

## Honduran Presidents linked to drug-trafficking & money laundering, since U.S. & Canadian-backed coup ousted Honduras' last democratic government

(View in browser: <https://mailchi.mp/rightsaction/honduran-presidents-linked-to-drug-trafficking-money-laundering>)

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*"Why have U.S. officials — from the State Department to the White House to the Southern Command — continued for years now to celebrate, and pour security funding into, a government whose very topmost officials and security figures it has known were drug traffickers?" Frank said. "This evidence underscores the vast hypocrisy of U.S. policy, which backs a known drug trafficker and his police and military cronies, while claiming to do so in the name of fighting crime and drugs."*



(President Juan Orlando Hernandez & former President Porfirio Lobo, in power and linked to drug-trafficking and money laundering since the U.S. and Canadian backed coup ousted Honduras' last democratic government in 2009.)

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### Narco-Politics Cast Shadow on Honduran Presidents: Court Documents

by Héctor Silva Ávalos, MAY 31, 2019

<https://www.insightcrime.org/news/analysis/narco-politics-honduras-presidents-court-documents/>

Honduras' most powerful drug trafficking organization, Los Cachiros, bribed the country's former president and opened a line of communication to current President Juan Orlando Hernández, documents recently unsealed in a New York federal court show.

Prosecutors also named President Hernández as a target in a Drug Enforcement Administration (DEA) investigation that started in 2013, a [separate recently unsealed filing](#) shows. Hernández, his sister Hilda, and several members of Honduras' powerful [Rosenthal family](#) were under investigation for "large scale drug-trafficking and money laundering activities related to the importation of cocaine into the United States," according to the 2015 filing that was unsealed this week in a New York federal court.

In Honduras, meanwhile, Hernández's predecessor, Porfirio "Pepe" Lobo Sosa, has been accused of directing government funds to fraudulent business deals with a Cachiros-owned construction firm.

Though the documents come from three separate cases, when taken together, they paint a damning picture of drug traffickers coopting one presidency and trying to influence another.

On May 31, Hernández's office issued a statement, categorically denying the allegations. "Annoyed at having been prosecuted and extradited by the president Juan Orlando Hernández, various drug trafficking leaders in Honduras, in 2015, falsely accused the president and his colleagues to the United States government." It added that the US Justice Department found no evidence to "sustain the accusation" and that the DEA had actually acknowledged Hernández for his collaboration against drug trafficking.

### **Fabio Lobo, Fixer for Narcos, Reaches Out to Hernández**

Fabio Lobo, the former president's son, pleaded guilty to conspiring to import cocaine and is currently serving a 24-year prison sentence in the United States. In [documents in the case against him](#), which were unsealed this week, President Hernández's name comes up in conversations between Lobo and Devis Leonel Rivera Maradiaga, a leader of the Cachiros drug organization, who cooperated with US prosecutors for leniency.

Prosecutors used undercover recordings and interviews with Rivera Maradiaga to lay out that Fabio Lobo acted as a fixer for Rivera Maradiaga, introducing him to his father and high-level police and military officials who, in turn, eased the way for the Cachiros to traffic cocaine and launder money in exchange for bribes.

In documents from that case, President Hernández is first mentioned when Fabio Lobo tells Rivera Maradiaga that he urged his father and Hernández, then newly elected to the presidency, to "support" Rivera Maradiaga and his family because the "Honduran government had already taken enough from them," and that they "were good people" and "humble."

Prosecutors say that Fabio Lobo referenced his father; Hernández; Hernández's brother Tony, who is currently [charged with drug trafficking](#); and other politicians and military officials when speaking with Rivera Maradiaga, whom prosecutors call "one of the most prolific and violent drug traffickers in Honduras."

InSight Crime reached out to the President Hernández's office about the allegations contained in the case documents, but received no response.

Fabio Lobo, according to the filings in his case, also made calls to General [Julián Pacheco](#), Honduras' current security minister, on behalf of the Cachiros, including sending a picture of a Hummer to the general as a potential bribe.

At one point Fabio Lobo brought a DEA informant to a meeting with Pacheco, where he asked for Pacheco's consent to move drugs on the Cachiros' behalf, assuring the general that "it's not much" cocaine. Pacheco, according to the documents, walked out of the room in anger. Several years later, in 2018, a DEA informant alleged that Pacheco was involved in drug trafficking with the Cachiros.

### **Cachiros Win Contract After Contract Under Pepe Lobo**

In a separate case brought by Honduran prosecutors, Fabio's father, former president "Pepe" Lobo, figures in an investigation into a Cachiros-owned construction firm that received nearly two dozen government contracts during its first 5 months of existence in 2010, earning the business a total of \$2.7 million, according to the Attorney General's office and the Mission Against Corruption and Impunity in Honduras (Misión de Apoyo contra la Corrupción y la Impunidad en Honduras – MACCIH), an anti-graft body.

Case files show that the Lobo administration violated the law to direct the contracts to the drug trafficking group. For example, the Cachiros-owned firm, called INRIMAR, received its first contract for 1.6 million lempiras (about \$65,000) on August 2nd, 2010, two days before it was authorized to receive public money, according to investigative documents obtained by InSight Crime.

By December 16 of that year, the firm had been awarded 21 contracts from the Honduran government through the Secretary of Public Works, Jobs and Housing (Secretaría de Obras Públicas, Trabajo y Vivienda – SOPTRAVI). A source close to the investigation told InSight Crime that "the majority" of the work contracts given to INRIMAR by the Lobo administration "were never even carried out."

The Lobo administration also rigged bids to favor the Cachiros. On May 10 and July 6 of 2010, the Honduran government declared states of emergency to respond to devastation from a powerful tropical storm that swept through Central America. The emergencies provided the Lobo administration the ability to award no-bid work contracts. Between May and December, the Cachiros-owned firm received six direct contracts from SOPTRAVI, worth 43 million lempiras (about \$1.8 million.) According to Honduran law, all such contracts must go through the ministry of advisers, which is directed by the president.

In this case, which investigators are dubbing "narco-política," prosecutors have brought corruption charges against a dozen people, including former President Lobo's then secretary of public works and his chief adviser. The ex-president himself, however, has not yet been charged.

When InSight Crime spoke with Tegucigalpa-based investigators linked to the case about why Lobo isn't among the accused, one investigator said that the Attorney General's Office has opened an investigation into the former president.

During a press conference last week in the Honduran capital, Pepe Lobo dismissed the investigation and accused MACCIH director Luiz Antonio Guimaraes Marrey of conducting a political witch hunt, challenging him to present his evidence.

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### **DEA Investigated Honduras President for Cocaine Trafficking**

By [Ezra Fieser](#) and [Matthew Bristow](#), May 30, 2019, May 30, 2019

<https://www.bloomberg.com/news/articles/2019-05-30/president-of-honduras-investigated-by-u-s-for-drug-trafficking>

The U.S. Drug Enforcement Administration investigated the president of Honduras for drug-trafficking according to court documents, potentially weakening his grip on power and spooking markets.

Hernandez and eight others were the targets of a DEA probe that began in 2013 into “large-scale drug-trafficking and money laundering activities relating to the importation of cocaine into the United States,” according to documents filed by prosecutors with the U.S. District Court Southern District of New York.

The document, filed Tuesday, sought a court order to force tech companies including Apple, Google and Microsoft, to turn over email information from eight targets of the investigation, including President Juan Orlando Hernandez and Security Minister Julian Pacheco. Prosecutors sought non-content information, such as to/from headers, according to the document. The document was filed as part of a case against Hernandez’s brother, Juan Antonio “Tony” Hernandez, who U.S. authorities arrested in Miami in November. He is awaiting trial.

The Honduran presidency said in a statement that the Justice Department found no evidence to support accusations against Hernandez, which had been made by alleged drug traffickers. “This investigation, undertaken in 2015, showed that there were no grounds for bringing charges against the Honduran government or any of its close associates,” the presidency said. The DEA said it doesn’t confirm or deny whether investigations are ongoing.

### **‘Market Friendly’**

Hernandez is a key U.S. ally in the region, and the administration of President Donald Trump recognized his victory in a 2017 vote that election monitors said was flawed.

Hernandez’s pro-business policies have made him popular with foreign investors, and the nation’s assets will probably sell off if it looks as though he could lose his grip on power, said Risa Grais-Targow, an analyst at Eurasia Group. “This government has generally been very market friendly,” Grais-Targow said. “I would think that the Trump administration is going to be inclined to still support him, especially considering the uncertainty around what the alternative would be.”

Honduras was already a “tinderbox”, with frequent street protests and calls for a general strike, said Eric L. Olson, Director of Policy for the Seattle International Foundation, a charity that funds development projects in Central America. “It’s going to add fuel to the fire of polarization, anger, frustration that is happening now in Honduras,” Olson said in a phone interview.

Trump said in March that he would cut hundreds of millions of dollars in aid to Honduras, Guatemala and El Salvador over their failure to curb migration to the U.S.

House Democrats have opposed the cuts and introduced legislation to restore the funding. Honduras has been one of the main sources of so-called “caravans” of migrants heading north through Mexico toward the U.S. border.

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### **Honduras President, Others Targets of DEA Investigation**

By The Associated Press, May 30, 2019

<https://www.nytimes.com/aponline/2019/05/30/us/ap-lt-honduras-corruption.html>

NEW YORK — U.S. federal court documents show Honduran President Juan Orlando Hernández and some of his closest advisers were among the targets of a Drug Enforcement Administration investigation.

A document filed by prosecutors on Tuesday in the Southern District of New York mentions Hernández as part of a group of individuals investigated by the DEA since about 2013 for participating "in large-scale drug-trafficking and money laundering activities relating to the importation of cocaine into the United States". Hernández was elected president of Honduras in late 2013.

The document is a July 2015 application to the court to compel Apple, Google, Microsoft, Yahoo and AOL to give investigators email header information, but not emails' content, for a number of accounts. Two of the accounts are believed to be of Hernández, the documents says. There is no indication charges have been brought against Hernández.

Also included in the request are the email accounts of the president's sister Hilda Hernández, his adviser Ebal Díaz and his security minister Julián Pacheco Tinoco. Hilda Hernández, who helped manage the finances of the president's political party and his presidential campaign, died in a December 2015 helicopter crash. The request also named four members of the wealthy and politically-connected Rosenthal family.

Yani Rosenthal, a former national lawmaker and presidential candidate, pleaded guilty in U.S. federal court in 2017 for money laundering for the Cachiros drug trafficking organization.

The new court filing is part of the pre-trial motions in the case of Hernandez's brother Juan Antonio "Tony" Hernández, who was arrested in 2018 in Miami and accused of scheming for years to bring tons of cocaine into the country. His trial is expected to start in September.

A spokesman for the Southern District of New York said on Thursday the court's response to the application for email header information is not public information. He declined to comment further. The document filed Tuesday raises the possibility that the DEA has email data for Honduras' president and members of his inner circle dating to 2015.

Messages left for Díaz, who is Hernández's de facto spokesman, were not immediately returned. Pacheco could not be immediately reached, but the government has previously denied allegations against him.

Pacheco has been dogged by allegations of his links to drug traffickers since at least 2017 when a leader of Honduras' Cachiros cartel testified in another case in New York about his ties to drug traffickers.

Pacheco had served under Hernández's predecessor, Porfirio "Pepe" Lobo Sosa, as the government's chief of investigation and intelligence. Lobo's son Fabio was sentenced to 24 years in a U.S. prison in 2017 for drug trafficking.

In another document filed Tuesday in Tony Hernández's case, prosecutors said "the charges against the defendant arise out of a long-term investigation of politically connected drug trafficking in Honduras" that began in 2013.

On Thursday, a DEA spokeswoman referred questions asked by The Associated Press to the Southern District of New York.

The U.S. government has been a staunch supporter of Hernández's government, pouring millions of dollars into security cooperation because Honduras is a key transshipment point for cocaine headed to the U.S. from South America.

Hernández had especially curried favor with Gen. John Kelly who had led the U.S. military's Southern Command and later became President Donald Trump's chief of staff. Kelly advocated for continued U.S. support of Hernández's government, noting their contributions to the war on drugs and progress in combatting corruption.

When Hernández's already controversial re-election was marred by irregularities in late 2017, the U.S. government congratulated him while the opposition was still contesting the vote count.

With Hondurans filling the ranks of several large migrant caravans during the past year, the U.S. has continued to support Hernández while pressuring his government to stem the immigration flow.

Many Honduran migrants encountered making the journey to the U.S. border during the past year have referenced government corruption among their reasons for leaving. Thousands of doctors and teachers have been marching through the streets of Honduras' capital for three weeks against presidential decrees they say would lead to massive public sector layoffs. On Thursday, a massive march led to clashes with police who fired tear gas against some protesters' rocks.

Retired history professor Dana Frank, whose recent book "The Long Honduran Night: Resistance, Terror, and the United States in the Aftermath of the Coup" details the country's recent political turmoil said the documents confirm the U.S. government has known about drug trafficking activities linked to Hernández for years.

"Why have U.S. officials — from the State Department to the White House to the Southern Command — continued for years now to celebrate, and pour security funding into, a government whose very topmost officials and security figures it has known were drug traffickers?" Frank said. "This evidence underscores the vast hypocrisy of U.S. policy, which backs a known drug trafficker and his police and military cronies, while claiming to do so in the name of fighting crime and drugs."

Torrens reported from New York and Sherman from Mexico City. Associated Press Martha Mendoza contributed to this report from San Jose.

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### **Why are close to 250,000 Hondurans & Guatemalans fleeing this year alone?**

The U.S., Canada and "international community" are helping keep in place the very conditions that force tens of thousands of Hondurans and Guatemalans to flee their countries, every year.

### **Forced migrants and the "Venezuela factor"**

After a flurry of mainstream media reporting in 2018 on the 'caravans' of forced migrants, coverage has died off. A majority of the refugees are fleeing Honduras and Guatemala whose corrupt, repressive, exploitative governments maintain full relations with the U.S. and Canadian governments and are considered "democratic allies" in the U.S. and Canadian-led efforts to illegally overthrow the Venezuela government. The hypocrisy is notable.

### **U.S. & Canadian problems**

The U.S. and Canadian governments, the World Bank and global businesses and investors (privatized hydro-electric dams, mining extraction, African palm, sugar cane and fruit production, garment “sweatshop” factors, tourism complexes, etc.) maintain profitable relations with anti-democratic, corrupt, repressive governments in Honduras and Guatemala, turning a blind eye to and benefitting from exploitation and repression, environmental devastation and human rights violations, corruption and impunity.

There is no political or legal over-sight or accountability in the U.S. and Canada for our complicity in Honduras’ nightmare.

### **Write and call**

Keep sending copies of this information, and your own letters, to families, friends and networks, to politicians and media, to pension and investment funds, asking: Why our governments, companies and investment firms benefit from and turn a blind eye to poverty, repression and violence, environmental and health harms that are directly causing the forced migrancy/refugee crisis in Guatemala and Honduras.

- Senators: <https://www.senate.gov/senators/contact>
- House of representatives: <https://www.house.gov/representatives/find-your-representative>
- Parliament members: <https://www.ourcommons.ca/Parliamentarians/en/members>

### **Rights Action (U.S. & Canada)**

Since 1995, Rights Action directly funds community human rights, environment and territory defenders in Guatemala and Honduras. We provide funds to victims of repression, human rights violations, health harms and natural disasters. We work to hold accountable the U.S. and Canadian governments, companies and investors, international actors (World Bank, etc.) that cause, contribute to and profit from repression and human rights violations, environmental harms and forced evictions, corruption and impunity.

### **Tax-Deductible Donations (Canada & U.S.)**

To support our partner community groups in Honduras and Guatemala, make check to "Rights Action" and mail to:

- U.S.: Box 50887, Washington DC, 20091-0887
- Canada: (Box 552) 351 Queen St. E, Toronto ON, M5A-1T8

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