleged members of Mara Salvatrucha, or MS-13, have been arrested in cities across the United States. Estimates of the number of gang members in Central America vary considerably, but the United Nations estimates the number around 70,000. A UN Office on Drugs and Crime report published in May 2007 cites country gang membership at approximately 10,500 in El Salvador, 36,000 in Honduras, and 14,000 in Guatemala. The gang problem is most serious in these "northern three" countries of Central America, but we have indications that gangs are increasingly active in Belize, Costa Rica, and Panama.

Central America has among the highest homicide rates in the world and the rates are increasing. In 2005, the estimated murder rate was 56 per 100,000 people in El Salvador, up from 43 in 2004 and 37 in 2003. Between 2003 and 2006, the murder rate in Guatemala jumped from 32 per 100,000 to 47. Due to lack of standardized data, good numbers are not available for Honduras, but it is estimated that the murder rates are comparable to those in El Salvador and Guatemala. For comparison, the U.S. murder rate is 5.6 per 100,000.

The UN Office on Drugs and Crime Study reports that more than 70 percent of homicides in the northern three countries are committed with firearms. The same report suggests that there are an estimated 800,000 unregistered firearms in civilian hands in Central America, in addition to the half million legally registered firearms. This means that between half and two-thirds of all the firearms in Central America are illegal—a number that is roughly five times more than the number of weapons held by law enforcement in the region.

The Central American isthmus is a primary transit point for people and drugs destined for the United States. With increased Mexican air and maritime interdiction, traffickers will increasingly look to Central America for over-land movement of contraband and people into Mexico and the United States. Increasing violent crime threatens the internal stability of states, debilitates national economies, undermines public confidence in democracy, and exacerbates illegal migration to the United States. Resource constraints, ineffective criminal justice systems, and uncoordinated national efforts hamper an effective Central American response. However, we believe a growing sense of common political will and urgency among the Central American countries affords the United States a unique opportunity to launch a process to develop common and effective approaches to shared security concerns in the region.

The countries of Central America collectively—and individually—have demonstrated historic democratic progress since the end of their internal conflicts. As they have integrated economically, they have also transformed their militaries and improved respect for human rights. Central America's collective willingness to work with the United States and Mexico on these issues also represents an important opportunity—it provides an unprecedented opening to address security in coordination with neighbors whose countries form a bridge running from the Andes to the border of the United States.

The Merida Initiative grew out of the President's March 2007 trip to Latin America; particularly his visits to Guatemala and Mexico where security concerns dominated his conversations with former President Berger and President Calderon. In July, I led a U.S. inter-agency delegation to the inaugural meeting of the U.S.-Central American Integration System, or SICA, Dialogue on Security held in Guatemala. At these meetings, the Central American leaders identified what they believe to be the major threats to the region: gangs, drug trafficking, and illicit trafficking of arms.

Beyond strictly national or even bilateral approaches, Central American countries agree they must collectively strengthen regional security through the Central American Integration System (SICA). In conjunction with Mexico, they produced a comprehensive regional security strategy that was published in August of last year.

In the months that followed, the State Department led an inter-agency process to develop the U.S. portion of the Central America Merida Initiative request. Working with our colleagues from throughout the U.S. government, including the Bureau of International Narcotics and Law Enforcement, the Departments of Justice and Homeland Security, the U.S. Agency for International Development, the Office of National Drug Control Policy, and others, we built a comprehensive public security proposal that responds directly to the needs identified by the Central American leaders.

At the same time, we were in close contact with our Embassies throughout the region, who worked with host-country officials to conduct security requirement assessments and provided on-the-ground expertise. In January of this year, we sent

a delegation of 40 USG representatives to El Salvador to hold validation team meetings with SICA member countries and further refine our Merida Initiative request. This was the same process successfully used with Mexico. Additionally, we conducted briefings and consultations with the Central American embassies in Washington. Finally, since the announcement of the FY 2008 emergency supplemental request, we have benefited greatly from our conversations with Congressional staff and members as we worked to develop our FY 2009 budget request.

The Central America portion of the Merida Initiative is a comprehensive public security package that seeks to tackle citizen insecurity in Central America by more effectively addressing criminal gangs, improving information sharing between countries, modernizing and professionalizing the police forces, expanding maritime interdiction capabilities, and reforming the judicial sector in order to restore and strengthen citizens' confidence in those institutions. For these purposes, we have requested \$50 million in initial supplemental funding and an additional \$100 million through the FY 2009 budget request.

Our Merida Initiative request has been designed to complement efforts that Central American governments are undertaking on their own to combat the threats that organized criminal elements and gangs pose to their societies. By providing a short-term targeted boost to public security funding in the region, our goal is to enable host governments to leverage their own budgets and resources more effectively and move towards sustainable responses to the security crisis in the region.

However, it must be recognized that these countries, with economies similar in size to those of medium-sized American cities, are hard pressed to take on resource intensive surveillance and interdiction missions facing adversaries who have large amounts of cash at their disposal. While traffickers may fly drugs on corporate jets and build fleets of submarines and semi-submersible vessels, Central American countries are barely able to keep operational their basic law enforcement and counter-narcotics vehicles, boats, or Vietnam-era aircraft.

Nevertheless, we are encouraged by the efforts of the nations of Central America and Mexico to work together to confront security threats in the region. Mexico has signed on as an observer to SICA and participated in the development of their security strategy. Additionally, the regional Attorneys General regularly meet in various fora. Just last week, on the margins of the OAS-hosted Justice Ministerial (REMJA), the Attorneys General and Ministers of Justice from the United States, the nations of Central America, Mexico, and Colombia came together to discuss the security of the region. Operational cooperation is ongoing as well. For example, Mexican and Guatemalan law enforcement work together to combat trafficking of people and contraband flowing across their shared border. El Salvador, Guatemala, Honduras, and Mexico have provided the FBI with thousands of samples of fingerprints of known criminals to be entered into a new, shared fingerprint database. El Salvador has more than doubled the number of police officers dedicated to the Transnational Anti-Gang, TAG, Unit in partnership with the FBI.

The Merida Initiative request is divided into three "pillars" of activities: Counter-narcotics, Counter-terrorism, and Border Security; Public Security and Law Enforcement; and Institution Building and Rule of Law. Specifically, pillar one focuses on information sharing and interconnectivity, improved border security and maritime interdiction efforts, and a targeted regional effort to combat arms trafficking. Through pillar two, we seek to help further professionalize Central American law enforcement and to address the proliferation of gangs through implementation of the U.S. Strategy to Combat Criminal Gangs. Our approach includes diplomatic initiatives, improved law enforcement and processes for repatriation, capacity enhancement for all justice sector actors, and a strong prevention program. We also support preventative and community policing with technical assistance, training, and much-needed non-lethal equipment that will enable law enforcement to communicate, get out into communities, and perform better investigations.

We recognize that all sectors of the region's justice system need strengthening to make this strategy sustainable. As such, we have requested funding to improve the efficiency and management of the law enforcement and judicial sectors to improve their responsiveness to citizens. To strengthen the rule of law in the region, we would increase training for prosecutors, defenders, and court managers, expand technical assistance on prison management, and improve juvenile justice systems.

It is important to note that rule of law, training, and efforts to improve capacity are integral parts of the entire package, not just the third pillar, "Institution Building and Rule of Law." For example, pillar one includes funding requests for training on aviation, port, and document security as well as support for OAS demand reduction efforts. In pillar two, over \$15 million has been requested over the two years to support capacity enhancement and community prevention activities as part of the U.S. Strategy to Combat Gangs. While the pillars serve as an organizational tool

for us, we cannot view the pillars individually. To attain a comprehensive picture of what we have set out to achieve through the Merida Initiative, the request must be analyzed as a single, comprehensive package as, in many cases, program funding transects the pillars of activities.

Central America and Mexico are facing public security threats of tremendous proportions. The leaders of the region have shown that they are committed to working together to put an end to the growing violence and crime, but their resources are limited. As President Bush has said, violence and drug trafficking are a shared problem and we have a shared responsibility to confront criminal organizations. The Merida Initiative represents this shared responsibility to combat the threats that affect not only the citizens of Central America and Mexico, but also U.S. citizens as gang activity and drug-related violence proliferate in the United States.

As I mentioned before, we have far-reaching geographic, economic, and demographic links to Mexico and Central America and a compelling national security interest in helping the governments of the region succeed in the battle against crime and insecurity. By funding the Merida Initiative, Congress can take a vital step towards saving innocent lives here in the United States. The gangs that plague Central America are transnational in their operations. For example, last June a federal grand jury in Greenbelt, MD indicted two MS-13 leaders for ordering the murders of two people in the United States from their prison cells in El Salvador. DOJ estimates that there are between 8,000 and 10,000 active MS-13 members in the United States and between 30,000 and 50,000 18th Street members worldwide. MS-13 has a presence in at least 38 states and the District of Columbia, while 18th Street is active in 28 states. Drug cartels operate throughout Central America and Mexico and on both sides of the U.S.-Mexico border, with U.S. citizens implicated in violent gun battles in Mexico and Americans the victims of such violence. By working with these nations to dismantle such groups and strengthen institutions, we multiply the effectiveness of our own domestic security efforts.

Today's threats require a coordinated international response to pressing security concerns. Only through partnership and shared responsibility will Central America and United States be able to defeat the transnational threats that confront us. The Merida Initiative represents the cornerstone of that response.

Thank you for your time and I would be happy to answer any questions you may have.

Mr. ENGEL. Well, thank you, Mr. Secretary. Of course, your testimony, without objection, will be inserted into the record. I appreciate that.

You emphasized, of course, full funding of Merida, and I, of course, support that. I think there is no disagreement between us on that. I just want to say that I hope, in your discussions with the President and with administration officials, that you would make it clear to them that, in order to have full funding of Merida, we need some flexibility on the administration side in terms of the ceiling for monies in the Foreign Affairs appropriation budget.

In my discussions with House leadership and with members of the appropriations subcommittee and the chairwoman of the appropriations subcommittee, they feel real restraints, in terms of priorities that they have, and that if we are going to negotiate a budget, a foreign ops budget, frankly, it cannot only be the administration's priorities. It has to also be the Congress's priorities as well.

We will need to see more flexibility on the part of the President and the administration to perhaps raise that cap. The President keeps threatening to veto anything that goes above whatever he has deemed a cap, and, I think, if we are to get full funding, we may have to see that cap raised a little bit. So I just want to say that and hope you take that back.

Mr. SHANNON. Thank you very much. I would be very happy to take that back. It is a very important point.

Mr. ENGEL. Thank you. The Mexico portion of the Merida Initiative includes proposed funding to develop a witness- and victim-protection program, but there is no such funding proposed for Cen-

tral America. Central Americans, particularly in Guatemala, face significant personal threats for testifying against organized crime leaders, particularly with the creation of the U.N. International Commission against Impunity that I mention in my testimony. In Guatemala, there will be a significant need for enhanced witness- and victim-protection programs.

So let me ask you, why is there no funding for witness- and victim-protection programs in the Central America portion of the Merida Initiative?

Mr. SHANNON. It is a very good point, sir, and, obviously, witness protection is something that is as important in Central America as it is in Mexico.

As we developed the different portions of Merida, especially the Central American portion, we were faced with a wide range of priorities, given the institutional state that we found, especially among police forces, and the social services necessary to address gang issues, especially the prevention side of gang issues, and, in the course of identifying short-term priorities, we were unable to justify funding for a witness-protection program, but we recognized that it is important.

As we look ahead to further tranches beyond the \$50 million supplemental and beyond the \$100 million that exists in the Fiscal Year 2009 budget request, we will take a very close look at witness protection.

Mr. ENGEL. Thank you. I mentioned in my opening statement that I was really not happy that the administration chose to discuss this proposal with the press before briefing Congress. You remember when the plan was being put together by the administration, Congress was kept in the dark, and we have talked about that many, many times. Why, again, do we seem to hear things in the press before it is discussed with the Members of Congress?

Mr. SHANNON. Are you referring to the RAMP program?

Mr. ENGEL. Yes.

Mr. SHANNON. Okay. First, it is important to make clear that the RAMP is not part of Merida. RAMP is an initiative developed by DoD, which is still in a notional stage. It has not appeared in any budget activity yet, and as you correctly noted in your opening statement, it is related to working with Central American air forces to enhance the capacity of Central American air forces to control Central American airspace.

This is a much broader defense initiative not directly linked to Merida and would not be funded out of Merida. So I would like to underscore that point and note that this is still an initiative that is being worked within DoD and has not yet been presented in terms of a budget item.

Mr. ENGEL. The reason I asked that is because the \$300 military proposal; there is some question: Is it part of Merida? Is it not part of Merida? Will it be part of Merida in future years? It seems to meet the goals of Merida. But it is difficult for us in Congress to just know what Merida is and what it is not.

So it frustrates me when it seems that the administration is sort of picking and choosing what you call the "Merida Initiative." We would like to just kind of know what we are talking about.

Mr. SHANNON. I appreciate that, and I take your point. If it helps, I do not know if you have been briefed on RAMP yet or had any extended discussions or conversations with DoD, but we can certainly pass on your concern.

I think it is important to note, at this point, that Merida, as we envision it for Central America, is almost entirely focused on civilian institutions. The only military component, at this point, is in the 2009 budget request, where there is \$21 million set aside for funding of Enduring Friendship, which would involve providing naval craft, mostly close-shore naval craft, for interdiction for coast guard work and navy work, in coordination with U.S. and other naval and coast guard institutions, to interdict drug trafficking.

But, again, the RAMP program is still a program being developed within DoD, and from the point of view of the State Department and the way in which budget proposals have been presented, it would not be part of Merida.

Mr. ENGEL. The staff has been briefed. I just wanted to make sure that the briefings continue and that we fully understand what is going on because sometimes it is hard for us to understand the difference between programs in Merida and those not in Merida, but the ones not in Merida that meet the goals and purposes of Merida, it is a little fuzzy.

As I mentioned before, we do not disagree on the goals, and it is just better to work together and to coordinate it.

I also said in my opening testimony that I was glad that we seem to now have \$2.5 million for both the Dominican Republic and for Haiti. So what are we doing to help those two countries to combat drug trafficking? Do you think that increased support for the drug war in Mexico and Central America will distract attention away from the Caribbean, where things are already getting worse, from reports that I am seeing, and are we planning for the possible that pressure on the drug trade in Central America and Mexico will drive the narcotraffickers more deeply into the Caribbean countries, such as the D.R. and Haiti?

Mr. SHANNON. An excellent question and one we have been looking at very closely because, obviously, if we are able to obtain funding for Merida, and if we are able to implement it successfully, it will have a major impact on the operation of organized crime and drug trafficking in Mexico and Central America, and these organizations will have to look for other routes.

One potential route is through the Caribbean, and, anticipating this, Admiral Stavridis and I recently traveled to the Caribbean, to Guyana, where we met with the Government of Guyana and also the leadership of CARICOM, the Caribbean Community, which is based in Georgetown, and then we traveled to Barbados and to Suriname.

This was the opening round in what we hope will be a series of visits to the Caribbean where we will have an opportunity to discuss, at some length, security issues and work with existing structures inside of the Caribbean to understand better the strategic threat they face now, and the strategy they could face in the future, if Merida is approved and implemented.

In this regard, just after our visit to the Caribbean, the security administrators of the CARICOM countries and the heads of govern-

ment met in Trinidad to discuss regional security issues and identified the threat of drug trafficking as one of the principal threats facing the Caribbean.

What is good about the Caribbean, at this point, is that it has a more developed structure than Central America does in terms of security cooperation, and, in Trinidad and Barbados, it has two states that have invested significant resources in building interdiction and surveillance capabilities through the Caribbean.

So, given that kind of commitment and given the kind of political structure they have, we believe we can have a very good conversation with them and begin to develop a package of assistance that will help make sure, as we are successful in Mexico and Central America, that the Caribbean has the ability to protect itself and to protect our maritime borders from drug trafficking and organized crime.

I would just kind of close this particular comment by noting that, as we work with the Caribbean, one of the biggest problems we face, in terms of drugs moving through the Caribbean, is Venezuela's lack of an air-interdiction program and the fact that they are largely not cooperating with their neighbors in attempts to interdict drug-trafficking flows since so many of these flows that move into the Caribbean are now moving through Venezuela. So we continue to urge Venezuela to work with its neighbors but also have indicated that we are prepared to work more closely with them on counterdrug issues.

Mr. ENGEL. And what has been their response in Venezuela?

Mr. SHANNON. Well, we have negotiated a new Memorandum of Understanding with Venezuela regarding DEA activity inside of Venezuela, and while the negotiations are concluded, the Venezuelan Government has yet to sign the agreement. So we continue to urge them to sign that agreement and to allow our DEA to work, in a more constructive way, inside of Venezuela. But, otherwise, there has been no response.

Mr. ENGEL. I am pleased that the second Vice Ministerial Meeting of the U.S.-Central American Integration System, or SICA, Dialogue on security is going to be held in the U.S. this year, using Merida Initiative funding. Last year, the House passed a resolution commending the U.S. participating in the first U.S.-SICA security dialogue, encouraging Central American and United States officials to meet on a regular basis to further cooperation in combating crime and violence in Central America.

Do we plan to institutionalize this U.S.-SICA dialogue so that we can continue to have high-level United States-Central American discussions on security?

Mr. SHANNON. Yes, we will. The purpose of the communiqué coming out of the initial U.S.-SICA meeting was to lay out a timetable whereby we would have full ministerial-level meetings or high-level meetings at least once a year, and then we would have a series of technical meetings in the course of the year.

We have had those technical meetings in the form of validation teams that have traveled from the United States to Central America to meet with different representatives from the security ministries of these countries in order to better fashion and define the Central American portion of Merida, and we are working on estab-

lishing dates for the full high-level session of the U.S.-SICA dialogue, which we hope will be this summer.

Mr. ENGEL. Thank you. The administration's proposed \$1.75 million to support an ATF special agent with expertise in firearms trafficking to serve as a regional adviser in Central America, and the adviser would be based in Panama City, I understand; why was Panama City selected as the location, and which countries in Central America have the greatest need for ATF support, and how would the regional adviser divide his time?

Mr. SHANNON. An excellent question. I think I only have a partial answer to it, so I will have to go back to ATF and get the rest.

My guess is that Panama was selected because of the support that can be provided by our Embassy in Panama, but also because of air connections out of Panama that make travel through the region fairly easy.

In terms of which countries face problems regarding ATF, or firearms-related issues, Panama, because of its closeness to Colombia, and because of FARC activity in the Darien Gap, is worrisome, and weapons coming out of Colombia going north either go through or around Panama. Some of the real weapons problems that we face are in the northern tier countries—Guatemala, El Salvador, and Honduras—largely because of gang activity there and the use of illegal weapons and illegally trafficked weapons by gangs. I will make sure that we have a more complete answer for you.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON TO  
QUESTION ASKED DURING THE HEARING BY THE HONORABLE ELIOT L. ENGEL

For now, we believe that one ATF person is sufficient until we can conduct a full needs and risk assessment (a primary mission of the ATF advisor). The regional advisor will be evaluating the needs of the seven Central American nations, conducting training as needed, developing contacts with appropriate law enforcement as well as existing USG personnel.

ATF will be sending detailees, both to conduct the assessment and to conduct the necessary training or other activities called for by the assessment. These will be special agents, legal staff, investigators, or intelligence specialists.

To answer a previous question, Panama was selected to cover the region both from the north (where we have attaches and personnel in Mexico) and the South (where Colombia is the transit point for trafficking of firearms and drugs). Panama, with its central location and airport access, will allow the regional advisor to coordinate training and assistance in the other Central American nations.

Mr. ENGEL. Thank you. The special agent will be one person, and they are going to work on firearms trafficking for seven countries. It seems like an almost impossible task. Do we know what kind of staffing and operational and technical support that ATF would provide to this person, and what detailees from Washington would provide support to the regional firearms adviser?

Mr. SHANNON. I do not know the specific answers to that, but I can get them for you. It is not uncommon for us to use officers who have regional responsibilities in Central America largely because these officers are coordinating programs and working with their counterparts in national governments, but I will make sure you get a complete answer.

Mr. ENGEL. Thank you. Two million dollars is proposed for Central America for the refurbishing of patrol boats in the 2008 supplemental, and \$21 million is proposed in the 2009 budget. Why

the jump, the big jump, from the 2008 supplemental to the 2009 budget, and should we expect more proposed funding for patrol boat refurbishment in future years?

Mr. SHANNON. The \$21 million is linked to Enduring Friendship, which is a U.S. Southern Command operation that would provide a variety of boats and ships to Central American countries to enhance their interdictive maritime capacity. The difference between \$2 million and \$21 million is related to the difference between \$50 million and \$100 million and a larger program that we were able to manage in the 2009 budget.

We are still in the process of developing what the third tranche of the Central American portion of Merida would look like, but it is my guess that, between the \$2 million in the supplemental and the \$21 million in Enduring Friendship, that that will probably be our investment in maritime assets in Central America.

Mr. ENGEL. Thank you. The State Department's 2007 Human Rights Report on Honduras states that "[r]epresentatives of sexual-diversity rights NGOs asserted that their members were killed, beaten, and subjected to other mistreatment by security authorities."

The report also states that "[t]he secretary general of the Ministry of Governance and Justice commented publicly that the government denied registration to gay rights advocacy NGOs because their stated purposes did not comport with good custom."

If he is confirmed by the Senate, would you be willing to direct U.S.-designated Ambassador to Honduras Hugo Llorens to meet with LGBT leaders in Honduras, and would you commit to raising these issues yourself in high-level meetings with Honduran officials?

Mr. SHANNON. Yes to both questions. Ambassador Designate Llorens has already committed to meeting with the group, should he be confirmed by the Senate, when he arrives in Honduras.

Mr. ENGEL. Thank you. Let me just ask a couple of more questions before I turn the questioning over to Mr. Burton.

I am pleased, as I mentioned in my opening testimony, that the U.N. International Commission against Impunity in Guatemala (CICIG) is up and running under the able leadership of Commissioner Carlos Castresana. It is really crucial, I believe, that we support Guatemala's fight against impunity by ensuring that CICIG is a success.

So while the CICIG is on track in meeting its budgetary goals, it still lacks the necessary capacity to carry out much of its work.

I recently sent a letter, bipartisan, with 32 of my colleagues, to Attorney General Mukasey asking the Justice Department to provide the CICIG with detailees from the FBI with experience in forensics, financial crimes, and drug trafficking. The letter also asks that the DOJ provide CICIG with technical assistance to develop a witness- and victim-protection program.

So my question is, will you encourage the Justice Department to provide the CICIG with the operational and technical assistance it needs to do its job?

Mr. SHANNON. Yes, we will, and my guess is that these institutions will not require too much encouragement by us. There is a broad recognition within the administration of the importance of

CICIG. I traveled to Guatemala when CICIG was still hung up in committee in the Guatemalan Congress and urged the Guatemalan Congress and, specifically, the committee leaders involved, to release the legislation to allow a vote. That did happen.

The Guatemalan legislature passed the legislation creating CICIG, and we have been in close and regular touch with CICIG authorities, including the gentleman you noted, to help CICIG establish itself and begin work in Guatemala. But from our point of view, this is a very important administration-of-justice initiative and one that needs to be successful.

Mr. ENGEL. Thank you. And, finally, as I mentioned in my opening statement, one of the top concerns of Central American officials, vis-à-vis the United States, is the massive number of deportees sent from the United States back to Central America.

So how will the Merida Initiative help our friends in Central America to reintegrate criminal deportees back into society since there is no funding for reintegration programs in Merida?

Let me also say, when the U.S. deports people for violation of the law, it is my understanding that the U.S. Government informs the foreign government of the crime or violation, which directly triggers the deportation. I have heard that the U.S. has deported people for a minor crime, but a number of these individuals may have committed major crimes in their pasts, crimes about which the foreign government is unaware, and this, again, came out in testimony that we had at one of our subcommittee hearings.

So, in other words, we are not informing a foreign government of the full record of convictions of a deportee, and I think that should be changed, that we should turn over the entire rap sheet of a deportee when he is deported. So will we do that? If not, why not? Have you or your staff spoken directly with representatives of DOJ, the FBI, and Homeland Security about this, and, if you have, could you let us know what those conversations were?

Mr. SHANNON. Thank you very much for raising the issue. It is an important issue and one that is brought up by every Central American and Caribbean leader that meets with President Bush or Secretary Rice of Attorney General Mukasey or any of the other officials, including the Department of Homeland Security secretary, Mr. Chertoff.

Within Merida, there is a \$2.3 million request for expansion of the electronic travel document system, which does allow us to provide some degree of information and allows countries to tap into the electronic travel document to get some understanding of who the deportees are that are returning to their country and to do so in a timely fashion because one of the requests we have had, especially from Central American countries, is that, in some instances, deportees have existing criminal records or outstanding warrants in their home countries, and the degree to which countries can anticipate their arrival; they can prepare for their arrival so that they can detain them.

Let me make an additional point. In terms of deportees, there are really two types of deportees. There are deportees who have been picked up in the United States for being undocumented aliens, either because they have been grabbed at the frontier or because they have been arrested elsewhere in the United States.

These people, for the most part, are not violent criminals. They do not have long criminal records, and they are being returned to their country of origin for immigration law violation. These kinds of deportations happen daily, and they are large, 100 people a day in cases like El Salvador and Guatemala.

The worrisome cases are deportees who have been arrested in the United States, charged with crimes, spent time in prison, and then, upon release, are deported to their home countries. The concern in the Central American and Caribbean, as you know, is that these people return to their countries oftentimes having no strong linkage to their home countries anymore but bring with them their criminal experience in the United States.

We are working, through DOJ and through the Department of Homeland Security, to devise better systems to provide information to these countries. There are some systems in place, especially the National Criminal Information Center, but these interests do not represent the universe of knowledge about deportees' criminal behavior largely because of the Federal nature of our law enforcement agencies. But DHS understands the importance of this. DHS remembers very well your interest in this, expressed during the hearings that you held, and they are working to improve the system.

In the meantime, we are trying to develop memorandums of understanding with many of these countries that will create a more formal structure for the passage of this kind of information, but we still have a lot of work to do.

Mr. ENGEL. Thank you, Mr. Secretary. I would like to continue to work with you on that.

Our ranking member has arrived, fresh off a tremendous primary victory back home. Congratulations. I would like to ask him to make any kind of statement, or ask any questions he may like, and I would like to ask Mr. Sires if he would come sit in the chair.

Mr. BURTON. Well, I will look through the roadmap that used to be my eyes, after going through that arduous campaign. I just have a couple of questions. First of all, welcome. It is nice to see you again, Mr. Secretary.

You know, back in the early eighties, we had a terrible problem in Central America with El Salvador and Nicaragua, and, in Nicaragua, we had the Sandanistas, who were the communists, fighting against the Contras, and over in El Salvador, it was the FMLN against the government.

The Sandanistas have been successful in getting the presidency back there, and, in the past, Mr. Ortega, the President, who was the head of the Sandanistas back in the early eighties, was not really very inclined to want to work with the United States. We are talking about putting \$50 million initially down into Central America and \$100 million for next year.

How do we know that a person with these tendencies is going to be willing to really work with us to stem the tide of these gangs and the drug trafficking when I know, from actually seeing the newsreels and being in Nicaragua, that the Sandanistas, back in those days, were facilitating drug trafficking through Nicaragua up into the United States. We actually had it on tape.

So what kind of guarantees do we have from people like the leader in Nicaragua and others that they are going to really cooperate with us and this organization?

Mr. SHANNON. What we have so far is a record of cooperation during this most recent government. In fact, if our colleagues from DEA were here, I think they would acknowledge that we have been able to do significant interdiction efforts inside of Nicaragua. We have been able to work with the Nicaraguan police in a very helpful way and that we have not perceived, up to this point, any attempt or effort to direct or interfere or deny this kind of cooperation.

In fact, the head operations officer for DEA traveled to Nicaragua to brief President Ortega personally about the kinds of operations DEA is undertaking, as have a deputy assistant secretary in the Bureau of International Narcotics and Law Enforcement.

Obviously, in any of these countries, given either political viscidities or the degree of money that is flowing through these economies because of organized crime and drug trafficking, the worry of cooperation breaking down, either for ideological predilections or because people are suborned or corrupted, is something that we have to track all of the time. As we build these partnerships, there have to be levels of accountability.

So we will be working very closely with these governments and know and understand when there is a significant change in cooperation. But I cannot provide guarantees. If past behavior over the last 1½ years, 2 years, is an indication of future behavior, the cooperation has been good.

Mr. BURTON. Well, I would like to share your optimism, but Mr. Ortega and the President of Venezuela, Mr. Chavez, who is a very strong leftist and supporting leftist revolutionary movements throughout Central and South America, are very close, along with the Castro brothers in Cuba. I do not think Mr. Ortega probably would have won without the financial support of Mr. Chavez.

How are we going to check on that? As I understood, when the chairman asked you the question just a few minutes ago, how are we going to check on whether or not there really is cooperation with people like the Ortega government when we do not have the personnel there to do it? How many people are we talking about that are going to try to implement this program and follow up on it?

Mr. SHANNON. Do you mean—

Mr. BURTON. You are going to have one person in charge of the program. Is that correct?

Mr. SHANNON. Well, in Central America, the chairman was talking about an Alcohol, Tobacco, and Firearms individual who would be placed in Panama, but these programs—

Mr. BURTON. Excuse me. How many people will be trying to implement and police this program?

Mr. SHANNON. We have worked out of our Narcotics Assistance Sections in each of the Embassies in Central America, so we have our existing staff there already. We have our DEA presence in all of these countries, and then, of course, we will have those in our Bureau of International Narcotics and Law Enforcement here in Washington who will be coordinating the assistance. But our Em-

bassies will be completely involved in the implementation and the monitoring of these activities.

Mr. BURTON. Okay. Let me ask a question about—we have had a number of women's human rights groups from Central America come in and talk about women being literally grabbed off the streets, raped, and murdered, and it was not an unusual occurrence; it happened quite frequently. I think it was in Honduras that this was happening, and there was some concern that there really was not any real effort to change this sort of thing from happening, and the police were not really policing this to the degree they should have.

Is there any indication that that kind of thing is going to stop with this program, and, if so, how are they going to do it, or how are they doing it?

Mr. SHANNON. Violence against women is a problem in Central America, for a variety of reasons, cultural and social, and economic. It is especially a problem in Guatemala, and one of the things we are doing, both through our USAID programs but also our police cooperation programs, is to highlight the importance of being able to prevent this kind of activity, devise strategies with governments to prevent this activity, and then determine whether or not these are successful.

I think we are having success, to a degree, but we have institutional issues that we are working through, and we are also working through levels of denial within some parts of these societies as to whether or not this violence is really taking place.

Mr. BURTON. The thing that concerns me is we are talking about \$50 million this year and \$100 million next year, and that money is really requested and needed by the governments down there. They have come to see us and talk to us about it. Can't we use that as a lever or leverage to get this sort of thing really stopped? I said Honduras. I remember now it was Guatemala.

But nevertheless, if we are going to be giving our money to work with them to solve a problem of mutual concern, it seems to me, we ought to be able use our money as a pressure point to get them to change that behavior, and if they do not change that behavior, I think they ought to know that they will not be a participant, or they will not get the support that they would like.

Mr. SHANNON. We could certainly use it as a pressure point. We can also use it as a point of developing capacity because part of the problem here is institutional, and it is especially true at local levels in police forces where corruption sometimes is a problem. In this regard, there is a significant focus in Merida, both in Mexico and in Central America, on institution building and capacity building and training, and as we pressure them to work to stop this kind of violence, we can also use these programs to build inside the institutions the training and the accountability necessary to make sure that it does not happen.

Mr. BURTON. Well, I hope we do use that as one of our levers. I have one last question, Mr. Chairman, and that is, these gangs, many of which have originated in Central America and Mexico, have been pretty prolific in spreading into the United States, and I would just like to know how this is going to work, as far as stem-

ming the tide of these gangs and the expansion of these gangs coming into the United States.

Mr. SHANNON. I would argue that the gangs started in the United States and expanded to Central America.

Mr. BURTON. It went the other way.

Mr. SHANNON. Yes.

Mr. BURTON. I have never heard this before. Where did this come from?

Mr. SHANNON. Many of these gangs started among Salvadoran and Guatemalan communities in Los Angeles and elsewhere. As they connected to gang cultures in major U.S. urban areas, and as these individuals were deported back to their home countries or traveled back to their home countries, they developed gang bases in these home countries.

Now, obviously, there were gang cultures already existing in the countries of Central America, especially the northern tier countries, but nationals from these countries, as they returned, having developed gang skills here in the United States, were able to transform gang activity inside of these Central American countries. They have now built, effectively, transnational gangs that operate both in Honduras, Guatemala, and El Salvador, and in places like Los Angeles, New York, Washington, DC, and elsewhere.

We have a gang-prevention program that we are using in Central America, which is aimed at improving the capacity of Central American police to address gangs, or to fight the problem of gangs, to identify youth at risk to make sure that these youth are not drawn into gangs because, at its root, gang membership is not just a criminal issue; it is also a social issue.

It is related to family structures and economic issues. But also, as part of that gang strategy, we are also looking at how we can reintegrate gang members into society; in other words, provide a way for gang members to leave gangs and be able to reintegrate themselves into society as functioning members of society.

Mr. BURTON. Thank you, Mr. Chairman.

Mr. SIRE [presiding]. Congresswoman Giffords from Arizona.

Ms. GIFFORDS. Thank you, Mr. Chairman, and thank you, Secretary Shannon, for being here today. I know the hearing that we are focusing on right now deals with the Merida plan in relation to Central America, but my district in Arizona is the most heavily trafficked district, in terms of drugs, across the entire 2,000 miles of the United States-Mexico border. So I am going to be speaking a little bit about the impact on my district and on the State of Arizona as it relates to this.

Every single day, approximately 1,000, 1,100, illegal immigrants are apprehended and about 2,800 pounds of drugs that cross into our ranches into our border communities. I would like to commend the hard work of the Tucson sector of the Border Patrol. Last year, they apprehended over 380,000 individuals in 1 year's time going through one sector. This year, from October 1st to the current time period, we are at over 180,000 individuals.

So the need is real, and part of my concern is that the Merida plan, while it focuses funding on Mexico and Central America, does not have a more comprehensive approach to the front lines of what is happening in terms of immigrants and drugs and the smuggling

coming right up through Central America up through Mexico and, of course, into the United States.

Just this week, Federal agents raided a gun store in the Phoenix area. It was the biggest weapons bust in years, highlighting Arizona's major role when it comes to weapons smuggling. We are seeing that Arizona gun smugglers are arming four-way drug cartels in Mexico and Central America, and I am really concerned about that role and I do not believe that we are paying enough attention to that because it is important.

Now, there is a southbound component that has not really been discussed, but I think it is really critical, and, in Arizona, we have, in the Pima County area, our share of setting up a border crimes unit. You need our state funding, our local funding, to put basically an 11-member unit that is targeting the southbound smugglers because it is a two-way street—money, drugs, people,—and, again, by not looking at a comprehensive approach to this problem, I am afraid that we are throwing money at a situation without really drilling down and figuring out how we are going to solve the problem.

We talked little bit earlier about catch and release. This is a major concern as well. We find that about 75 percent of those individuals who are apprehended and released do not actually show up to court. So, last year, only 30,000 of the 160,000 non-Mexicans caught coming across our borders were actually sent home.

So the deportation policy is really critical. I know that you touched on it, and Chairman Engel has some questions, but can you give me specific evidence that the increase in deportations is leading to an increase in crimes in these communities? Do we have real numbers on that? And can you also drill down in terms of the criminal records? You talked about it a little bit, but I am curious about that as well.

Also, if you could touch on the funding, in terms of the recipient countries that are going to need to cope with these hardened criminals that are being deported back to these nations and will probably try to get back into the United States, even as we speak.

Mr. SHANNON. Thank you very much. Excellent points and excellent questions.

In regard to a comprehensive approach, one of the structural problems we have is the difference between domestic budgets and foreign affairs budgets, as you are well aware of, but we have tried, in the interagency process, to make sure that the agencies that have developed and implement our Southwest Border Strategy that are focusing on illegal weapons trafficking, trafficking in bulk currency and laundered money, and address drug-trafficking issues along the frontier, are working with us as we build the Merida components because we recognize that there have to be linkages, that there has to be a comprehensive and integrated approach to this problem.

At one of the hearings that Chairman Engel held, we did have a variety of representatives from these agencies who were able to talk about how we attempted to integrate our approaches. But it will be one of the big challenges of Merida, if our Congress agrees to fund it, to make that integration work. It will be one of the first times we have really integrated a foreign affairs program with a

domestic affairs program on the law enforcement side. So we have a challenge in front of us.

We think it is a challenge that is necessary to face and to be successful at because, ultimately, we cannot secure our border only at the frontier. We have to develop some kind of common approach with our neighbor to begin the interdiction process before it arrives at our frontier, for all of the reasons you and your constituents are familiar with.

In regard to the deportees, in some countries studies have been done to try to identify sociologically the impact of deportees on crime rates. I do not have those exact figures here, but I can try to get them to you.

In some instances, the belief in the impact of deportees is anecdotal, and it is based on people's experiences in the street, and a lot of it is gang related and related to the kinds of movements between gangs that I noted in response to the question posed by Mr. Burton. But I can provide you a more complete response.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE GABRIELLE GIFFORDS

The anti-gang program will be a significant part of our Merida Initiative, and, in terms of what these countries are doing, we are working with the countries of Central America to build these kinds of programs. We have worked, over the past several years, with these countries on police-related issues, especially linkages between chiefs of police and police organizations here in the United States and our FBI and law enforcement agencies in Central America. But it has only been recently that we have been looking at the prevention aspect and also the reintegration-into-society aspect of former gang members.

Identifying specific budget line items dedicated to gang prevention is difficult because all governments organize their budgets differently and administer programs differently; nevertheless, all seven of the Central American governments recognize the importance of prevention activities. The northern three countries, which face the most serious gang threat, are dedicating significant monies in their budgets toward gang and crime prevention, especially taking into account the overall budget constraints under which the countries operate.

El Salvador's 2008 budget allots \$103,706,180 to crime prevention administered by the Ministry of Public Security and the Presidency of the Republic, including traditional gang prevention activities and programs such as building parks, community organization, sports activities, and police liaison with the community. Honduras has allocated almost \$40 million in its FY 2008 budget toward prevention related activities, including rehabilitation initiatives and vocational education programs. We do not have complete prevention figures for Guatemala, but the government is working to support children and at risk youth and dedicated over \$5.1 million in 2007 to programs such as crime prevention, youth training initiatives, and education for the prevention of alcoholism and drug addiction.

The other countries of Central America, although currently facing a less serious gang threat, have dedicated funding to drugs, gangs, and crime prevention as well. The Government of Belize funds multiple programs aimed at at-risk youth, including programs targeted at gang prevention. For example, the Ministries of National Security, Youth Sports and Culture, Health, Education, Social Welfare, and Economic Development all have programs aimed at keeping youth in school or employed and away from gangs, drugs, and crime. Costa Rica funds drug prevention work through the Drug Control Police (PCD), the Institute on Alcoholism and Drug Addiction, the Office of National Drug Control Policy.

The Government of Nicaragua supports gang prevention and drug demand reduction through the National Police. Additionally, the Secretariat of Youth administers programs to provide alternatives to gang membership and to reintegrate former gang members into society. Panama also supports gang and drug prevention work through the Panamanian police including community projects to deter youth from joining gangs or committing crimes.

Ms. GIFFORDS. Okay. I appreciate that, Mr. Secretary. In speaking of the antigang activity, and Congressman Burton touched on this, the budget request seeks \$5 million to support a Central American gang-prevention program, and I appreciate the administration's focus on that.

I think that we ought to increase, over the 3-year life of Merida, from 10 percent perhaps up to a third percent of the total. I also think that we need to require these governments to show substantively their own political commitment, in terms of actual dollars, to this issue. So perhaps you can talk about that, whether or not these Central American governments are clearly itemizing in their budgets money that is going to go to antigang strategy prevention programs.

Mr. SHANNON. Thank you very much. It is my understanding that, over 2 years, in the Merida Initiative, we are looking at \$12.5 million for antigang activities, and this is tied to money that we are already spending on antigang activity. Obviously, the amount of money we spend and how it is broken down, whether it is broken down into police cooperation or training, whether it is broken down into prevention and focusing on at-risk youth, or reintegration, it will have an impact on how effective this money is.

The antigang program will be a significant part of our Merida Initiative, and, in terms of what these countries are doing, we are really working with these countries now to build these kinds of programs. We have worked, over the past several years, with these countries on police-related issues, especially linkages between chiefs of police and police organizations here in the United States and our FBI and law enforcement agencies in Central America. But it has only been recently that we have been looking at the prevention aspect and also the reintegration-into-society aspect of former gang members.

So these societies are only now beginning to put money against this problem, and we are matching it, but we are doing it in a coordinated fashion through USAID attempting to establish best practices that will have an impact.

Ms. GIFFORDS. I would like to speak, on behalf of the committee, that I would like to see those actual dollars in terms of, again, actual budget numbers that are going to be implemented that are going to match our U.S. taxpayer dollars in these countries because it is important for their society and, obviously, for their civilians as well.

Just a couple of final points. I am concerned about Merida's initial patchwork approach. We are talking about 33 different programs, which range from eight Bell 412 helicopters to ion scanners to computer software, but I have yet to see a real path to success and some real measureables in terms of whether or not we know that the programs are working and whether or not we can hold these other governments really accountable to the strategy.

I know there has been tremendous goodwill on behalf of President Calderon, and I respect him very much for his courage and his willingness to tackle this problem head on, but while we are dealing with the front lines of the immigration crisis, and I am concerned about my constituents, it is very difficult to go back and jus-

tify to taxpayers and to U.S. citizens that we are sending money south of the border without real accountability measures.

We had a hearing a couple of months ago where we talked about Merida as an overall strategy. Some of the testimony before the committee talked about the fact that this has been discussed, and it has been a well-vetted concept, yet when I went back, and I talked to my border sheriff, when I went back, and I talked to my border sector chief of the Border Patrol, talked to law enforcement, no one had heard of the Merida agreement.

So if we are not coordinating with those folks that are on the front lines of this issue, we are not talking with them, we are not getting their buy-in, I can point to a myriad of other programs where we, in Washington, have decided that all of this funding is going to be the great panacea, and it has not made any difference at all. In fact, we have wasted hundreds of millions, if not billions, of dollars.

So I just want to leave you with those comments. If you have any additional comments, I would love to hear it, but I would really like to see some facts, particularly on those other governments stepping up and taking real responsibility out of their budgets, not just our budgets.

Mr. SHANNON. Thank you very much. Very important points. We will get you those facts.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON TO  
QUESTION ASKED DURING THE HEARING BY THE HONORABLE GABRIELLE GIFFORDS

In regard to the deportees, in some countries studies have been done to try to identify sociologically the impact of deportees on crime rates.

Deportees frequently are accused of being responsible for crime in their home countries. However, the evidence presented is anecdotal. While some deportees do commit crime in their home countries, we do not believe that deportees are responsible for increases in crime rates across Central America and the Caribbean.

According to DHS 2005 deportation figures, of all the aliens deported for criminal activity, the percentage deported for violent crimes is relatively low. Of those deported in 2005, over 50 percent were convicted for drug and immigration offenses. Of those with drug convictions (37 percent of the total criminal deportees), approximately half were possession charges, not sales. Approximately ten percent of criminal deportees were charged with assault, including convictions ranging from domestic violence to resisting arrest. Four percent had burglary convictions while three percent had larceny convictions. Murder did not make the top 10 list of offenses committed by those deported for criminal activity in 2005.

Mr. SHANNON. Obviously, this is important to us because, as I noted earlier, we are building partnerships with Mexico and Central American countries on security issues in ways that we have never done before, and this involves working out common approaches to common problems and identifying common security risks, but then especially making sure that, as we work with these countries, that we do not buy the problem and that we do not impose solutions; that, instead, we make sure that they are building their institutional capacity, and we are identifying where we can play a catalytic role.

We believe that the approach we have developed is comprehensive and integrated, but I can appreciate the perception of the patchwork because, again, the idea is to look at how institutions can build their capacity and their capability and their accountability and see where we can best plug in, whether it is building

common-information intelligence platforms that allow police entities inside countries and between countries to share information, whether it is enhancing their interdiction capability, whether it is helping in their prison systems to improve their ability to catalog and track prisoners.

There is a whole kind of cascade of issues that these countries have identified to us that our experts have then gone back and verified and validated, and in areas where we think that they have not put sufficient emphasis, we have gone back with our own suggestions, especially in the area of rule of law and institution building.

But we agree that accountability is going to be key here because that will determine the success of the partnership. Accountability on our part and in terms of addressing weapons trafficking and bulk currency and addressing concerns about deportees, but then accountability on their part, especially in terms of how they use that money and what benchmarks they are achieving.

I would note that, when we get these figures, I think the figures will bear this out, that these are societies that are struggling with a huge threat, and they are doing it to the best of their capabilities right now. They are putting a significant amount of money behind it. They are also putting a significant amount of blood behind it because of the violence inside these societies and the threat it poses to law enforcement officers. But we will make sure you get that.

Ms. GIFFORDS. I appreciate that, Mr. Secretary. We lost a Border Patrol agent a few months ago in the Yuma sector, and we are really struggling with our own internal issues right now as well, and times are tough all over. We are looking at an economic downturn. We are seeing more violence along the border, not less, because of the increased pressure that we are putting on the border.

I just want to make sure that there is full accountability and responsibility on behalf of these other governments. Thank you for coming today.

Mr. SHANNON. Thank you very much. I appreciate it.

Mr. SIRES. Thank you. Mr. Shannon, I was not here, so if you could just bear with me a few minutes, and if I am redundant with some of the things that I am going to say, just let me know.

This is not the first hearing we have had on this, and I have stated before my concern that we do not seem to be taking a regional approach. It seems that Mexico is getting a large chunk of the money, and some of the other Central American countries are not getting as much, plus I do not see an effort in the Caribbean. I know that the Dominican Republic is a port of entry to many drugs in this country.

So if we do not take a regional approach, what is the reason because I do not think we are going to succeed if everybody is not in it together? I know we are not giving Costa Rica any money, and it just seems that, in Colombia, we were very successful. Now they have moved someplace else. If we are successful in Mexico, I am concerned they are going to move someplace else, and we are going to end up with the same problem.

So what is the reason that some of these other countries are not included as a region? Is it because they are not ready to deal with

us on our terms? Is it because their government is just not interested? I mean, I just do not know why we take these pieces.

Mr. SHANNON. Thank you for the question. I think the approach is regional, and let me explain why.

Merida is designed to help Mexico and Central America and effectively link the work we have been doing in the Andean countries, the source countries, with the work in Central America, through the transit countries, and Mexico up to the border where things enter the United States, where drugs enter the United States.

There is a difference between the amount of money we propose in the supplemental, \$500 million for Mexico, and the \$50 million we propose for Central America, and there is a reason for that, and, in the 2009 budget request, we have increased the Central America component to \$100 million, for a total of \$150 million, and, although we are still working a third tranche for Central America, we believe that, ultimately, Central America should probably receive in the area of \$400 million over 3 years.

The reason that Central America began low is largely because of where we were in developing our regional security plan with Central America. We met in the summer, in July, in Guatemala, to establish a joint United States-Central American security dialogue and identified our broad security priorities, and then the Central Americans began to build their regional security strategy, and we began our discussions with the Centrals, at this point, in terms of the components of Merida that we would include in the Central American package.

The supplemental went forward in September. So working with the Centrals, we did not have a full regional security package, so what we did is identified \$50 million that would begin to bring all of these countries up to a baseline of law enforcement activities so they could begin cooperating among themselves, and Costa Rica is included in this, with the idea being that as the supplemental moves forward, we would begin working the 2009 budget request and significantly increase that, which we have.

In regard to the Caribbean, which is an excellent point and one I had covered earlier in response to a question that Chairman Engel asked, Admiral Stavridis, the SOUTHCOM commander, and I recently traveled in the Caribbean to Guyana, Barbados, and Suriname, the first of several trips we plan to take into the Caribbean, and met with the leaders of these countries plus the leadership of the Caribbean Community in Georgetown, Guyana.

These meetings took place just before regional security ministers and heads of government of Caribbean countries met in Trinidad and Tobago, and the purpose was to begin a security discussion with the Caribbean that would allow us to determine where we can assist the Caribbean to ensure that, should we be successful in Merida, the trafficking will not move into the Caribbean.

We have, in the Caribbean, both in Trinidad and in Barbados, two very strong partners who are investing considerable resources into building interdiction and surveillance networks—radar sites, aircraft that can surveil—and have a well-developed security cooperation and political cooperation mechanism that will allow us, I think, to very quickly identify where it is we can be helpful.

But we agree that this has to be a regional approach. If it is piecemeal, it will not work. It has to understand that the demand in the United States is such that traffickers are going to look for ways to get through and that if we block them in one place, they are going to go someplace else.

Mr. SIREs. You expressed your concern that from Mexico it is going to move into the Dominican Republic. From what I read, the Dominican Republic is a point of shipping already that is the biggest in the Caribbean. Is that correct?

Mr. SHANNON. Hispaniola is. It is split between the Dominican Republic and Haiti. At this point, most of the cocaine entering the United States still comes up the isthmus through Mexico or through the Pacific into Mexico and into the United States, but that could change. So working in the Dominican Republic, working in Haiti, and working with the other islands of the Caribbean is going to be important, if we are able to get funding for Merida and implement it in a successful way.

Mr. SIREs. Mr. Secretary, thank you very much.

Mr. SHANNON. Thank you, sir.

Mr. SIREs. We appreciate your time and your patience.

Mr. SHANNON. Thank you all very much. I appreciate your interest.

[Pause.]

Mr. SIREs. To lead our second panel, we have Geoff Thale, who is the program director at the Washington Office on Latin America, where he oversees all of WOLA programs, in addition to directing its work on Central America and Cuba.

Harold Sibaja is the Central America regional director of youth violence prevention programs at Creative Associates International, a USAID contractor. His current work is designed to prevent at-risk youth from joining gangs and to rehabilitate those who have left.

Beatriz Casals is president and CEO of Casals & Associates, a company with nearly 200 employees in 11 countries, including six offices in Central America, Mexico, and the Dominican Republic, that specializes in management consulting and strategic communications services. Their clients include USAID, the United Nations, and the Organization of American States.

Thank you for your patience. We appreciate that you are here today, and you will each have 5 minutes for opening remarks, and we will start with Mr. Thale.

**STATEMENT OF MR. GEOFF THALE, PROGRAM DIRECTOR,  
WASHINGTON OFFICE ON LATIN AMERICA**

Mr. THALE. Thank you, Congressman Sires, and thanks to the subcommittee in general for holding this hearing. I am always happy to have a focus on Central America, and I am glad to see that the interest of the subcommittee in the region.

I want to talk briefly as to the written testimony, and I want to talk briefly about the kinds of violence and crime that Central America confronts and talk a little bit about the United States role in responding to each of those areas.

Central America confronts not just drug trafficking but drug trafficking along with other forms of organized crime and with gang vi-

olence. So, really, three different kinds of waves of criminality that need to be addressed.

I think the Merida Initiative addresses all of those, which I think is very constructive. It is very important that Merida recognizes the reality that crime and violence is a huge problem through Central America, a problem for democracy and human rights, and I think it is very important that Merida both addresses, at least in Central America, crime and violence as a problem that requires a response by civilian institutions rather than military ones and a problem that requires strengthening the police, the judiciary, and the social services system in order to make a real response work.

So I think, in the big picture of the Merida Initiative, what it does in Central America is tremendously constructive. I do think that in each of the specific areas there are some questions and some concerns we have, and I want to highlight each of them very quickly and then make a final comment about how Merida approaches the problem of police training and police development in Central America.

So, as I said, I think the first kind of serious area, in terms of crime and violence, in Central America is drug trafficking. Everyone knows it is a huge problem. Everyone knows that because Central America is a transit zone between production countries and the demand in the United States that the problem is real and continues to be extremely serious.

I think it is really clear that, until we address the problem of demand in the United States, the problem of drug trafficking and transit through Central America is going to be very difficult to resolve. So it is really important to recognize that domestic demand is a huge piece of this issue and that the interdiction programs supported in Merida are unlikely to do much to really reduce demand or the availability of drugs in the United States.

From that point of view, I think it would be important, in the Merida Initiative, to look at the ways in which we can work with Central American governments to focus on the corruption, the money laundering, and the role of drug kingpins who have relations with government officials and others that make trafficking possible. So I think a shift in our focus on the drugs side in the Merida Initiative would be important and constructive.

Second, I think it is important to understand that there are a lot of other problems, other kinds of organized crime that are series problems in Central America. There is not just drug trafficking, but gun running, contraband smuggling, kidnapping, assault.

There is a whole range of these kinds of problems. Many of them are organized and carried out by criminal groups that emerged from the civil wars in Central America, that emerged from former military and security services. There are often groups that are linked to police, government officials, and others, and they continue to operate with impunity because of those connections.

I think that one of the most constructive responses in the region to that problem has been the CICIG, which a number of people, which a number of people—Secretary Shannon talked about, and Representative Engel talked about—a number of people talked about in this hearing.

In CICIG, the International Commission against Impunity in Guatemala, the Government of Guatemala has recognized the problem, the pressure that government officials face, and has asked the United Nations to come in and work with it to go after this problem. It is really important to support that initiative. I think Congressman Burton, Congressman Engel, and Congressman Berman have done that. They recently sent a letter on this issue. We ought to be seeing more of those kinds of initiatives, not just in Guatemala but elsewhere in the region.

Finally, on the issue of gangs, the Merida Initiative takes an important and positive step in recognizing that prevention is really key to addressing the problem of gang violence in Central America. I feel very strongly that the funding it provides, in terms of prevention, are insufficient and that if we look at a 10-percent funding commitment this year, we ought to be looking at a commitment of something like 30 percent over the life of the initiative.

Secretary Shannon talked about how important that is. Everybody on this committee has recognized the importance of that, and I hope, when the committee looks at authorizing language, it will look at authorizing and institutionalizing a much more substantial commitment addressing prevention.

The related issue is Merida provides training for Central American police in dealing with gangs. Unfortunately, I think the emphasis in that training tends to be on the transnational side of the gang problem, which is a real side of the problem, a real part of the problem, but focuses not enough on the domestic crimes that gangs commit in Central America. So the kidnapping, the extortion, the assaults they commit; there are techniques to deal with that. We ought to put more emphasis on that in the police training we do.

My last comment here would be to say, overall, United States funding for police training in Central America is the important and positive step. It tends to focus, in the Merida Initiative, on specialized units, on antigang units, on antidrug units. I think it is really important to see that units like that, unless you do a broader reform of the police as a whole, are unlikely to succeed in the long run. You can cite instance after instance in which units like that have been corrupted or degraded.

So I think we need to see our police training work in a broader and more institutional perspective, and, with that, I will stop and take questions. Thanks.

[The prepared statement of Mr. Thale follows:]

PREPARED STATEMENT OF MR. GEOFF THALE, PROGRAM DIRECTOR, WASHINGTON  
OFFICE ON LATIN AMERICA

#### INTRODUCTION

I am the Program Director of the Washington Office on Latin America (WOLA). I oversee all of our programs related to Central America, and I direct our program on youth gangs, citizen security, and human rights in Central America. I have been at WOLA for almost thirteen years, and I have worked professionally on issues of human rights, democracy, and development in Central America for more than twenty years. I appreciate this opportunity to testify before the Western Hemisphere subcommittee about crime and violence in the region, the U.S. interests that are at stake, and how we should work with governments and civil society to respond to these serious problems.

The Washington Office on Latin America is a non-profit, non-governmental organization that monitors human rights and social justice issues in Latin America, and that advocates for U.S. policies that support human rights, democratization, and social justice in the region. For almost thirty-five years, WOLA has monitored issues of human rights and democracy in Latin America, and has provided information and analysis to Congressional offices, the Administration, and the general public about conditions in the region and the impact of U.S. policy.

In particular, WOLA has followed issues of crime, violence and citizen security in Central America since the early 1990s. As the civil wars that racked the region in the 1980s came to an end, WOLA believed that establishing the rule of law and supporting the creation of professional, apolitical police forces that provided security to citizens while respecting due process and human rights was one of the most crucial challenges faced by the nascent democratic governments of the region. The public security forces that had been in place in El Salvador, Honduras, and Guatemala since at least the 1950s had been under the control of the armed forces, rather than of civilian governments, had enforced order without respect for the rule of law or due process, and were deeply implicated in human rights abuses. These forces needed to be reformed, if not replaced.

Peace agreements in Central America called for the reform and re-establishment of the police, as part of the re-founding of a democratic state. The United States, concerned for human rights and democracy, and eager to see stability in Central America after the war and violence of the 1980s, made a major commitment to support police reform. WOLA, working with civil society partners in the region, monitored the reform process, and advocated with Central American governments, the U.S. government, and the international community for policies that would help consolidate effective and rights-respecting police forces in the Central American countries.

Out of our work on citizen security and police reform, WOLA has developed experience and expertise in the problems of crime, violence, and citizen security in Central America. Today, I would like to testify about the broad spectrum of violence that Central America faces, and about the Merida Initiative, the three year U.S. government proposal that includes a Central American component under which the U.S. government would help its governments in the region address problems of crime and violence.

As you know, following discussions with the Presidents of Central America, and the regional Central American Integration System, or SICA, last October, the Bush Administration has asked for \$50 million in Fiscal Year 2008 supplemental funding for the Central America component of the Merida Initiative. In February 2008, it asked for an additional \$100 million as part of the Foreign Operations Appropriation bill for fiscal year 2009.

In my testimony, I will examine the kinds of crime and violence that Central America confronts, and ask whether or not the programs funded under the Merida Initiative, are the right response to the problem of crime and violence in the region.

Central America confronts at least three major types of crime and violence today: drug trafficking, organized crime groups, and youth gangs. The Merida Initiative takes an important step in recognizing that crime, violence and insecurity are problems for our neighbors in Central America, and that it is in our national interest to help governments in the region address them. It is also to be commended for recognizing that civilian institutions—the police, the judiciary, the social service system—are the key institutions in responding to the problems of crime and violence, and that neither the U.S. military, nor Central American militaries, ought to play any major role in confronting these problems. In a region where the military has too often been involved in civilian institutions, it is an encouraging sign that the military is given no role in the Central America portion of the Merida Initiative.

While the diagnosis is right, the specifics of the Merida proposal in terms of how to address those problems in Central America are nonetheless flawed. These flaws can and should be addressed, to make the Merida Initiative more helpful and constructive in dealing with crime and violence in Central America.

- On drug trafficking, the Merida Initiative focuses too heavily on supporting interdiction efforts that are not likely to succeed in stemming the flow of drugs so long as U.S. consumption remains strong. It does take some first steps in assisting our neighbors in Central America in controlling the arms trafficking that makes weapons available to drug traffickers, but could do more.
- On other forms of organized crime—the criminal groups, many of which emerged from the security forces and paramilitary groups that operated during the civil wars of the 1980s, that run smuggling rings, car theft operations,

kidnapping operations, and so on—the Merida Initiative ought to do more to assist Central American governments in investigating and prosecuting these groups. (The CICIG, the UN-sponsored International Commission Against Impunity in Guatemala, is a model for this, and needs to be strongly supported.) This requires a focus on financial crimes units, money laundering, and anti-corruption investigations.

- On youth violence, the Merida Initiative promises to implement the comprehensive five point plan for youth gang violence that the U.S. announced last year, including an emphasis on prevention, not just on law enforcement. That's a positive and important step. But more resources need to be invested in the prevention side, and the law enforcement funding concentrates too much on the transnational aspects of youth gang violence, while the fundamental problem that youth violence poses in Central America is domestic, not transnational.

Across the board, the Merida Initiative is to be commended for its focus on strengthening law enforcement, criminal prosecution, the judiciary, and the prison system. At the same time, the law enforcement funding is flawed. It is not built on a comprehensive vision of police reform, and it risks throwing good money after bad.

WOLA urges the Congress, as it considers the Merida Initiative, to address these problems.

IS THE MERIDA INITIATIVE, IN RELATION TO CENTRAL AMERICA, THE RIGHT RESPONSE TO THE PROBLEMS OF CRIME AND VIOLENCE IN THE REGION?

#### *The Administration Request*

The supplemental request of \$50 million includes \$16.6 million for counter-narcotics and border security programs, about \$3.3 million of which are for small arms control programs. It provides almost \$21 million for law enforcement and police training programs, including some \$5 million for youth violence prevention programs. And it provides about \$8 million for institutional strengthening of the courts, the attorney generals' offices and the prison system. For fiscal 2009, the Administration requests \$100 million. The request more than doubles the counter-narcotics funding to \$40 million, increases the law enforcement funding modestly, and almost triples the funding for institution building. The Bush Administration is likely to request a third year of funding when the President submits his final budget in January of next year.

#### *The Problem of Crime and Violence in Central America*

There is no question that crime, violence, and citizen insecurity are major issues in Central America, of grave concern to Central Americans, and of concern to the U.S. The region is experiencing a variety of forms of criminal activity, from common crime to gang violence, to organized crime and drug trafficking. These forms of crime are related, but they are not all the same. They each need to be addressed in their own terms. A U.S. assistance program should address three distinct but related kinds of criminal activity—drug trafficking, other forms of organized crime, and youth gang violence.

*Drug trafficking*, in which Central America serves as a conduit for drugs in transit to the United States, is driven by the apparently endless U.S. demand for drugs, and by the institutional weakness and corruption in Central America that allows traffickers to move their product with impunity.

It's important to understand that drug trafficking is not the only form of organized criminal activity in Central America. *Other forms of organized crime* flourish as well. Contraband smuggling, extortion, kidnapping, auto theft, bank robbery, and various types of fraud are serious problems in the region. In many countries, the criminal groups that carry out these activities include former members of the security services and ex-military officials, whose counter-insurgency activities mutated into criminal behavior, taking advantage of the ties these individuals and groups had developed with a range of government officials. This kind of crime flourishes because of the institutional weakness of the police and the criminal justice system, and the penetration of these groups into state structures, as they seek to protect and extend their criminal activity.

In addition to drug traffickers and to other organized criminal groups, there *are* youth gangs, like *MS-13* and the *18th Street gang*. These gangs grow in a climate where opportunities for youth are limited, and social programs scarce, and where law enforcement responses have been both heavy-handed and ineffective.

Youth gangs in Central America are sometimes portrayed as transnational criminal enterprises; research that WOLA and our colleagues in Central America have conducted suggest that most youth gangs are local, sometimes regional groups that

engage in inter and intra gang crime, in extortion, in murder for hire, and sometimes as mules for drug traffickers. But they don't organize or lead drug trafficking, contraband smuggling, or other forms of crime. They are a serious problem; at the same time, they are primarily a domestic citizen security problem, requiring effective local and national efforts. Although some gang cliques have cross-border links, gangs are not fundamentally a transnational problem. As the UN Office on Drugs and Crime noted in their 2007 study on crime and development in Central America, noted, "[T]he spectre of 'mega-gangs' responding to a single command structure and involved in sophisticated trafficking operations, does not, at present, seem to have been realized, as least so far as drug trafficking is concerned. It is likely that gang members are preoccupied with more local, neighborhood issues."

#### WHAT KIND OF RESPONSE IS NEEDED

Each of these problems requires distinct, specific responses.

*Combating drug trafficking* requires going after the corruption, money laundering, and political influence that major drug traffickers exert in Central America, while addressing the problem of demand in the United States that fuels drug trafficking, and the weapons that flow from the United States to Central America and fuel violence. In Central America, domestic drug abuse levels are far lower than they are in the United States, but drug abuse is a growing problem that governments need to address.

*Fighting other forms of organized crime* requires efforts to end impunity and corruption by organized criminal groups, many of them with a history of connection to state security services. CICIG in Guatemala is a model for how to do this.

*Youth violence* requires a comprehensive governmental response that includes a serious focus on violence prevention and intervention programs, along with a rethinking of police strategies. Best practices in the United States and in Latin America all suggest that nationally funded, but locally designed and community based approaches that involve schools, community agencies and local governments, along with the police, in designing appropriate youth violence prevention programs are the most effective strategies in keeping young people out of gangs, and in reducing the violence and criminality associated with them. We at WOLA are about to publish a study looking at effective community based violence prevention programs in both Central America and the United States, and drawing lessons from them about what is effective.

*While each of these problems requires some specialized responses, all of them have one thing in common: they demand long-term investment in the institutional strengthening of the police, the public prosecutor's office, the courts, and the prisons.* That institutional strengthening must include the development of a culture that respects human rights and due process. Unless these institutions are strengthened, made more reliable, and more effective, no anti-crime strategy is going to have enduring results. The Merida Initiative can and should contribute to that process of institutional strengthening.

Success in addressing these problems should be measured not by tons of cocaine captured, or by the number of youth gang members arrested, or even by the number of drug kingpins captured, but by whether institutions are stronger and more effective. If they are, then we can expect to see real progress in reducing the levels of violence and impunity and in the more easily quantifiable areas that I just mentioned over the long term.

DOES THE MERIDA INITIATIVE MEET THESE CRITERIA? DOES IT ADDRESS THE SPECIFICS OF EACH PROBLEM, WHILE SUPPORTING THE INSTITUTIONAL STRENGTHENING OF POLICE, PROSECUTORS, JUDICIAL SYSTEM, AND PRISONS, AND STRENGTHENING RESPECT FOR HUMAN RIGHTS?

*In the area of drug trafficking*, the Merida Initiative falls short. In a region trapped between the major production centers in the Andes and the major market in the United States, drug trafficking is going to be a major and ongoing problem. Addressing the problem in Central America will depend in large part on whether the United States makes a domestic effort to address the problem of drug demand.

The funding that the initiative provides to detect smuggling and build up drug units will not have an enduring effect in reducing the supply of drugs on the streets of the United States, and no one should have illusions about that. If we accept that fact, then the question is if the Merida Initiative will assist Central American governments in effectively pursuing the major traffickers, money laundering, and corruption that all make drug trafficking possible. That is an achievable goal, and one to which we should aspire.

While there is nothing wrong with the investment contemplated in the Administration's request for border security, training of customs officials, etc., fighting drug-related corruption and going after drug kingpins in Central America requires a greater emphasis on financial crimes units, and on anti-corruption initiatives. The initiative provides funding for specialized anti-drug investigation units, but, as I will discuss below, these types of units have a very troubled history in Central America, and I am doubtful they can be effective unless they are part of a broader process of institutional police reform.

The Initiative does provide funding and technical assistance for steps to better control the flow of light arms in Central America. Clearly, this is a positive, though modest, step.

*In fighting other forms of organized crime*, evidence shows that a commitment from the highest levels of government to the fight against corruption is central to success in dismantling organized criminal groups that have links to and influence over elements of the police, the prosecutor's office, and the judiciary. Sometimes these groups have political influence as well, and they may pressure elected officials who help them gain favors, or influence investigations.

The most significant step forward in Central America in combating these groups was the decision by the Guatemalan government to ask outside investigators to take the lead in investigating and urging criminal prosecutions of these groups. The Guatemalan government of former President Oscar Berger reached an agreement with the United Nations to create an international group, the International Commission Against Impunity in Guatemala, or CICIG. The Guatemalan government recognized that criminal groups, many with a history of connections to the military, security services, and some government officials, often exerted political pressure, or made threats, that halted investigations and allowed them to act with impunity. CICIG with its staff drawn from the ranks of the international community was designed to be immune to these pressures. It will be able to investigate prototypical cases, promote prosecutions and work with the Attorney General's office. It will recommend to the government reforms in the criminal code, investigative structures, etc., to strengthen Guatemala's ability in the future to go after these criminal groups.

The U.S. and other donors have been very supportive of the CICIG, both politically and financially. (Representatives Engel, Berman and Burton organized a letter last week to the U.S. Attorney General seeking technical assistance for the CICIG, and the Justice Department is now in conversations with UN staff about their needs.)

The new President of Guatemala, Alvaro Colom, has been publicly supportive. What remains to be seen is how the CICIG's investigations advance, whether the Guatemalan government continues to back them in their investigative work and whether their recommendations about reforms are championed and then implemented by the new government. Ultimately, Guatemala's Attorney General will be responsible for taking the cases developed by the CICIG and moving them through the criminal justice system; the success of the model will be measured by what the Attorney General and his staff do.

The Merida Initiative does not directly address Central American governments' will or capacity to fight organized crime. More needs to be done in this area. (Honduras, for example, is confronting a major debate about corruption and the ability of the attorney general to investigate corruption.) Whether through the Merida Initiative or through other efforts like the CICIG, the United States needs to support governments that are committed to fighting corruption, providing them political support and technical assistance.

*In the area of youth violence*, the Merida Initiative is built around the Administration's comprehensive anti-gang strategy, announced in 2007, which includes both prevention and effective rights-respecting policing, as elements of its integrated program. It provides funding for prevention programs as well as for law enforcement. There is some evidence that SICA, the Central American Secretariat for Regional Integration, has taken some steps to outline a comprehensive plan. U.S. support for Central American anti-gang programs through the Merida Initiative should support comprehensive programs with an appropriate balance between prevention and policing. A program that focuses only on policing, even on smart and effective policing, will be incomplete and ineffective.

Merida takes some important steps in the right direction. It provides funding for prevention as well as for policing. At the same time, the funding for youth violence prevention programs is clearly inadequate. In the supplemental request, the Administration seeks \$5 million, or 10% of the funding request, for prevention programs. In the second year, the dollar level goes up—from \$5 million to \$7.5 million, but falls as a share of the total request, going from 10% down to 7.5%. This is far too

little. The evidence from programs in places as different as northern Virginia and Los Angeles County is that a substantial investment in youth violence prevention pays off. But the investment must be real.

In Central America, youth violence prevention programs have been seriously underfunded. Good work has been done by local NGOs and church groups and by international NGOs funding, like the work my colleague Harold Sibaja has done in Guatemala, and is now launching more regionally. USAID has supported solid programs in Guatemala and El Salvador, and is now expanding its support for model programs in the region, and this is to be commended. Some European donors have supported violence prevention programs as well. But these programs can reach only a small number of the at-risk youth in the region. What is really needed is a serious commitment on the part of Central American governments themselves to fund and support community-based youth violence prevention programs.

But Central American governments themselves have done far too little in investing government resources into youth violence prevention. In El Salvador, for example, most government-backed programs are carried out with international rather than domestic government funding. In Honduras, the government's main program for at-risk youth is starved for resources. The U.S. and the international community need not only to fund more but to strongly encourage governments in the region to take on this challenge.

We strongly recommend that the Merida Initiative, over its three year lifetime, ought to provide about a third of its total funding to violence prevention efforts in Central America. And the U. S. government ought to work hard to convince Central American governments to adopt and fund these efforts out of national budgets as the Merida funding comes to an end.

On the policing side, there are clearly measures that can and should be taken to strengthen the ability of police to respond to youth violence in targeted and effective ways. For a number of years, Central American governments have pursued a "*mano dura*," or "heavy hand" strategy that has involved massive detentions of young people that police thought might be involved in gang activity. This approach, fraught with civil liberties and due process problems, has done little to reduce gang violence. In fact, many local gang cliques, in response to these policing techniques, have become more clandestine and more organized in their activities. Central American governments need to shift from a single-minded emphasis on heavy-handed policing to a more balanced and comprehensive approach that includes a more sophisticated approach to policing. In recent years, the rhetoric of Central American governments has shifted away from *mano dura* approaches, and talked more about prevention and smarter policing. Now they need to put their money where their mouth is.

A new policing approach would target criminal activity (particularly extortion and homicide), rather than targeting young people or gang members per se. It would be built on effective investigative techniques, and on carefully controlled police intelligence. And it would be coordinated with community based violence prevention programs (as do some of the most successful gang violence reduction programs in the United States, like the Gang Intervention Program in the Colombia Heights neighborhood of Washington DC, or World Vision's Community Mobilization Initiative in Falls Church, Virginia.) Some of the proposals in the Merida Initiative for Central America offer training, technical assistance, and equipment that could be helpful to Central American police forces in responding effectively to gang violence, especially if they are incorporated as part of broader processes of institutional police reform.

But the police training programs in the Central America portion of the Merida Initiative focus too heavily on the transnational aspects of gang violence—on support for a regional fingerprint database, on stationing of FBI agents with experience in gang violence in the U.S. in embassies in Central America, and on training Central American police in transnational gang issues. Most youth gang related crime in Central America is domestic, rather than international. That is, it involves homicides, extortion, assault, and other crimes which are not fundamentally transnational in nature, but which threaten citizen security in Central America. The police training programs should be re-oriented to support more effective strategies in confronting the major problems that gangs actually cause in Central America itself.

*In general, the approach to police training in the Merida Initiative, whether for drug trafficking, organized crime investigation, or youth gangs, is misconceived.*

The police training proposed focuses heavily on creating specialized police units, whether criminal investigation units, anti-drug units, or anti-gang units. *But experience with police training in Central America suggests that such units are easily undermined or corrupted, unless they are developed in the context of a broader process of institutional police reform, and the Merida Initiative needs to take this into account.* One need only look back to the special anti-drug unit of the Salvadoran Na-

tional Civilian Police, developed, trained and funded by the United States starting in the late 1980s, whose entire membership was involuntarily retired in the first half of the 1990s, and who occupied their offices and refused to leave until they got pensions they considered adequate. Or to the Guatemalan police's anti-drug unit, supported by the United States, whose leadership was arrested for involvement in drug trafficking while at a training course in Quantico, Virginia. (This unit had replaced an earlier, U.S.-trained anti-drug unit which was disbanded in 2002 after a scandal involving corruption and allegations of involvement in extra-judicial executions.) Notably, the Central America portion of the Merida Initiative appears to offer no support for inspector generals, internal affairs units, citizen complaint centers, or other internal and external control systems.

Broad institutional police and justice sector reform requires time and political commitment on the part of the governments of Central America, not just a commitment by the United States. Governments ought to have a clear analysis of what is needed in institutional reform and a comprehensive plan about how to move forward. The United States ought to support and complement that plan, rather than supporting piecemeal reforms that may not be sustainable. A Central American regional plan that will deserve U.S. support in the context of the Merida Initiative should deal with crime and violence, including youth violence, through a focus on prevention and support for plans for institutional police, prosecutorial and judicial reform. We should expect that our partners in Central American governments have, and have made public, comprehensive analyses of the problems and challenges that their police face, and how they plan to address those problems. Our support ought to fit within that plan.

Interest in the problem of citizen security in Central America is growing broadly in the international community. The European Union, the government of Spain, and several others are interested in working with Central America to address the problems of crime and violence in constructive ways. This offers a real opportunity for the United States, working with colleagues in Europe and governments in Central America, to develop a coordinated approach based on a comprehensive plan for public security reform.

Some specific aspects of the police assistance will undoubtedly be helpful, but the police programs get a disproportionate share of the resources and do not appear to support or complement a clear plan for institutional police reform. In fact, more than 20% of the assistance for Central America is targeted for still unspecified equipment, communications support and training for Central American police forces; no specific proposal has yet been developed. Despite several recent studies suggesting that Central American police have little or no ability to protect crime scenes or handle evidence, there are no evidence training programs offered (in contrast to the Mexico program). There is no support provided for developing witness protection programs, despite a clear need for these programs. And there is no support for the development of financial crimes or money laundering investigative capacity, despite the importance of this to transnational and organized crime investigation.

The Initiative does fund the International Law Enforcement Academy, or ILEA, and the ILEA can be helpful in offering training and helping strengthen effective policing. As we have noted before, the history of US police training in Latin America is such that we believe the ILEA ought to be as transparent as possible; we urge the State Department to publish the ILEA curriculum, make information available about who is being trained, and create a civil society advisory council to help monitor the institution.

#### SUMMARY:

The Merida Initiative correctly identifies crime and violence as major problems in Central America. But WOLA believes many of the specific funding priorities are misplaced. We urge the Congress to re-shape the initiative. The U.S. should put a greater emphasis on reducing demand for drugs at home, and prioritize criminal investigation in Central America that targeted drug kingpins and the corruption and financial crimes that enable them to operate. On other forms of organized crime, there ought to be a greater emphasis on anti-corruption initiatives, and on the model that the CICIG, the UN-sponsored International Commission Against Impunity in Guatemala, offers to the region. On youth violence, there ought to be substantially more resources for violence prevention; this is a critical and underfunded area. At the same time, the anti-gang law enforcement training and support ought to be re-focused, to concentrate on the most serious problems in Central America itself. Finally, the law enforcement funding ought to be re-conceived, in the context of a broader support for comprehensive police reform in Central America.

Mr. SIREs. Thank you, Mr. Thale. Mr. Sibaja?

**STATEMENT OF MR. HAROLD SIBAJA, REGIONAL DIRECTOR,  
ALLIANCE FOR PREVENTION, CREATIVE ASSOCIATES INTER-  
NATIONAL, INC.**

Mr. SIBAJA. Good morning, Mr. Chairman. I want to thank you for the opportunity to testify this morning and to address the topic of Central America and the Merida Initiative.

My name is Harold Sibaja. I am the regional director in Central America for Creative Associates. It is a minority-owned, professional technical services firm in DC. We have worked for the U.S. Agency for International Development. I have run two programs, one in El Salvador and another one in Guatemala, on crime prevention. Creative Associates has worked for the Department of State, the Department of Defense, and other international donors.

I am dealing with the issue of gangs and addressing the challenges that this involves, and I have been asked to provide an assessment of the challenges confronting youth and the region, as well as the matter of an effective balance between prevention and enforcement within the context of the Merida Initiative.

Before I get to the challenges, I would respectfully submit that a preventive, self-power approach should be part of a plan to address the challenges of youth gangs in an effective and balanced manner.

Prevention and intervention initiatives, coupled with law enforcement approaches, are more effective than law enforcement or prevention or intervention alone. Having said that, I would like to address some of the findings of the USAID-funded youth gang assessment that provided the basis for several initiatives under the programs we implement in Guatemala.

I was part of this assessment, from Nicaragua to Mexico, and some of the recommendations of the study and some of the findings said youth gang activity is not just national, which has been said here, and requires a coordinated and multinational response, including coordination among agencies of the U.S. Government and other governments. Youth gang members and gangs in Central America are not homogeneous, and their membership activities and the level of violence is different.

We have to understand that to address the issue of gangs. Not all of the gangs are the same. There are those that are more involved into drugs and trafficking, but there are lots of that are just being part of the gang that need different treatment.

While gangs are diverse, the factors driving gang activity in the region include—it is a social issue—lack of opportunity, both educational and economic, with associated drivers of intrafamily violence; access to drugs and firearms; and ineffective justice systems. These issues have to be addressed.

At the time of the assessment, from the perspective of the Central American government, a primary source of the gang problem is the deportation of gang members by the United States Government. We had no information at that time. We are currently working with some deportees. We have them in our insertion programs.

An interesting finding also of the assessment was that faith-based organizations are a critical element to enable youth to leave gangs.

Our recommendation was that an effective response requires an inclusive mix and balance of prevention, intervention, and law enforcement to achieve sustainable results.

So, in response to this study, USAID and its Global Development Alliance developed a partnership in Guatemala that included USAID, Creative Associates, governmental and nongovernmental sectors, and, quite importantly, the private sector and faith-based organizations to address the challenges of which we speak.

The program started with \$800,000, an agreement that evolved to \$1.6 million and ended last January. This program provided a second chance to scores of vulnerable Guatemalan youth through the shared commitment of local communities, faith-based organizations, the private sector, and the Guatemalan Government. This effort that formed the Youth Alliance program, known in Spanish as Programa Alianza Joven, provided sustainable crime-prevention capacity through training, education, and income-generating activities.

One of the programs developed, what we call “Challenge 100—Peace for Guatemala,” paired former gang members with local businesses that provided on-the-job training and internships, and job opportunities for former gang members, young men and women alike. More than 100 youth have been able to get a job in businesses in major hotels in town, factories, restaurants, and multinational companies, and plans to place more youth are ongoing.

This effort grew out of a reality show called “Challenge 10—Peace for the Ex,” which involved two groups of five former members that we put to compete to create a business, a car wash and a shoe repair, under the guidance of two prominent businesses who accepted, in spite of their fears, to be their mentors and to teach them, in 14 days, what they knew about starting a business.

This is an issue of creating awareness and understanding that those youth, many of those in gangs, have been out there because of the issues they faced in the past, but when they leave the gang, these are youth that require a second opportunity and somebody to give them a hand. The reality show helped us draw international media attention and led to increased awareness that former gang members are worthy of second chances and can turn their lives around.

Through these efforts, we have also formed critical new alliances with faith-based organizations which are especially effective in dissuading youth from joining gangs. To date, seven Youth Alliance programs sponsor 100 centers, which, in alliance with faith-based organizations, provide a safe haven for hundreds of youth every day who come to learn new skills and take part in recreational activities rather than falling prey to gang influences.

The idea, since its inception, was to develop sustainable operations. The trainers at the centers are all volunteers from the communities. The only paid staff is a coordinator, who earns approximately \$260 per month, and after the 6th month, the faith-based organizations and municipalities, or a combination of both, become response for the centers. These centers are preventing the youth from becoming involved in gangs.

The last center was fully paid by the Rotary Club of Guatemala, who have been invaluable in supporting this effort, and I am now interested in building new ones.

There are plans to develop more centers, now through the USAID Regional Gangs Prevention program, with SICA, we are also in the process of involving the faith-based organizations and the rotary club members to develop new outreach centers.

Having said that, our programs have been innovative in prevention and intervention. We have seen successes in terms of youth getting employment. There are about five or six youth who have been deported who are part of the program. One of them said that when he was deported and came back, in his orange uniform, to Guatemala, and he was told in prison that he was a lethal, walking weapon to society. Now he is a volunteer in one of the centers. He is part of a business right now, and he is the nicest guy you could see.

I would ask, at this point, to be allowed to submit more extensive materials about the USAID-funded programs, including video production. This is a copy of the reality show. It is a 5-hour reality show that was used to create public awareness about youth who have left the gangs, and this is a copy of the two videos, the outreach centers and the Challenge 100 programs, with private sector support. Other materials have been submitted already.

In conclusion, Mr. Chairman, based on the joint USAID creative study of the challenge of youth gangs and our experience in the Youth Alliance program and current initiatives under the regional Youth Alliance USAID, SICA, I believe that prevention and intervention are critical to an effective approach that seeks to address the challenge of youth gangs in Central America.

Within the context of the Merida Initiative, I would respectfully recommend the same, that law enforcement be combined with the strategic attention to prevention and intervention.

Mr. Chairman, thank you for the opportunity to address you today.

[The prepared statement of Mr. Sibaja follows:]

PREPARED STATEMENT OF MR. HAROLD SIBAJA, REGIONAL DIRECTOR, ALLIANCE FOR PREVENTION, CREATIVE ASSOCIATES INTERNATIONAL, INC.

Good morning Chairman Engel and Members of the Subcommittee. I want to thank you for the opportunity to testify this morning and to address the topic of "Central America and the Merida Initiative."

My name is Harold Sibaja and I am Regional Director in Central America for Creative Associates International, Inc. (Creative). Creative is a minority women-owned and managed professional and technical services firm in Washington, D.C. Creative has more than 31 years of experience in managing complex projects in conflict and post conflict environments for the U. S. Government, including the U.S. Agency for International Development, the U.S. Department of State, the U.S. Department of Defense and other international donors.

Specifically, because I led and managed Creative's USAID-funded Youth Alliance Program, an initiative that addressed the challenges of youth and their involvement in gangs in Guatemala, I have been asked to provide an assessment of the challenges confronting youth and the region as well as the matter of an effective balance between prevention and enforcement within the context of the Merida Initiative.

Before I get to the challenges, I would respectfully submit that a preventive-soft power approach should be part of a plan to address the challenges of youth gangs in an effective and balanced manner.

## THE CHALLENGE

Having said that, I would like to address the findings of the USAID-funded Youth Gang Assessment that provided the basis for several initiatives under the Youth Alliance Program which ended earlier this year. A follow-on project has recently been launched. It will build on the Youth Alliance Program's impact which continues to benefit Guatemalan youth, who would otherwise have few alternatives to counteract the powerful influences of gangs.

In 2005 USAID asked Creative to conduct a joint study called, "USAID CAMS Gangs Assessment." That study produced the following findings:

- Youth gang activity is transnational and requires a coordinated and multi-national response, including coordination with non-U.S. agencies and governments;
- Youth gang members and gangs in Central America are not homogenous and there is no typology applicable to every gang, the membership, activities, and level of violence;
- While gangs are diverse, the factors driving gang activity in the region include a lack of opportunity, both educational and economic with associated drivers of intra-family violence, access to drugs and firearms, and overwhelmed and ineffective justice systems;
- Central American governments cite as a primary source of the gang problem, the deportation of gang members by the U.S. government;
- Faith Based Organizations are a critical element to enable youth to leave gangs.
- That an effective response requires an inclusive mix and balance of prevention, intervention, and law enforcement to achieve sustainable results.

In a response to this study, USAID and its Global Development Alliance developed a partnership in Guatemala that included the USAID, Creative, governmental and non-governmental sectors, and quite importantly, the private sector to begin to address the challenges of which we speak.

What started under an \$800,000 agreement with USAID and the Global Development Alliance and which ultimately grew to a value of \$1.6 million, has provided a second chance to scores of vulnerable Guatemalan youth through the shared commitment of local communities, faith-based organizations, the private sector, and the Guatemalan government. This effort, the aforementioned Youth Alliance Program, known in Spanish as Programa Alianza Joven, provided sustainable crime-prevention capacity through training, education and income generating activities.

One of the programs developed, what we called "Challenge 100-Peace for Guatemala" paired former gang members with local businesses that provided on-the-job training and internships and job opportunities for former gang members, young men and women alike. The effort grew out of a reality show called "Challenge 10-Peace for the EX," which involved two groups of five former gang members that competed to create legitimate businesses—a car wash and a shoe repair—under the guidance of two prominent private-sector mentors. Launched as a reality television series, "Challenge 10" ([www.challenge10.com](http://www.challenge10.com)) drew international media attention and led to increased awareness that former gang members are worthy of second chances and can turn their lives around.

Through these efforts, we have also formed critical new alliances with faith-based organizations which are especially effective in dissuading youths from joining gangs. To date, seven Youth Alliance Program-sponsored outreach centers provide a safe haven for hundreds of youths every day who come to learn new skills and take part in recreation rather than falling prey to gang influences.

Recently, the USAID awarded Creative the Regional Youth Alliance program, known in Spanish as Alianza Joven Regional USAID-SICA, in recognition of the firm's successful innovative prevention and intervention programs that have integrated ex-gang members into society and prevent youth from joining gangs. Central to this initiative are public-private alliances involving SICA, the Central American Integration System and the private sector in Honduras, El Salvador and Guatemala. The program was officially launched on April 9, in San Salvador, El Salvador.

I would ask at this point, to be allowed to submit more extensive materials about the USAID-funded programs, including video productions which I hope you may review. (Submit Materials)

In conclusion, Mr. Chairman, based on the joint USAID-Creative study of the challenge of Youth Gangs and our experience in the Youth Alliance Program and current initiatives under the Regional Youth Alliance USAID-SICA, I believe that prevention and intervention are critical to an effective approach that seeks to ad-

dress the challenge of Youth Gangs in Central America. Within the context of the Merida Initiative, I would respectfully recommend the same, that law enforcement be combined with strategic attention paid to prevention and intervention.

Chairman Engel and distinguished Members, thank you for the opportunity to address you today.

Mr. SIRE. Thank you very much. Ms. Beatriz Casals, you have 5 minutes.

**STATEMENT OF MS. BEATRIZ C. CASALS, PRESIDENT AND CEO,  
CASALS & ASSOCIATES, INC.**

Ms. CASALS. Thank you. Mr. Chairman, it is an honor to speak before you on this important initiative. I am here representing Casals & Associates, an international consulting firm specializing in designing and implementing programs to strengthen democratic governance.

For more than 20 years, Casals & Associates has supported governments and civil society organizations in virtually every country in Latin America. In Central America, Casals was the pioneer in anticorruption programs at a time when the word "corruption" was virtually unmentionable.

From our perspective, Central American countries have become particularly vulnerable to crime, violence, and drug trafficking because they have a weak governance structure and suffer from endemic and systemic corruption. Breaking the cycle of bad governance, corruption, poverty, and crime is a challenging undertaking that calls for innovative and comprehensive solutions while enhancing the capacity of law enforcement institutions is essential, it is inadequate, on its own, to address the underlying problems that afflict many of these countries.

The Merida Initiative responds to the urgency of addressing the problems of crime, violence, and drug trafficking. Given our longstanding experience in the region, we believe that these problems and the proposed Merida Initiative need to include an approach that incorporates governance as part of a comprehensive solution.

Since the transition to democracy, Mexico and the Central American countries have made significant progress. Fair and free elections have generated more incentives for governments to become more accountable for their actions and more responsive to citizens' demands and needs. Most countries have introduced a series of reforms and anticorruption programs, including decentralization policies.

However, in spite of this progress, many countries face high unemployment rates, low secondary school enrollment, and one of the world's highest murder rates. Moreover, a legacy of corruption and impunity still persists.

In our experience, successful efforts for controlling and combating corruption have required a comprehensive approach that focuses on prevention, detection, prosecution, and law enforcement. We believe that this comprehensive approach is also appropriate for addressing the problem of organized crime. When crime is understood more broadly as a governance problem and not only as a problem of security and law enforcement, the benefits of this comprehensive approach become more evident. We have a good example in Colombia, which, I believe, you have already mentioned.

From a broader perspective, linking the Merida Initiative to the Inter-American United Nations Conventions against Corruption would provide an excellent means to build upon a regional approach to fight violence, crime, and drug trafficking. This link will also strengthen the fight against corruption as a matter of both local responsibility and regional and international cooperation.

The United Nations Convention against Corruption is especially pertinent for the criminalization of various corrupt practices, such as bribery, embezzlement, abuse of power, illicit enrichment, concealment, obstruction of justice, and money laundering, which has also been mentioned by the panelists.

Until recently, judicial systems in many Central American countries did not prosecute corrupt officials. Corruption and other forms of crime, particularly organized crime and drug trafficking, have gone largely unpunished. Once corruption creeps into the justice system, it undermines the quality of services and the capacity and effectiveness of law enforcement agencies to comply with their mandates.

The Merida Initiative offers a unique opportunity to strengthen United States assistance to increase the judicial capacity of Central American governments to detect, investigate, and prosecute corrupt behavior, as well as other forms of crime. It must enhance the enforcement and ethical capacity of prosecutors and the police and promote the independence and accountability of the judicial systems.

The Merida Initiative should target key areas to improve transparency, especially those related to the selection and promotion of judges, the effectiveness of control agencies, the use and possible abuse of public resources, and the application of public policies.

One of the most profound governance trends in Central America and Mexico is the move to develop decision-making, revenue generation, and spending authority from national to subnational and municipal governments. The Merida Initiative should address the capacity for good governance, particularly in municipal governments that are most vulnerable to crime. The lack of municipal administrative and management capacity can become an obstacle to achieve public policy and security results.

To complement support for local governance, the Merida Initiative could also promote opportunities for citizens to participate in policy processes to produce improvements in the delivery of public services and to demand accountability. Overall, we believe that combating crime, violence, and drug trafficking requires a balanced approach, one that is able to address the causes of this problem and not only its symptoms.

Thank you again, Mr. Chairman, for this opportunity to address the Western Hemisphere Subcommittee this afternoon.

[The prepared statement of Ms. Casals follows:]

PREPARED STATEMENT OF MS. BEATRIZ C. CASALS, PRESIDENT AND CEO, CASALS & ASSOCIATES, INC.

Mr. Chairman,

It is an honor to speak before you and your distinguished colleagues on the important initiative being discussed by the House Committee on Foreign Affairs' Subcommittee on the Western Hemisphere, the Mérida Initiative. I am here representing Casals & Associates, Inc. (C&A), an international consulting firm special-

ized in designing and implementing programs to strengthen democratic governance around the world. For more than twenty years, C&A has supported governments and civil society organizations in virtually every country in Latin America. In Central America, in particular, C&A was a pioneer in designing and implementing transparency, accountability and anti-corruption programs at a time when the word *corruption* was virtually unmentionable in the community of development practitioners and scholars.

Since the 1990s, we have witnessed the rapid rise of organized crime, violence and drug trafficking in Mexico and Central America. From our perspective, Central American countries have become particularly vulnerable to crime, violence and drug trafficking because they have weak governance structures and more specifically, despite much progress since the transition to democracy, they still suffer from entrenched and systemic corruption.

Corruption, the abuse of entrusted authority for private gain, undermines the government's ability to provide adequate public services, create jobs, attract investment, increase economic opportunities for all, protect citizens, provide fair and equal access to justice, and build trust in democratic institutions. In short, corruption exacerbates poverty, obstructs economic development, and generates cynicism among citizens for adhering to the law.

We strongly believe that the high levels of criminality, violence and drug trafficking in Central America are the reflection of poor governance resulting from endemic corruption. Breaking the cycle of bad governance, corruption, poverty and crime is a challenging undertaking that calls for innovative and comprehensive solutions. While enhancing the capacity of law enforcement institutions is essential, it is inadequate on its own to address the underlying problems that afflict many of these countries.

The Mérida Initiative responds to the urgency of addressing the problem of crime, violence and drug trafficking. Given our long standing experience in the region, my goal is to contribute to this discussion by addressing these problems and the proposed Mérida Initiative from the perspective of governance.

#### *Crime, Violence, and Drug Trafficking: A Governance Problem*

The problem of drug trafficking, organized crime and gang violence in Mexico and Central America poses a significant threat to economic development and democratic governance. Violent crime is not *caused* by poverty and underdevelopment; on the contrary, crime exacerbates poverty by increasing the risks for investors, motivating skilled and highly educated individuals to emigrate to safer countries, encouraging less skilled individuals to seek job opportunities outside their countries, whether legally or illegally, and losing citizens' confidence and trust in democratic institutions. Violent crime is very often caused by the failure of government institutions to meet the demands and needs of its citizens.

In Central America in particular, organized crime, violence and drug trafficking is the most radical expression of citizens who having emerged from a legacy of violent civil wars and repressive authoritarian governments, and do not feel adequately serviced and represented by the new democratic institutions. Citizens who have suffered from years of impunity; have not had access to good public services, especially education and health; have witnessed severe economic inequalities in their countries and believe they lack economic opportunities; resent many of their democratically elected leaders for abusing their power to benefit their families and friends; and perceive, and rightly so, the weakness in the judiciary and law enforcement agencies. For many of these people, the opportunities and rewards of joining a gang and engaging in criminal behavior outweigh the costs. Violence is indeed the cry of desperation of angry individuals who believe they have nothing else to lose.

Combating crime, violence and drug trafficking requires a balanced approach; one that is able to address the *causes* of this problem and not only its *symptoms*.

#### *Democratic Governance: Progress and Challenges in the Region*

Since the transition to democracy, Mexico and Central American countries have made significant progress. Fair and free elections have generated more incentives for governments to become more accountable for their actions and more responsive to citizens' demands and needs. Most countries have made significant improvements in the modernization of their financial management systems and the strengthening of their Supreme Audit Institutions. Moreover, most countries have made progress in improving their constitutional, legal and institutional frameworks. Some have passed constitutional amendments to increase the independence and professionalization of the judiciary and have strengthened their public prosecutors and Attorney General Offices. Others have introduced freedom of information laws, career civil service laws and procurement laws.

Awareness about the problem of corruption, its costs and consequences has significantly increased throughout the Latin American region. In contrast to the past, corruption is a problem that is openly and widely discussed as part of the policy agenda. Mexico and Central American countries have signed and ratified international anti-corruption conventions. In November 2006, the Central American presidents attending the 12th International Anti-Corruption Conference (IACC) in Guatemala, of which C&A was one of two corporate sponsors, issued a statement pledging to combat corruption and build more transparent and accountable institutions. Governments are being forced to address corruption by both domestic and external pressures, as a growing consensus emerges that failing to address corruption effectively undermines the countries' abilities to attract foreign assistance and investment opportunities.

Finally, business associations and civil society organizations are increasingly becoming more important partners in the promotion of greater transparency and accountability of governments. In most countries, civil society organizations are significantly improving their technical skills to monitor and oversee their governments and their performance. New groups of social auditors are emerging with the mandate to keep their governments in check, particularly at the sub-national level. Business organizations are implementing corporate governance programs that include anti-bribery commitments. Universities in the region are playing an increasingly important role in analyzing corruption, creating indicators, training public officials.

In spite of this progress, many countries face high unemployment rates, low secondary school enrollment rates, and one of the world's highest murder rates. Moreover, a legacy of corruption and impunity still undermines the effectiveness and legitimacy of democratic institutions in many of these countries. It is no coincidence that during the past ten years, Central America has been able to produce some of the most "prominent" examples of worldwide corruption. Former Nicaraguan President Arnoldo Aleman, for example, is considered amongst the ten most corrupt leaders worldwide for embezzling an estimated sum of \$100 million from one of the poorest countries in the hemisphere. Panama, Guatemala and Costa Rica have former Presidents charged with corruption who are either in jail or in exile. Similarly, despite the growing optimism in the region about the ability of their countries to control and combat corruption in the future (57 percent of respondents in the 2007 *Latinobarometro* survey thought that future generations in the region will see less corruption), the majority of citizens in the region still perceive that the majority of civil servants are corrupt. The police and the courts are regarded as the most corrupt institutions. These are the institutions that are vital to the success of the Merida Initiative.

In our experience, successful efforts for controlling and combating corruption has required a comprehensive approach that focuses on prevention, detection, prosecution, and law enforcement. While it is critical to punish the corrupt in order to increase the consequences of engaging in corrupt behavior, it is equally important to reduce the motives and opportunities that generate corruption in the first place. Moreover, and equally significant, anti-corruption efforts require the participation of government, civil society organizations, and the media.

We believe that this comprehensive approach is also appropriate for addressing the problem of organized crime. When crime is understood more broadly as a governance problem and not only as a problem of security and law enforcement, the benefits of this comprehensive approach become more evident. We have a good example in Colombia, a country that has suffered from violent crime, drug trafficking and terrorism. After years of bloody conflict, the City of Bogotá embarked on a comprehensive project of enhancing citizen security. The program contained an important law enforcement component, but it also included programs to improve the quality of public services, restore public spaces, build recreational facilities, increase transparency and accountability in government, engage civil society in community oversight projects (*veedurias*), and restore the dignity of the police force within the community. Crime rates in Bogotá significantly decreased and the example has been followed successfully by other Colombian cities like Medellín and Cali.

I would like to describe a few examples of initiatives we have successfully implemented, particularly in the Central American region. These examples will highlight the opportunities for expanding the scope and impact of the Merida Initiative so that it can be linked and effectively support other governance programs already sponsored by the US government in the region.

#### *Leverage International Anti-Corruption Conventions to Promote Regional Cooperation*

International and regional anti-corruption conventions are key instruments to strengthen democratic governance. They are also excellent instruments to promote

regional consensus and cooperation on issues important to addressing crime, violence and drug trafficking in Central America. All of the Central American countries and Mexico have ratified the Inter-American Convention against Corruption and the United Nations Convention against Corruption. They are binding government agreements that recognize corruption as a global and cross-border problem, and express a shared high-level political commitment to address this problem individually and collectively. The conventions establish frameworks of rules and standards to promote domestic action and facilitate international cooperation. These conventions take a selective approach and address key governance areas, such as access to information, civil service reform, judicial reform, institution building, anti-money laundering mechanisms, law enforcement and citizen participation.

In this context, C&A under the USAID-funded Central American and Mexico (CAM) Transparency/Anticorruption Program is assisting the governments of Guatemala, Nicaragua, Panama, and El Salvador, in complying with the provisions of these conventions. Since 2005, C&A has been providing technical assistance so these four countries can develop anti-corruption strategies, and strengthen their governmental entities that are responsible for implementing the conventions. Public knowledge about the content and importance of these conventions and the regulatory measures that countries in Central America and Mexico must undertake is minimal. C&A has provided training to nearly 4,000 key stakeholders, such as judges, public officials, legislators, mayors, ministers and civil society and private sector leaders. C&A has also supported regional video conferences on the United Nations Convention against Corruption involving high level Central American and Mexican officials, as a cost-effective means to exchange experiences and information and follow-up progress. Since the conventions also call for the participation of civil society organizations to maintain the political will and momentum reflected in anti-corruption conventions, C&A has also supported an array of citizens and civil society initiatives aimed at monitoring compliance with the provisions of the conventions and generating indicators and benchmarks.

The regional and international anticorruption conventions provide an excellent mechanism to build a regional approach to fight violence, crime and drug trafficking and to promote greater collaboration between law enforcement agencies across countries. The Mérida Initiative could support these recognized and legitimate conventions by providing assistance to countries for the introduction of whistle blower protection against criminals, enhancing the capacity of prosecutors in investigating crime, strengthen anti-money laundering provisions by urging governments to deny safe heavens to corrupt officials and criminals, and promoting greater collaboration across countries, assist countries in finding the appropriate legal instruments to extradite criminals and repatriate their assets.

The Mérida Initiative, in tandem with the conventions could introduce measures to deter criminal financial transactions. Differences and inconsistencies between money laundering legislation across countries create incentives for criminals to seek jurisdictions with weak and ineffective controls, where they can move their funds more easily. If countries in Central America fail to address money laundering issues adequately, crime can become more entrenched. Moreover, the perception that a country's commercial and financial sectors are vulnerable to money laundering may also deter foreign direct investment.

#### *Strengthen the Judiciary*

Until relatively recently, judicial systems in many Central American countries did not prosecute corrupt officials. Corruption and other forms of crime, particularly organized crime and drug trafficking, have gone largely unpunished. Combined with other factors (e.g. low wages and few employment opportunities), such impunity enhances the allure of the many corrupt opportunities that may tempt Central Americans at all economic levels. A weak anti-corruption control system in the judiciary increases the margin of discretion of justice officials and reduces the risks of to corrupt behavior.

In spite of judicial reforms (i.e., penal codes, re-training of judges and the creation of oversight institutions), judges still retain enormous discretion; money can buy favorable court decisions; and there is limited training and resources. Systems seem to be overwhelmed and people, particularly the poor, are deterred from using them. The judiciary is unable to apply criminal law effectively, thus contributing to impunity. At the same time, systems do not protect civil and property rights, contributing to a weakening of the rule of law and adversely affecting potential economic activity (investment and competitiveness).

Once corruption creeps into the justice system, it undermines the quality of services, including access to justice, quality of rulings, and the capacity and effectiveness of law enforcement agencies to comply with their mandates.

In most countries, filing of citizen complaints about corruption is not easy. Those channels that do exist are not trusted, and many people do not know of their existence. Complaints that are received can be filed away without action or are simply “lost.” There is no protection for whistleblowers, who can suffer a variety of acts of retribution.

A deficient legal framework also promotes impunity. Conflict of interest, influence peddling and illegal enrichment are not yet recognized as crimes. Cases processed through the governments’ principal anti-corruption bodies and the court system may be arbitrarily dropped, lost or indefinitely delayed. Even when cases are processed through the justice system, there is little assurance that any penalties imposed will be actually carried out.

Under several USAID-funded projects, C&A has been supporting activities to strengthen the judiciary. One activity promoted under the USAID-funded Central American and Mexico (CAM) Transparency/Anticorruption Program was a Central American Regional Workshop of Attorneys General under the theme “Identification and Adoption of Effective Strategies for the Criminal Prosecution of Corruption,” held in August 2006. The event gathered five attorneys general, and other high-level representatives, who discussed and identified best practices in the investigation of corruption and the recovery of ill-gained assets. The three attending prosecutors assessed the strengths and challenges for the implementation of corruption prosecution techniques in their respective countries in the following areas: 1) Inter-agency coordination mechanisms; 2) International cooperation procedures; 3) Plea bargaining strategies; and 4) Cautionary measures that precede a judicial process.

The Workshop’s major conclusions resulted in a regional consensus to improve criminal investigations of corruption. It intends to do so, for instance, by revisiting long-standing mechanisms characterized by an excess of formalisms and lengthy procedures.

The Mérida Initiative offers a unique opportunity to strengthen U.S. assistance to increase the judicial capacity of Central American governments to detect, investigate and prosecute corrupt behavior as well as other forms of crime. The Mérida Initiative must comprehensively enhance the enforcement and ethical capacities of prosecutors and the police, and promote the independence and accountability of the judicial systems. It also needs to emphasize a comprehensive improvement to the overall management cycle of cases, from detection to prosecution. Typically, government agencies identify, document, file cases and turn them over to the appropriate prosecuting agencies. Often, these agencies perform these responsibilities without appropriate capacity and resources. If and when prosecuting agencies receive the cases, they either refuse to give priority to the cases and/or have little or no capacity to handle corruption cases. Even when the prosecuting agency handles the case and turns it over to the judicial system, the courts might be weak or too dependent on the executive to effectively pass judgment and punish responsible individuals and/or groups. Moreover, when courts finally are able to sanction cases, it is generally against petty offenders sparing the “big fish.”

The Mérida Initiative also needs to support aggressive accountability, integrity, and professional responsibility practices and techniques that are found in modern police organizations, including the development of specialized units: Financial Intelligence Units, Internal Affairs, Inspections, and Background Investigation units. All of these need to be developed in close coordination with the prosecutor’s office responsible for prosecuting government employees in order to enhance public acceptance. These should also coordinate with other government offices and programs. In countries that believe the police are incapable of monitoring themselves the Mérida Initiative should be encouraged to form a well-trained Civilian Oversight Board, either temporary or permanent, as a means to build community trust.

#### *Promote Access to Information to Enhance Transparency and Accountability*

Access to Information is a key empowerment tool for democratic governance. It is vital for strengthening accountability, transparency, participation and the rule of law. Accessible, useful and timely information is an important democratic governance element, which enables citizens to participate in policy making processes and the decisions that affect their lives. In that context, C&A has been supporting a number of initiatives in Mexico and throughout the Central American Region. For example, under the USAID-funded Greater Government Transparency and Accountability in Mexico, C&A worked with state and local governments to implement the freedom of information laws, both at the federal and sub-national levels. Similarly, under the USAID/Central American and Mexico (CAM) Transparency/ Anti-corruption Program, C&A is working in the implementation and passage of freedom of information legislation. C&A efforts in 2006–2007, supporting a coalition of civil society organizations in Nicaragua and a number of public awareness campaigns, were

instrumental to pressure legislators to approve a Freedom of Information Law in April 2007, making Nicaragua only the third country in the region with a Freedom of Information Law. In Guatemala, since 2005 C&A has been working with the Presidential Transparency Commission not only to implement an Executive Decree that guarantees access to information in entities of the Executive Branch, but also to promote the passage of a full freedom of information law that would cover all governmental entities. Also in El Salvador, since 2005 C&A has been supporting advocacy efforts of a coalition of civil society organizations to pass a freedom of information law.

By focusing more on access to information, the Mérida Initiative could encourage and promote more domestic demand for a stronger judiciary and more acceptable law enforcement. Public demand for Central American governments to become more transparent and accountable is increasing as these countries follow the path towards more democratization. The Mérida Initiative could ensure that a number of key transparency mechanisms are strengthened. For example, as related to the selection and promotion of judges, the effectiveness of control agencies, the use and possible abuse of public resources, and the application of public policies. In promoting more access to information, the risk of interest groups and/or criminal organizations capturing the state and laundering resources could be reduced, and could help to monitor and verify the financing of political party activities and the quality of legitimate procedures in public-sector decision making (at the judicial, administrative and legislative levels).

*Build capacity of Municipal Governments for Greater Transparency and Accountability, and Social Audit as a Form of Citizen Control*

One of the most profound governance trends in Central America and Mexico is the move to devolve decision making, revenue generation and spending authority from national to sub-national (Mexico) and municipal governments where, in most instances, mayors and members of governing councils now are elected. The current dynamism of local government in Mexico and Central America, in large part, is reflected in the implementation of national decentralization strategies, the promotion of citizen participation at the local level and an emerging generation of local leaders in government and society at large. While there has been some progress made, the reality is that decentralization, particularly in Central America, is still in the early stages of evolution. Improvements have been rapidly implemented but weakly institutionalized.

C&A has supported a number of initiatives to strengthen municipal governance and social audit under different USAID funded projects. Under the USAID/Honduras Hurricane Reconstruction Transparency and Public Awareness Program, from 2000–2004, C&A began implementing a program to assist with the country's reconstruction efforts and then to support the then newly elected President Ricardo Maduro's commitment to anti-corruption goals. C&A also provided financial and technical support to civil society organizations and newly formed social auditing committees, for the conduct of several large-scale public outreach campaigns to support the overall audit and oversight effort and to educate the Honduran population about the importance of transparency and probity in the reconstruction effort and eventual transformation of the country.

Under an USAID funded regional anticorruption program in the Americas (1993–2006), C&A designed and implemented a number of initiatives in Central America and Mexico, including the promotion of local government accountability and transparency, citizen participation, and media training, as well as municipal integrated financial management systems. More recently, under the USAID/Central American and Mexico (CAM) Transparency/ Anticorruption Program, C&A has supported a number of initiatives to strengthen local governance and citizen participation. For example, in El Salvador C&A worked with the National Commission for Local Development (CONADEL), supporting efforts to tax property reform and decentralization policy. Also, C&A has worked with a number of CSOs to promote transparency and accountability in local governance, in particular, promoting the introduction of information and communication technology initiatives (e-government) to improve government efficiency, effectiveness, transparency and accountability.

In Nicaragua, working with more than 20 municipalities C&A promoted an array of social audit exercises that monitored public policy at the local level. These exercises are helping to promote meaningful public participation and oversight. C&A also supported a number of activities aimed at strengthening citizen participation in anti-corruption policy; promoting advocacy skills, enabling citizens and civil society to serve as reform advocates, monitor government processes, and function as anti-corruption watchdogs to increase government accountability and transparency.

The Mérida Initiative could contribute to increasing stability, good governance, transparency and accountability by focusing on the need to increase the capacity of municipal governments, particularly those that are vulnerable to crime, violence and drug trafficking. National governments remain relatively reluctant to delegate more responsibilities to local governments and transfer resources not only for the delivery of public services, but also to develop local police capacities. An obvious gap and vulnerability is observed between the powers turned over to the municipalities and their institutional capability to provide security, services and development. The lack of municipal administrative and management capacity can become an obstacle to achieve public policy and security results. To complement support for local governance, the Mérida Initiative could also promote opportunities for citizens to participate in policy processes to produce improvements in the delivery of public services, demand accountability and monitor and track the performance of law enforcement agencies. Good governance is, to some extent, a function of accountability and of citizen participation, particularly when the relationship and interaction between government and citizen is enhanced. While building institutions from the top down is a valid objective, equally valuable if not more important is sustaining them from the bottom up.

*Strengthen Internal Controls as a Way to Prevent and Reduce Corruption*

Internal control is an integrated financial and administrative oversight system that must be adopted by an organization to ensure that its activities, processes, operations, performance, information and resources are implemented and administered in accordance with established legal and normative frameworks and within the operational context. An internal control system is a powerful tool to improve the efficiency and effectiveness of the organization. It involves the establishment of principles, norms, and procedures and the development of monitoring and evaluation mechanisms. In controlling corruption, internal control systems play a critical role in the detection and prevention of corrupt behavior within an organization. As such, an effective internal control system enables to manage risks and monitor the reliability and integrity of behavior, information, and decisions. It constitutes the first filter for the detection and prevention of corrupt behavior. If this preventive shield is weak or non-existent, the other elements of the corruption control structure become overloaded and increasingly inefficient.

Since the 1990s, under various USAID funded projects C&A has been implementing internal control initiatives in Central America both directly, and/or as part of integrated financial management systems. C&A has brought together a broad coalition of government agencies to strengthen internal control, promote transparency in the use of public resources, and strengthen the capacity of public entities to prevent and detect public fraud. C&A has helped to establish legal frameworks that comply with international standards and set the rules and parameters to standardize the internal control system. C&A has trained Supreme Audit Institutions, ministries and agencies in how to evaluate their current internal control systems and adapt them to international standards. C&A has also trained controller general's offices and auditor general's offices in controlling and evaluating these systems, ensuring the proper use of public resources at all levels of government. Also it has assisted attorney general's offices and prosecutors to strengthen their ability to investigate and prosecute instances of public sector corruption. C&A has also been involved in building the capacity of sub-national and municipal government officials in internal control, financial management and public ethics in order to mirror the systematization of internal control taking place at the national level.

For example, under the USAID/Nicaragua Financial Management Improvement Project (1996–2001), C&A spearheaded one of the first USAID country-specific multi-year efforts to combat corruption. The first phase of the project improved the government's ability to plan, administer and control public funds, thereby reducing the potential for waste, fraud and abuse of the country's resources through technical assistance and training to realize the establishment of an Integrated Financial Management and Audit System (SIGFA). For the first time in the country's history, the government and civil society cooperated to carry out a public awareness campaign to promote a government program, SIGFA, of benefit to all Nicaraguans.

Under a USAID funded regional anticorruption program in the Americas (1993–2006), C&A also supported the design and implementation of the Integrated Internal Control Framework for Latin America (MICIL). C&A collaborated with the Federation of Internal Auditors of Latin America (FLAI). The MICIL was modeled on the internal-control standards for small, medium and large businesses developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the 1980s. In the preparation of MICIL, C&A experts worked closely with the leadership of professional associations committed to enhancing government account-

ability and transparency, in particular, the FLAI and the Internal Audit Technical Committee of the Inter-American Accounting Association. This product, that is similar to a manual, became an important technical reference for Latin American professionals in businesses and governments in the design, development and use of effective internal control standards for public- and private-sector organizations that desire to operate with efficiency, transparency and effectiveness.

The Mérida Initiative plans to work with a number of institutions in Central America, such as courts, prosecutor's offices, prisons and police. By incorporating as part of the institutional building activities internal control as a key component, the Mérida Initiative would ensure that proper detection and prevention mechanisms are in place to prevent corrupt behavior. Internal controls can provide the glue that holds systems together and will offer reasonable assurance that operations are functioning properly. It will help confirm that information is correct and that applicable rules and regulations are in compliance. Properly applied, internal controls can be strategic tools that would help effective and efficient institutional building and rule of law.

#### *Conclusions and Next Steps*

Good governance is an effective deterrent to crime, violence and drug trafficking. Effective, transparent, and accountable government institutions significantly increase the costs of illegal and violent behaviors while substantially raising the rewards for adhering to the rule of law. Drawing from our past experience in Latin America, and particularly, in Central America, we believe the Mérida Initiative could be significantly enriched to work in tandem with other governance programs already being implemented in the region. The following are a few recommendations that can guide efforts to enrich the Mérida Initiative in ways that consistently and effectively expand the impact of ongoing governance programs:

1. *Coordination* of different US government assistance programs is essential to increase effectiveness and impact. While this might seem self evident, coordination is difficult to achieve and does not always exist. Successful coordination requires the creation of appropriate institutional mechanisms that allow different actors to come together, share their views and plan their actions.
2. A more *balanced approach* to address the problem of violence, crime and drug trafficking includes prevention as well as enforcement programs. Both sides of the equation require adequate funding.
3. *Country ownership* is essential: countries should demonstrate their political will and commitment to address the problem of crime, violence and drug trafficking by investing significant resources in addressing these problems
4. *Civil society* is a vital partner to ensure the sustainability of donor funded assistance programs. Supporting law enforcement agencies is necessary, but civil society should be engaged in tracking and monitoring the performance of these agencies, making recommendations and thereby, increasing the trust and confidence of citizens in these agencies.
5. *One size does not fit all*: crime, violence and drug trafficking might "look the same" but the nature, severity and scope of these problems varies significantly from country to country. It is imperative that programs designed to address these problems are adequately tailored to the needs and peculiarities of each country.

Thank you again for this opportunity to address the Western Hemisphere Subcommittee of the House Committee on Foreign Affairs this morning. We at Casals & Associates are available if we can be of further assistance in helping the people of Central America to remove the scourge of crime, violence and drug trafficking in their communities.

Mr. SIRE. Well, thank you for your time. I would just comment on a couple of things.

First of all, as you heard me say before, I think we should take a regional approach. The Merida Initiative is fine, but I think that if you do not do more, I do not know how successful it is going to be because when it is successful in one part, it would just jump to another. So I am very concerned about that.

I am also very concerned, Mr. Thale, with what you said about regarding police corruption that one of the problems is spending money on that. Could you just elaborate a little bit on that?

Mr. THALE. Yes. I would be happy to, Mr. Sires. All of the police forces in Central America need substantial reform and improvement. All of them made big steps in the early-to-mid 1990s, and much of that reform process kind of reached a certain plateau and then stopped. If we are going to put money in, I think the danger is in putting good money after bad.

We have seen antidrug units and antigang units that have been repeatedly disbanded because of corruption. Most dramatically, the head of Guatemala's antidrug unit was arrested for narcotrafficking while here on a training course in Quantico. And you can cite example after example.

So the question is, are we, in Merida and other work we are doing, building not just specialized units but a police force that has got internal controls, that has got civilian oversight, and all of that as a whole package.

Mr. SIRE. One of the concerns that I have with the Merida Initiative is I think the locals are your eyes and ears, if you are going to stop any of these efforts. But if they are so corrupt that they cannot be your eyes and ears, where are we going? So I expressed that to the assistant secretary once before. We had a hearing. So I really do not know where we are going from that end.

Regarding gangs, I think gangs are one of the biggest problems we have in our cities today. I am a former mayor for 12 years in an urban area. We had to deal with the MS-13s and the Latin Kings. What the assistant secretary said is so right. It seems like the gangs are international now. The people that we extradited, sent back to their countries, what we have done is basically sent those gang members to those countries so they can work together with the members here. I just think we have made the problem worse in many cases. Would you comment a little bit about that?

Mr. SIBAJA. Well, the problem originated in L.A. Both MS-13 and the street gangs originated there. Deportation has sent them to Central America, where there was not a culture of tattoos or clothing and the way they talked, the movement of their hands. That was something exported from the United States to Central America.

But they got there to go through different conditions, social conditions, in terms of lack of education, job opportunities, et cetera, and they became more brutal than the gangs that generated them here in the U.S., and now these gang members are coming back to different cities in the U.S.

I could not say that there is an organized relation among all of the gangs here in the United States and all Central America. What I can say is that a lot of those gangs, gang members who are put into prison, very often some of them 30 times, 20 times because of the different approaches pursued by the different Central American governments, allowed them to organize themselves nationally and to know gang members from other cliques, from other cells, and organize different crimes.

Some of the crimes are definitely coordinated, or they are from the prisons themselves. I do not think that there is a strong or direct organization altogether. There are relationships, there are communications, but there is not something that allows gangs here, with all the other gangs in Central America, to do some activity.

Mr. SIREs. We have not seen that.

Mr. SIBAJA. We have not seen that. We have not seen that. But there is an organization that there was not before. Gangs have evolved. Before, they used to be in their neighborhoods, and they used to say, "For my neighborhood, I live; for my neighborhood, I die." Now they are more like nomads, and they are more organized, and a lot of the crimes are requested from prisons. They are evolving, and that is something we have to be aware of, but I do not see yet an organization directly from the U.S.

Mr. SIREs. I am from New Jersey, and one of the big efforts that the state police is making is these gangs, the Bloods and the Crypts. You have the Bloods and the Crypts in some of the urban areas, and then you have the Latin Kings and MS-13s in some of the urban areas where there are more I guess Latins, a concentration of Latins.

So it has become a real problem in New Jersey in terms of the crime rising in some of the cities. Newark, New Jersey, has been fighting a wave of killings. The new mayor is trying to really concentrate on these gangs. But I do not think we make enough of an effort to get these kids out of gangs, working with different associations, working with the church, working with different groups, to give them a safe haven when they leave.

Ms. CASALS, what do you think?

Ms. CASALS. Well, you brought up a very good question that I would like to go back to, and that is you basically asked, how do we work with these corrupt government officials? We definitely should not put the funds in their hands, but government serves as the supply side. We need to also work on the demand side.

The demand side is really civil society, and when you ask about youth, you know, even in this country, one of the most important things is to get parents involved. When you have a public school or a private school where parents are involved in their children's education, you are going to have less problems than if you do not have it.

It is the same in all parts of the world. So I think that I consider parents part of that demand side. They are demanding a service for their children.

I think the other area that should be taken into consideration is mass communication. I always say, "Communicate, communicate, communicate." When you use the media, and you have communications campaigns, you are going to get people involved; the government will be more accountable. It is going to be made more accountable. I do not know if that addresses your concern or question.

Mr. SIREs. My concern is that I have been hearing about gangs ever since I got to this country. I came to this country in 1962. That is when, in "West Side Story" the Sharks, and what were the other ones?—

Ms. CASALS. The Jets.

Mr. SIREs [continuing]. And the Jets and all that, but I think they were a different type of gangs. These gangs seem to be more violent, more willing to take on—they do not have a problem killing a police officer or a civilian. You know, what can we do, from Congress, to address some of these gang issues? Is it an issue of money

for some of these organizations to have an outreach to communicate with some of these kids? Yes, Mr. Thale?

Mr. THALE. If we could both say something very quickly, I think you are absolutely right, Mr. Sires, that there are kids on the prevention side, and then, on the helping-kids-get-out-of-gangs side, there is much more that could be done. There are programs here in the United States and in Central America that succeed at doing that, I think we ought to identify and support them.

I think USAID has supported some good programs. I think what Harold Sibaja and Creative have done has been very constructive. I think there are church programs. There are programs like that, and that is why I think that there ought to be more prevention and intervention money earmarked in the legislation.

I would also say, I feel very strongly that Central American governments need to step up to the table on this one. We ought to put more money into this to get these programs moving, and eventually we ought to see Central American governments commit more of their own resources financially to supporting social service prevention programs.

Mr. SIRES. As Mr. Burton stated before, it seems like the corruption is so high, and it goes to such high levels, that the money that we put in some of these countries seems to be wasted, you know. Does anybody want to address that?

I just read today, in the Washington Post—I think it was the Post—Colombia extradited a top general who was controlling 5,000 to 6,000 men because he would not cooperate. I think it was a pretty big fish, if you can—that expression.

Ms. CASALS. Mr. Chairman, I believe that corruption is like prostitution. It will never totally go away, but we must continue addressing it; otherwise, systems will deteriorate, the family will deteriorate, moral values will deteriorate to the point of no return.

So, basically, you are asking about more funding. It depends on how that funding is utilized, how it is programmed, how it is monitored. The word “accountability” has been brought up here many times, and I do believe I have also addressed that in my remarks and in the other paper that has been submitted.

So I do not believe that we just give up because things are going to get worse, and, fortunately, your country is in a position to provide leadership, and with that leadership, funding; leadership in terms of scholarly ideas, sound implementing of ideas, and, with that, you have to provide the funding because there is going to be a spillover to the United States if we do not address these issues, and if people do not feel comfortable in their own countries, they do not feel secure, our immigration issues—there are going to be other consequences that will cost us more in the long run.

Mr. SIRES. Well, I did not mean to imply that we give up, but it is always frustrating—

Ms. CASALS. Of course.

Mr. SIRES [continuing]. When everybody is competing for the same dollar—

Ms. CASALS. Absolutely.

Mr. SIRES [continuing]. And the dollar goes to corrupt individuals. We try, as much as we can, to make sure that that dollar goes to the right person.

Ms. CASALS. Sorry, but I do not agree that it would go to corrupt individuals.

Mr. SIRES. But we want to make sure that it does not.

Ms. CASALS. That it does not. Well, then the internal controls have to be put in place. You have to audit and follow the money. You have to track the money. There has to be monitoring. It has to be evaluated.

I think another member of the subcommittee mentioned results. How do we know that—

Mr. SIRES. How do you measure results?

Ms. CASALS. How do you measure results? And I do not think the money should go out there until that is totally figured out.

So I think it is just putting the right systems in place that will fulfill what you are concerned about.

Mr. SIRES. Mr. Thale, do you want to add anything?

Mr. THALE. It is not a matter of just corruption. There is all of the drug trafficking. There are all of the conditions in the different countries.

Mr. SIRES. Would you say it is the will of each country?

Mr. THALE. I am sorry?

Mr. SIRES. Would you say it is the will of each country?

Mr. THALE. Sometimes it is beyond the will of the country. I have been working very close to the issue of gangs and to meet with many gang members, and when I look at them and why they have joined the gangs, you know, it is not because of the lack of will of the country. In many cases, it is because of the lack of opportunities they may have for the issues of violence.

They suffer at home because they cannot get a job, but what I have seen is that many of these youth join a gang when they are 10 years old or 12 years old. They are given a gun. They kill the first person, they kill the second one. They get a tattoo on their faces, and automatically they are out of the system. They cannot get a job because of the tattoos. Here in the U.S. it is different, but, over there, they cannot get a job with a tattoo on their faces.

So they think there is not a way back, and they continue to commit crimes and to commit crimes because this is the only way they know, and they think of prison, hospitals, and death, and they do not live beyond 24 years old.

So when they have this paradigm in their minds, committing a crime or killing someone, one more, is not a big deal, and that is something that has to be changed, and that could be changed through awareness. Faith-based organizations are a great partner, and many faith-based organizations have youth that had been in gangs that decided to change their lives. The private sector is key because of the jobs that it can provide. If they close the doors to many of these youth, then they are going to go back to crime because it is the only thing they know.

What I can tell you is, of the 108 youth we have put into the programs, insertion programs, with the private sector, I would say that only of those 108, we do not know five of them, and know of only one of them who has returned to crime and never back to the gang, and that one who returned to crime is there, as well as three others.

They are working, and they want a second chance, and they want somebody to believe in them. Of course, this does not apply to everyone, but the big group of gang members involved in gangs, they want to get out. They do not know how. It is important that as long as we fund law enforcement and continue to support with equipment and strengthening the police and strengthening the work in prisons, and all of that, and, at the same time, we offer some options for these guys to get out. If not, this is going to continue going farther and farther.

That is why it is important to stop those to enter gangs but also to offer opportunities for those who are in the gang and for those who have left the gang already.

Mr. SIRE. Well, thank you very much. You really have enlightened me on this issue. I apologize. There is so much going on today, but I am sure we are going to have more votes coming up in a little while. I thank you for coming here today. Thank you very much.

[Whereupon, at 2:07 p.m., the subcommittee was adjourned.]

## APPENDIX

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

Thank you Mr. Chairman, I welcome today's hearing on the tremendous challenges we face on the counter-narcotics front with our partners in Central America.

As we have discussed before in this subcommittee, persistent poverty, violent guerrilla conflicts, non-democratic leaders, and corruption are hindering progress towards regional stability in Central American nations, and fueling crime and drug problems across our hemisphere, in to our own backyard.

The Mérida Initiative provides an opportunity to work with countries who have acknowledged the problems they face and are seeking assistance in combating them in an effective manner.

The regional approach taken by Central America, through the Central American Integration System (SICA), provides a comprehensive approach to the region's security concerns. Through SICA, Central American nations are integrating efforts to make Central America a region of peace, freedom, democracy, and development, firmly grounded in the observance, protection, and promotion of human rights. With these same goals, I believe that the Mérida Initiative can increase the positive results of the regional effort.

Mérida will assist in the areas of counter-narcotics, counter-terrorism, border security, public security, general law enforcement, democratic institution building and advancing the rule of law. Working within this framework, Central American countries can build an effective method to trace the flow of drugs and arms and work together to share vital and timely intelligence information across institutions and countries, a vital step if we are to succeed in the fight against drugs and organized crime.

The Mérida Initiative is a smart plan that has taken note of, and built on, past successes and learned from the failures of similar programs. It will work if we fully support the effort; and that means fully appropriating the cooperative effort at the requested levels in order to truly confront the problems that have historically hindered security in the region.

Thank you Mr. Chairman for holding this hearing, and I look forward to hearing from our esteemed witnesses about this important step in addressing the breadth and depth of the drug and instability problems in our hemisphere.

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PREPARED STATEMENT OF THE HONORABLE GENE GREEN, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman.

I would first like to thank Secretary Shannon for coming once more to our committee to discuss this important initiative.

I would also like to welcome our other distinguished panelists here today.

This subcommittee has held several hearings on the Merida Initiative, but this is the first that has solely addressed Central America.

I think that this is a good thing, because even though the previous hearings have addressed the package as a whole, we've tended to solely focus on Mexico and what President Calderon and his government have been doing over the last few months.

Guatemala and El Salvador are internationally among the most violent countries for which standardized data has been collected, and statistics show that the violence continues to increase.

The United Nations Office on Drugs and Crime contend that these countries are particularly vulnerable to violent crime due to drug trafficking because they are located between the world's largest drug-producing and drug-consuming countries.

90% of the cocaine coming from the Andean region flows through Central America.

Clearly, this is a region that we need to focus on if we really want to combat drug-trafficking and violence in the Western Hemisphere, but to do this will require an extreme amount of courage, effort, money, coordination, and international support.

Having said that, though, the amount of money that would go to Central America as a part of this package is not only small, but would then be split among several countries.

Therefore, I'm interested to know whether our panelists think that this money will even put a dent in the amount of work that will have to be done to achieve our goals.

We've seen Mexico's dedication monetarily and in the field to the Merida Initiative, and I support Mexico's determination in this.

Have all of the Central American governments' expressed the same willingness and money it will take to do this?

I think that these are important questions to ask ourselves considering the vast amount of work that must be done down there and the corruption that exists in some of these countries.

Again, I think that Mexico has taken steps to show that they are serious about combating drug-trafficking in their country and I am hopeful that the Central American states are doing the same.

Thank you, Mr. Chairman, and again, I think our witnesses for being here today.

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**Memorandum**

May 1, 2008

**TO:** House Subcommittee on the Western Hemisphere  
Attention: Eric Jacobstein

**FROM:** Clare Ribando Seelke  
Analyst in Latin American Affairs  
Foreign Affairs, Defense, and Trade Division

**SUBJECT:** Background for a Hearing on Central America and the Mérida Initiative

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This memo responds to your request for information and potential questions in preparation for a May 8, 2008 hearing on Central America and the Mérida Initiative. As requested, the memo provides 1) an overview of violent crime in Central America, 2) a discussion on gangs in Central America, 3) an examination of U.S. policy and the Mérida Initiative, and 4) a section on the International Commission against Impunity in Guatemala (CICIG). If you need further assistance, please contact me at 7-5229.

### **Violent Crime in Central America**

Latin America has among the highest homicide rates in the world, and those rates have been increasing in several countries in Central America. In 2002, Latin America's average rate of 27.5 homicides per 100,000 people was three times the world average of 8.8 homicides per 100,000 people.<sup>1</sup> Based on more recent crime trend surveys data available from the U.N. Office on Drugs and Crime (UNODC), Guatemala and El Salvador are internationally among the most violent countries for which standardized data has been collected.<sup>2</sup> Whereas homicide rates in Colombia, historically the most violent country in Latin America, have fallen in the past few years, homicides have tended to increase in El Salvador, Guatemala, and Honduras. In 2005, the estimated murder rate per 100,000 people

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<sup>1</sup> World Health Organization, *World Report on Violence and Health, 2002*, Available at [[http://www.who.int/violence\\_injury\\_prevention/violence/world\\_report/en/](http://www.who.int/violence_injury_prevention/violence/world_report/en/)].

<sup>2</sup> No standardized CTS data are available for Honduras, but police statistics indicate that it also has a serious murder problem. See U.N. Office on Drugs and Crime (UNODC), *Crime and Development in Central America: Caught in the Crossfire*, May 2007, available at [[http://www.unodc.org/pdf/research/central\\_america\\_study.pdf](http://www.unodc.org/pdf/research/central_america_study.pdf)].

## CRS-2

was roughly 56 in El Salvador, 41 in Honduras, and 38 in Guatemala. In Costa Rica and Nicaragua, the corresponding figures were 6.2 and 8.0 respectively.<sup>3</sup>

Elevated homicide rates are the most serious example of the wide spectrum of violence that threatens citizen security and democratic governance in Central America. That spectrum of violence also includes intra-familial violence, violence against women, street crime (such as robberies and assaults), and kidnapping. These crimes are perpetrated by a wide range of actors including family members, common criminals, youth gang members, drug cartels, and other organized criminal groups.<sup>4</sup> Politically-motivated crimes, though not as prevalent as in years past, are still a major challenge, particularly in Guatemala.

In response to increasing crime, many individuals and businesses have hired private security firms to protect their interests. Some communities have even resorted to vigilante justice in response to the violence. Assaults and extra-judicial killings of suspected gang members and other youths have been reported in El Salvador, Guatemala, and Honduras.

Central American countries exhibit many of the risk factors that have been linked to high violent crime rates. UNODC contends that Central American countries are particularly vulnerable to violent crime fueled by drug trafficking and corruption because they are geographically located between some of the world's largest drug producing and drug consuming countries. Some 90% of the cocaine shipped from the Andes to the United States flows through Central America.<sup>5</sup> Other traits that make many Central American countries vulnerable to violent crime include highly urbanized populations, growing youth populations, high unemployment rates, significant income inequality, a widespread proliferation of firearms, and an enduring legacy of prolonged civil conflicts. Low criminal justice capacity, corruption, and an absence of political will to fight crime in a holistic manner have also hindered countries' responses to violent crime.<sup>6</sup>

### Gangs in Central America<sup>7</sup>

In recent years, Central American governments, the media, and many U.S. officials have attributed a large proportion of the rise in violent crime in the region to youth gangs or *maras*, many of which have ties to the United States. The major gangs operating in Central America with ties to the United States are the "18<sup>th</sup> Street" gang (also known as M-18), and their main rival, the *Mara Salvatrucha* (MS-13).<sup>8</sup> Estimates of the number of gang members in Central America vary widely, but the U.S. Southern Command has placed that figure at

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<sup>3</sup> Although police statistics are not entirely reliable, they provide a starting point for comparing the relative severity of violent crime in different countries. See "Guatemala, El Salvador, and Honduras Register Highest Crime Rates in Central America," *Global Insight Daily Analysis*, April 27, 2007.

<sup>4</sup> Testimony of Geoff Thale, Program Director of the Washington Office on Latin America before the House Committee on Foreign Affairs Subcommittee on the Western Hemisphere, June 26, 2007.

<sup>5</sup> UNODC, May 2007.

<sup>6</sup> *Ibid.*

<sup>7</sup> For more information, see: CRS Report RL34112, *Gangs in Central America*.

<sup>8</sup> The 18<sup>th</sup> Street gang was formed by Mexican youth in the Rampart section of Los Angeles in the 1960s who were not accepted into existing Hispanic gangs. It was the first Hispanic gang to accept members from all races. MS-13 was created during the 1980s by Salvadorans in Los Angeles who had fled the country's civil conflict.

around 70,000. In El Salvador, officials have blamed gangs for 60% of all murders committed annually, but UNODC contends that evidence to support that conclusion is lacking. In Guatemala, regions with the highest murder rates tend to be those where organized criminal groups and narco-traffickers are most active rather than where there is a significant gang presence.<sup>9</sup>

Although the actual percentage of homicides that can be attributed to gangs in Central America remains controversial, the gangs have been involved in a broad array of other criminal activities. Those activities include kidnaping; human trafficking; and drug, auto, and weapons smuggling. Gangs have also been involved in extortions of residents, bus drivers, and business-owners in major cities throughout the region. In San Salvador, for example, gangs regularly demand that citizens pay “war taxes.” Failure to pay often results in harassment or violence by gang members.

In addition to the risk factors identified in the previous section on violence in Central America, specific factors that may worsen gang violence in many countries include: extreme poverty; families broken up by violence or migration; domestic violence; and growing youth populations facing stagnant job markets. Some analysts argue that U.S. deportations of individuals with criminal records back to the region has exacerbated the gang problem.<sup>10</sup> Others, especially organizations working directly with gang members, have asserted that social exclusion and a lack of educational and job opportunities for at-risk youth are perpetuating the gang problem. They assert that offender reentry is a major problem, as tattooed former gang members, especially returning deportees from the United States who are often native English speakers, have difficulty finding gainful employment. Some have also noted that sensationalist media coverage of gang violence in the region may have inadvertently enhanced the reputation of the gangs portrayed.<sup>11</sup> A recent regional study concluded that, largely in response to recent law enforcement tactics, gangs have developed into more sophisticated organizations that can better evade detection.<sup>12</sup> Those findings are similar to the conclusions of a 2006 regional study which asserted that the repressive policing techniques adopted by many Central American governments may have contributed to gangs “becoming more organized and more violent.”<sup>13</sup>

## U.S. Policy

The U.S. government has supported some country and regional efforts to combat drug trafficking and gangs, and to strengthen law enforcement and judicial capacity. In the past

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<sup>9</sup> Washington Office on Latin America and the Instituto Tecnológico Autónomo de México, *Transnational Youth Gangs in Central America, Mexico and the United States*, March 2007, Available at: [[http://www.wola.org/index.php?option=com\\_content&task=viewp&id=272](http://www.wola.org/index.php?option=com_content&task=viewp&id=272)].

<sup>10</sup> Robert L. Lopez, Rich Connell, and Chris Kraul, “Gang Uses Deportation to its Advantage to Flourish in the U.S.,” *Los Angeles Times*, Nov. 1, 2005.

<sup>11</sup> Ana Arana, “How the Street Gangs Took Central America,” *Foreign Affairs*, May/June 2005; Mary Helen Johnson, “National Policies and the Rise of Transnational Gangs,” *Migration Policy Institute*, April 1, 2006.

<sup>12</sup> “Central America: Maras Pose Greater Threat Than Ever,” *Latin American Weekly Report*, February 7, 2008; United Nations Development Program (UNDP), “*Maras y Pandillas: Comunidad y Policía en Centroamérica*,” October 2007.

<sup>13</sup> “Youth Gangs in Central America,” *Washington Office on Latin America*, November 2006.

two fiscal years, the United States has provided limited counternarcotics assistance to some Central American countries, primarily Guatemala. U.S. counternarcotics aid to Central America totaled \$5.2 million in FY2007 and an estimated \$3.9 million in FY2008. Belize and Costa Rica did not receive any counternarcotics assistance. Most U.S. assistance has focused on building the capacity of local law enforcement, customs, and military officials to interdict drugs and other illicit goods. The United States also supports the Inter-American Drug Control Commission (CICAD) of the Organization of American States (OAS), which carries out research, monitoring of government counternarcotics efforts, and specialized projects in countries throughout the region.

Several U.S. agencies have been actively engaged on both the law enforcement and preventive side of dealing with Central American gangs. The Federal Bureau of Investigation (FBI) and the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) have taken the lead in anti-gang law enforcement activities, while the U.S. Agency for International Development, often in collaboration with INL, has supported most prevention projects in the region. An inter-agency committee worked together to develop a U.S. Strategy to Combat Criminal Gangs from Central America and Mexico, which was announced at a July 18, 2007, U.S.-Central American Integration System (SICA) summit on security issues.<sup>14</sup> The strategy acknowledges that, based on previous U.S. and regional experiences, future anti-gang efforts should be holistic, comprehensive, and regional in scope. It calls for active engagement with governments in the region, the OAS, and SICA. The strategy states that the U.S. government will pursue coordinated anti-gang activities in five broad areas: diplomacy, repatriation, law enforcement, capacity enhancement, and prevention.

Justice sector reforms have been a key element of USAID's democracy and governance programs in Central America for more than a decade. Most of those programs have focused on reforming criminal procedure codes, expanding access to justice, building judicial independence, and improving court administration procedures. USAID reports that it is helping improve coordination between police and prosecutors in El Salvador to improve the quality of investigations and the success of prosecutions. In Guatemala, USAID has supported a specialized prosecutory unit that, through better organization and case screening, has increased prosecutions of homicides from 57 in 2006 to 140 in 2007. USAID and INL have worked together on a community crime prevention program in Villa Nueva, Guatemala that uses community policing to try to improve police-community relations and targeted prevention activities for at-risk youth.

### **Mérida Initiative<sup>15</sup>**

The Mérida Initiative is a multi-year anticrime and counterdrug plan for U.S. assistance to Mexico and Central America that was announced by the Administration in October 2007. The Administration requested \$500 million for Mexico and \$50 million for Central America in the FY2008 supplemental appropriations request. To date, there is no legislative vehicle for the funding request. All of the proposed funding for the Mérida Initiative is through the International Narcotics Control and Law Enforcement (INCLE) account. The Central

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<sup>14</sup> U.S. Department of State, Office of the Spokesman, "Combating Criminal Gangs from Central America and Mexico," July 18, 2007.

<sup>15</sup> See: CRS Report RS22837, *Mérida Initiative: Proposed Anticrime and Counterdrug Assistance for Mexico and Central America*.

America portion of the Initiative is aimed at supporting implementation of the U.S. Strategy for Combating Criminal Gangs from Central America and Mexico and bolstering the capacity of governments to inspect and interdict unauthorized drugs, goods, arms, and people. In contrast to the request for Mexico, the composition of proposed aid to Central America focuses on anti-gang and law enforcement programs over inspections and surveillance equipment. If approved, Mérida would result in a significant increase in counternarcotics and anti-crime assistance to Central America.

Both congressional leaders and Central American officials initially expressed concerns about the Mérida Initiative related to prior consultation and emergency spending, among other concerns. Some Central American leaders expressed concerns that, at least in the FY2008 supplemental request, Mexico was slated to receive the lion's share of proposed funding.<sup>16</sup> Those concerns were somewhat assuaged when the Administration released its FY2009 budget proposal, which proposes another \$450 million for Mexico and \$100 million for Central America.

**Table 1. Estimated Mérida Funding by Country**  
(\$ in millions)

| Country                      | FY2008 Supplemental Request | FY2009 Request |
|------------------------------|-----------------------------|----------------|
| Mexico                       | 500.0                       | 450.0          |
| Belize                       | 1.9                         | 5.8            |
| Costa Rica                   | 4.3                         | 9.5            |
| El Salvador →                | 7.1                         | 17.3           |
| Guatemala →                  | 11.1                        | 17.7           |
| Honduras →                   | 10.8                        | 12.4           |
| Nicaragua                    | 3.7                         | 6.7            |
| Panama                       | 3.9                         | 8.9            |
| → Central America (Regional) | 7.2                         | 21.7           |
| <b>Total</b>                 | <b>550.0</b>                | <b>550.0</b>   |

Source: U.S. Department of State briefing papers provided to Congressional offices, with country breakdowns.

<sup>16</sup> Manuel Roig-Franzia, "Central Americans See Peril in Bush's Anti-Drug Priorities," *Washington Post*, November 29, 2007.

**Table 2. Proposed Mérida Initiative Funding for Central America by Function**  
(\$ in Millions)

| Type of Funding                                         | FY2008 Supplemental Request (Central America) | FY2009 Request (Central America) |
|---------------------------------------------------------|-----------------------------------------------|----------------------------------|
| Counternarcotics, Counterterrorism, and Border Security | 16.6                                          | 40.0                             |
| Public Security and Law Enforcement                     | 25.7                                          | 32.0                             |
| Institution Building and Rule of Law                    | 7.7                                           | 23.0                             |
| Program Support                                         | --                                            | 5.0                              |
| <b>Total</b>                                            | <b>50.0</b>                                   | <b>100.0</b>                     |

**Source:** U.S. Department of State briefing paper provided to Congressional offices; U.S. Department of State, Congressional Budget Justification for Foreign Operations, FY2009.

**Counternarcotics, Counterterrorism, and Border Security.** For FY2008, the Administration is requesting \$16.6 million for this category, spread out among the seven Central American countries. The Administration proposes spending \$7.5 million to support the Central American Fingerprinting Exploitation (CAFÉ) initiative to facilitate information-sharing about violent gang members and other criminals; to improve drug crime information sharing and collection; and to expand sensitive investigation police units dedicated to counternarcotics efforts. Another \$5.3 million would go towards improving maritime interdiction capabilities and providing technical assistance on firearms tracing, interdiction, and destruction. The Administration also proposes giving \$3.8 million for port, airport, and border security, including equipment and training through the OAS Inter-American Committee Against Terrorism.

For FY2009, the Administration requested \$40 million in this category. More than half of that money, \$25.8 million, would go to land and maritime interdiction and interception assistance, as well as to a regional arms tracking program. The FY2009 request also includes \$1 million to support the drug demand reduction efforts of the OAS Inter-American Drug Abuse Control Commission and \$2 million to combat currency smuggling.

**Public Security and Law Enforcement.** In the FY2008 supplemental request, the majority of proposed funding for Central America, \$25.7 million, is specified for programs to improve policing and support anti-gang efforts. The Administration proposes \$12.6 million in spending to implement the U.S. anti-gang strategy, including support for diplomatic efforts, funding for the electronic travel document (eTD) system to provide biometric and biographic information on persons being deported from the United States, anti-gang units, and community-based prevention programs. Another \$11.1 million would

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provide specialized police training and equipment. Some \$2 million would fund the International Law Enforcement Academy (ILEA) in El Salvador.

The Administration's request for funding in this category did not change significantly in the FY2009 budget request. The request includes \$13 million to implement the U.S. Anti-Gang Strategy, with \$7.5 million of that slated for community prevention programs, up from \$5 million in the FY2008 supplemental request. It also includes \$13 million for police modernization and technical assistance and \$6 million to support the ILEA.

**Institution Building and Rule of Law.** The Administration also proposed \$7.7 million in rule of law programs in the FY2008 supplemental request, including improvement of court management and prosecutorial capacity building; reforming prison management; supporting community policing programs, and providing assets forfeiture capacity training.

The Administration's FY2009 budget request for this category rose to \$23 million. The largest increases from the FY2008 supplemental request are for courts management programs and training to improve prosecutorial capacity. The FY2009 budget request also includes \$2 million for juvenile justice systems and rehabilitation programs and \$1 million for programs to build public confidence in the justice system, two components not included in the FY2008 supplemental request.

**Policy Considerations.** A number of policy issues may emerge as Congress considers the Central American portion of the Mérida Initiative including, but not limited to concerns about:

- the adequacy of the funds to be provided and how they will be divided up among the countries;
- what goals and benchmarks the Administration has put in place to measure the Initiative's effectiveness;
- how funding should be balanced between the program components, particularly how much funding should support counternarcotics programs versus anti-gang activities;
- the effects that increasing U.S. interdiction assistance to Central America may have on drug flows through the Caribbean;
- the level and combination of preventive and suppressive policies that should be used to address the gang problem;
- what U.S. agency is best equipped to oversee anti-gang efforts, including the issue of whether there is a role for the U.S. Southern Command in anticrime efforts;
- the political will among the Central American governments to address crime in a holistic way and to reassess the effectiveness of repressive anti-gang policies; and,
- how U.S. deportation procedures for individuals with criminal records might be improved and whether U.S. assistance should be provided to help receiving governments reintegrate deportees.

### **International Commission against Impunity in Guatemala (CICIG)**

For years the Guatemalan government and the United Nations sought to establish a body to investigate illegal security groups and clandestine organizations that are blamed for continued high rates of violence in Guatemala and considered an obstacle to the

consolidation of the rule of law. Human rights groups maintain that clandestine organizations with alleged ties to the Guatemalan state use intimidation and violence to obstruct investigations into human rights violations committed during Guatemala's civil war (1960-1996), among other crimes. In response to international pressure the Guatemalan government entered into two agreements with the United Nations to investigate these organizations. The first agreement was declared unconstitutional in 2004.

In December 2006, the United Nations and the Guatemalan government signed an agreement to establish the International Commission against Impunity in Guatemala (CICIG) to investigate illegal security groups and clandestine organizations, some of which have been tied, directly or indirectly, to the Guatemalan state. They are widely charged with targeting persons investigating human rights violations committed during Guatemala's civil war. Groups alleged to be at risk of harm from these illegal and clandestine organizations include human rights workers, journalists, forensic experts, labor activists, and witnesses in human rights cases.

In August 2007, the government of former president Oscar Berger successfully persuaded the Guatemalan Congress to ratify the UN-Guatemala agreement allowing the creation of the CICIG. That agreement entered into force on September 4, 2007 and the CICIG was inaugurated on January 11, 2008. CICIG currently has received some \$23 million in pledges of support from the international community to fund its operations. It has a two-year mandate to investigate the illegal and clandestine organizations. When fully staffed, probably by the middle of 2008, the CICIG is to have some 60 investigators and 30 lawyers. The projected budget for its operations was initially set at \$30 million, but may be revised upwards, partially due to the high expense of providing security to its employees.<sup>17</sup>

The main objective of the CICIG is to determine the illegal and clandestine groups' existence, structure, forms of operation, and sources of finance. The CICIG is also charged with identifying possible links between these groups, the government, and other groups that threaten human rights in Guatemala. The CICIG will be able to file criminal complaints against individuals involved with these groups. It also will have the authority to file administrative charges against government officials, including any who interfere with the CICIG's investigations. The CICIG has already taken on two cases, one involving the February 5, 2008 killing of fourteen bus drivers in Guatemala City, and one involving the recent rise in killing of women across the country.

**U.S. Policy.** The United States is supportive of the CICIG. On May 1, 2007, the U.S. Senate unanimously supported a resolution (S. Res. 155) expressing the Senate's support of the CICIG and urging the Guatemalan Congress to enact implementing legislation for its creation. The FY2008 Consolidated Appropriations Act (H.R. 2764/P.L. 110-161) included \$4 million to support the CICIG. On April 28, 2008, several Members of Congress wrote a letter to Attorney General Michael Mukasey urging the Department of Justice to provide technical assistance to the CICIG.

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<sup>17</sup> CICIG Fact Sheet, February 2008; Washington Office on Latin America (WOLA), "A Brief Background on the U.N. Commission against Impunity in Guatemala," April 2007; "A Test of Will - Guatemala," *Economist*, March 22, 2008.