U.S. Treasury Identifies Honduran Drug Kingpins, U.S. Ambassador Warns Against Aiding Traffickers, Crackdown on Businesses Ends Successfully

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U.S. Treasury Identifies Honduran Drug Kingpins, U.S. Ambassador Warns Against Aiding Traffickers, Crackdown on Businesses Ends Successfully

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Sept. 19 was a hectic day in the struggle against drug trafficking in Honduras. The events began with the US Treasury Department revealing the identity of seven people and several businesses as part of the Honduran drug-trafficking gang Los Cachiros.

Addressing a conference on money laundering early that afternoon, US Ambassador to Honduras Lisa Kubiske warned financial institutions as well as people helping to launder assets about the risk they place themselves in.

Late that evening, Policía Nacional (PN) chief Juan Carlos "El Tigre" Bonilla told reporters that members of the Cobra elite police strike force along with Army troops had secured more than 100 assets—among them real estate that included a zoo, vehicles, bank accounts—worth more than US $500 million, successfully closing an intelligence operation launched seven years ago.

"The US Department of the Treasury today announced the designation of seven individuals and five businesses tied to the Honduran drug trafficking organization Los Cachiros," the press release reported. "The individuals designated include the leaders of Los Cachiros, brothers Javier Eriberto Rivera Maradiaga and Devis Leonel Rivera Maradiaga, who play a significant role in international narcotics trafficking."

"Treasury also designated the following associates, among which are family members of the brothers, for the role they play in supporting the international narcotics trafficking activities of the brothers and the organization: Santos Isidro Rivera Cardona (father), Esperanza Caridad Maradiaga Lopez (mother), Maira Lizeth Rivera Maradiaga (sister), Santos Isidro Rivera Maradiaga (brother), and Bismarck Antonio Lira Jiron (a Nicaraguan cell leader for Los Cachiros)," the press release said. "In addition, the five designated businesses are being used by the group to further the organization's drug trafficking activities and launder illicit proceeds."

Quoted in the communiqué, Adam Szubin, director of the Treasury Department’s Office of Foreign Assets Control (OFAC), described Los Cachiros as "a violent drug trafficking organization in Honduras whose members plow illicit drug proceeds into businesses and properties in order to gain public legitimacy and launder their wealth. Treasury will continue its work to disrupt the criminal activities of Los Cachiros members and expose them for what they are—drug traffickers and money launderers."

US uses Kingpin Act to go after drug dealers

And in the warning words of Brian McKnight, acting chief of operations for the Office of Financial Operations of the Drug Enforcement Administration (DEA), also quoted in the text, "Drug traffickers and money launderers are put on notice: DEA in coordination with our foreign partners
will identify, investigate, indict, and seek extradition of international drug traffickers and money launderers."

"We will seize their assets and ensure they will face justice for distributing illegal drugs," McKnight said, adding, specifically regarding the Honduran case, "The Los Cachiros organization will be held accountable for their federal drug-trafficking crimes."

The Treasury Department said the September action marked the second by the US government on the gang in four months, since "in May 2013, the president identified Los Cachiros as a significant foreign narcotics trafficking group pursuant to the Kingpin Act."

The communiqué referred to the Foreign Narcotics Kingpin Designation Act, signed into law in 1999 by former US President Bill Clinton.

The act blocks assets subject to US jurisdiction that are either controlled or owned by significant foreign drug traffickers—kingpins—assisting the international drug-trafficking activities of persons designated pursuant to the Kingpin Act—officially referred to as Specially Designated Narcotics Trafficking Kingpin (SDNTK). US citizens are banned from dealing with SDNTKs, specifically in trade transactions as well as assets.

Since the act came into effect, hundreds of foreign persons and organizations have been designated, the majority from Central and South America, including the guerrilla Fuerzas Armadas Revolucionarias de Colombia (FARC) as well as Mexican drug cartel members, among them the Arellano Félix gang, the Juárez cartel, La Familia Michoacana, and Los Zetas.

Regarding last month’s crackdown on Los Cachiros, the Treasury Department said that it "generally prohibits US persons from engaging in any transactions with these designees and freezes any assets they may have under US jurisdiction."

"Los Cachiros coordinates the movement of drugs to and from Honduras for Colombian and Mexican drug trafficking organizations, including the Sinaloa Cartel. Los Cachiros employs land, air, and sea conveyances in its movement of drugs, and its activities have been linked to seizures of cocaine in Central America," the Treasury Department said. "It is reported that Los Cachiros controls 90 percent of the clandestine airstrips in Honduras, and it uses these airstrips to facilitate the entry of drugs into Honduras and (neighboring) Guatemala."

**Family businesses also targeted**

The Treasury Department said that, in August 2012, Nicaraguan authorities charged Javier Eriberto and Nicaraguan associate Bismarck Antonio Lira—whom they arrested that same month—with conspiracy in the international transport of illicit drugs, money laundering, illicit financing of narcotics, and organized crime. It said, "The Honduran businesses targeted today are directed, owned, or controlled by Javier Eriberto Rivera Maradiaga or Devis Leonel Rivera Maradiaga or other family members who act on behalf of the brothers and their organization."

"The identified family businesses include: Ganaderos Agricultores del Norte, S. de R.L. de C.V. (cattle and agriculture); Palma del Bajo Aguan, S.A. (African palm oil production); Minera Mi Esperanza, S.A. (mining manufacturing); Inmobiliaria Rivera Maradiaga, S.A. de C.V. (road construction); and Inversiones Turisticas Joya Grande, S.A. de C.V. (zoo and eco-tourist park)."
Treasury said, "OFAC designations are part of an ongoing effort to apply financial measures against significant foreign narcotics traffickers and their organizations worldwide. Penalties for violations of the Kingpin Act range from civil penalties of up to US$1.075 million per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines up to US$5 million. Criminal fines for corporations may reach US$10 million. Other individuals face up to 10 years in prison and fines pursuant to Title 18 of the United States Code for criminal violations of the Kingpin Act."

Hours after the Treasury Department made the announcement, Kubiske told a conference on bank regulations and money laundering in Tegucigalpa, the Honduran capital, that "criminals must know that they are under strong surveillance and effective supervision by financial institutions."

"We all know that criminals are laundering money in Honduras. Institutions and individuals helping criminals launder money, or providing funds, are placing their institutions and themselves in a situation of risk," Kubiske warned, addressing the conference in Spanish. "Institutions and persons who join and invite criminal organizations share the responsibility for the violence and the destruction those groups have unleashed on the people of Honduras."

Referring to the Sept. 19 anti-drug police operation carried out simultaneously in several Honduran cities, Kubiske described it as a "combo."

Late in the evening, the PN chief Bonilla told journalists that the police-Army crackdown culminated Operación Neptuno, an intelligence strategy launched in 2006. "We’ve identified not only this one but several organizations that are linked to this kind of crime in our country, Central America, and Latin America," said Bonilla, who also mentioned "an interagency and transnational commitment" involving the countries making up the Sistema de la Integración Centroamericana (SICA) as well as the Comunidad de Policías de América (American Police Community, Ameripol). Bonilla also highlighted US support in technology, training, and other means of cooperation.

Regarding the police-Army crackdown on Los Cachiros, Bonilla said, "This has been a systematic job that started with intelligence, financial, and laundering investigation activities, where all the state’s capabilities were put to work for a successful operation. The state is not asleep."

Bonilla also said that "all criminal groups putting at risk the security of the state of Honduras will be attacked frontally." The country’s top cop said that last month’s move on the gang resulted in securing 80 real estate assets, 64 bank accounts, 24 vehicles, eight trade societies, and four businesses.

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