



United States Department of State

Washington, D.C. 20520

April 6, 2021

CONGRESSIONAL REPORT TRANSMITTAL LETTER

Please find enclosed the following report from the Department of State.

Department Report Number: 004271

Report Title: Corrupt Officials in Honduras, Guatemala, and El Salvador

Legislation: Section 7019(e) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2021 (Div. K, P.L. 116-260) and House Report 116-444

Recipients:

House Foreign Affairs Committee

Senate Foreign Relations Committee

House Appropriations Committee

Senate Appropriations Committee

House Appropriations Subcommittee on State, Foreign Operations, and Related Programs

Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs

Sincerely,

A handwritten signature in black ink that reads "Naz Durakoglu". The signature is written in a cursive, flowing style.

Naz Durakoglu
Acting Assistant Secretary of State
Bureau of Legislative Affairs

Enclosure:

As stated.



**Report to Congress on
Corrupt Officials in Honduras, Guatemala, and El Salvador
Section 7019(e) of the Department of State, Foreign Operations, and
Related Programs Appropriations Act, 2021 (Div. K, P.L. 116-260) and
House Report 116-444**

Consistent with section 7019(e) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2021 (Div. K, P.L. 116-260) ("FY 2021 SFOAA") and House Report 116-444, this report, prepared by the Department of State, in coordination with the Department of the Treasury, is being submitted to the House Foreign Affairs Committee, Senate Foreign Relations Committee, House and Senate Appropriations Committees, and the House and Senate Appropriations Subcommittees on State, Foreign Operations, and Related Programs.

Consistent with the requirements of section 7019(e), this report identifies the following persons in Honduras, Guatemala, and El Salvador: (1) senior government officials who are known to have committed or facilitated acts of "grand corruption" or narcotics trafficking; (2) elected officials known to have received campaign funds that are the proceeds of narco-trafficking or other illicit activities in the last two years; and (3) individuals known to have facilitated the financing of political campaigns in any of the Northern Triangle countries with the proceeds of narco-trafficking or other illicit activities in the last two years. Consistent with the Joint Explanatory Statement accompanying the FY 2021 SFOAA, the list includes individuals for whom the Department is aware of media reporting, credible information, or allegations, of the conduct at issue. The Department will continue to review the individuals listed in the report and consider all available tools to deter and disrupt corrupt activity in the Northern Triangle countries.

The Department of State, in cooperation with the Department of the Treasury, continues to work vigorously to identify targets and impose sanctions under E.O. 13818, which implements and builds upon the Global Magnitsky Human

Rights Accountability Act. The Department continually reviews information about potential targets identified internally or received from Congress, civil society, and other partners, including with respect to Northern Triangle countries, and works with the Department of the Treasury to impose sanctions when appropriate. The Department of State's annual reports pursuant to section 1264 of the Global Magnitsky Human Rights Accountability Act provide more details on the justification for the use of E.O. 13818 and the criteria used for determining when it was appropriate to use. The Department also continues to actively review credible allegations of corruption and utilize all other applicable authorities, as appropriate, to ensure corrupt officials are denied safe haven in the United States. State and the Department of the Treasury are available to brief Congressional offices on these efforts as appropriate.

Section 1: Senior Government Officials Credibly Alleged to have Committed or Facilitated Corruption or Narcotics Trafficking

Honduras

Juan Carlos Valenzuela Molina, current member of the Honduran National Congress. Indicted in the Arca Abierta MACCIH-investigated corruption case for embezzling \$800,000 from various government agencies. A court provisionally dismissed Valenzuela's case in February 2019.

Welsy Milena Vasquez Lopez, current member of the Honduran National Congress. Indicted in the Arca Abierta MACCIH-investigated corruption case for embezzling \$800,000 from various government agencies. The case has not proceeded to trial.

Milton Jesus Puerto Oseguera, current member of the Honduran National Congress. Indicted in the Arca Abierta MACCIH-investigated corruption case for embezzling \$800,000 from various government agencies. The case has not proceeded to trial.

Gustavo Alberto Perez, current member of the Honduran National Congress. Indicted in the Arca Abierta MACCIH-investigated corruption case for embezzling \$800,000 from various government agencies. The case has not proceeded to trial.

Oscar Najera, current member of the Honduran National Congress. Alleged ties to Cachiros narcotics trafficking organization. Designated by State Department under 7031(c) for significant corruption.

Gladys Aurora Lopez, member of the Honduran National Congress Executive Board. Indicted in the Area Abierta MACCIH-investigated corruption case for embezzling \$800,000 from various government agencies.

Guatemala

Aciselo Valladares, former Guatemalan minister of the economy laundered about \$10 million in cocaine profits for traffickers while paying bribes to corrupt politicians and pocketing some money that passed through the U.S. bank accounts of Miami companies. He was charged in the United States in 2020 with conspiring to commit money laundering but remains at large.

Carlos Danilo Preciado Navarrijo, the mayor of Ocós, San Marcos was detained in 2021 and is accused of drug trafficking and its possible relationship with cartels in Mexico and Colombia. His capture was carried out at the Tocumen International Airport, in Panama, by Panama authorities at the request of the United States.

Boris Roberto Espana Caceres, member of Guatemalan Congress since 2012, served as first secretary of the Guatemalan Congress for the 2017-2018 term, and served as governor of the department of Chiniquimula from 2005-2017. Credible news reports indicate Espana was a key intermediary in an influence peddling and active bribery corruption ring.

Felive Alejos Lorenzana, former first secretary of the Guatemalan Congress, was designated under Section 7031(c) in 2020 due to his involvement in significant corruption. While acting in his official capacity, Mr. Alejos was involved in corrupt acts to enrich himself, while also seriously harming U.S. businesses' international economic activities.

Gustavo Adolfo Alejos Cambara, former Guatemalan Presidential Chief of Staff, was designated under Section 7031(c) in 2020 due to his involvement in significant corruption.

Section 3: Individuals Credibly Alleged to have Facilitated the Financing of Political Campaigns with the Proceeds of Narcotics Trafficking or Other Illicit Acts in the Last Two Years

Guatemala

Mario Amilcar Estrada Orellana, a 2019 Presidential candidate and former Congressman, was charged in U.S. courts with seeking \$10-12 million from Mexico's Sinaloa Cartel to finance a corrupt scheme to elect Estrada as president of Guatemala in exchange for transporting cocaine into the United States.