



CENTER FOR  
LATIN AMERICAN  
& LATINO STUDIES  
AMERICAN UNIVERSITY | WASHINGTON, DC

# The MACCIH Monitor

Independent Update and Analysis of the OAS  
Mission to Support the Fight against  
Corruption and Impunity in Honduras

*May 1 to July 31, 2018*

This publication is intended to provide a regular, independent analysis of the work of MACCIH. It is intended for the use of people who are already familiar with the two-year mandate and general history and work of MACCIH. The Monitor will be available only online, in Spanish and English. Please cite it as “American University Center for Latin American & Latino Studies, The MACCIH Monitor, Issue 5, August 30th, 2018.”



# The MACCIH Monitor

Independent Update and Analysis of the OAS Mission to Support the Fight against Corruption and Impunity in Honduras



## Background and Sources

*The Team.* *The MACCIH Monitor* is produced by the American University's Center for Latin American & Latino Studies (CLALS), and is part of a project on [Monitoring MACCIH and Anti-Impunity Efforts in Honduras](#), generously funded by Open Society Foundations. It is the product of a team led by Prof. Charles T Call that includes Dr. Hugo Noé Pino; Profs. Fulton Armstrong and Eric Hershberg; and Aída Romero and Alexandra Vranas. The team's researcher in Honduras, Mario Cerna, has provided regular and invaluable inputs to this product. CLALS is grateful to Open Society Foundations for their support of this project and publication.

*Sources.* This product is based on public sources, including news coverage, tweets, and press conferences, as well as private interviews with key informants inside and outside Honduras. These sources include independent observers, journalists, and academics; government officials of Honduras, the United States of America, and others; Honduras-based and U.S.-based non-governmental organizations, and officials of the OAS and MACCIH.

This is the fifth issue, and feedback is welcome to [call@american.edu](mailto:call@american.edu) or [vranas@american.edu](mailto:vranas@american.edu). For background information on MACCIH, see [The MACCIH Monitor Issue 1](#), [The MACCIH Monitor Issue 2](#), [The MACCIH Monitor, Issue 3](#), and [The MACCIH Monitor, Issue 4](#).

## General Considerations

After a period of much uncertainty during which many believed MACCIH would be shut down, the Constitutional Chamber of the Supreme Court declared the agreement creating MACCIH to be constitutional. In addition, MACCIH announced the Pandora case. Óscar Chinchilla, who has cooperated with the Mission, was re-elected as Attorney General in an irregular and questionable process. Finally, the Honduran government approved Brazilian prosecutor Luiz Guimarães Marrey as MACCIH's new spokesperson.

The sum total of these events is that, after passing through several weeks this spring when its relevance and even existence were in doubt, MACCIH seems to have regained its footing. It has shown a



relevance with the Pandora case, indicting very senior political elites. In contrast to the initial indictments of the Legislators' Network case from December, those arrested were mostly officials of the two main traditional parties and include party leaders. The Pandora indictments touch more numerous senior public officials than the International Commission against Impunity in Guatemala (CICIG) had helped indict at a comparable stage of its development. The friction that blew into public fireworks between former spokesman Juan Jiménez Mayor and the titular head of MACCIH, OAS Secretary-General Luis Almagro, has not occurred in the first month of the new Special Representative's leadership.

However, the obstacles the mission faces have not waned, as seen in the Pandora case. The announcement (after this period covered by this *MACCIH Monitor*) of a legislative initiative to reduce preventive detention for many serious crimes – including homicide, kidnapping, extortion, drug trafficking – in order to let officials and legislators go free while accused of corruption, shows the levels that those favoring impunity will go.

Before Brazilian prosecutor Luiz Guimarães Marrey was named spokesperson, the interim spokesperson, Ana María Calderón Boy, seemed to adopt a careful, caretaker approach. She appeared in public only four times. Importantly, one was to announce the Pandora indictments jointly with the UFECIC. Two other presentations, in Tegucigalpa and Washington DC, were at events co-sponsored by our Center for Latin American & Latino Studies. During Calderón Boy's interim leadership, social media tended to communicate the OAS' positions, a contrast to Juan Jiménez Mayor's use of tweets from his personal account. The new spokesperson, [Guimarães Marrey](#) has faced criticism for shutting out the media from MACCIH's everyday activities, which he answered by stating that he would not be a media figure and would not let media pressure interfere with MACCIH's sensitive work and investigations.

The Mission's "Pandora" investigation involves 38 accused, among them current and former congresspersons, party leaders and ministers, who allegedly embezzled approximately USD\$11.6 million from state coffers. However, the judge in charge of the case, Lidia Álvarez Sagastume, accepted a downgrading of charges, allowing 25 of them to be released from pre-trial detention. These events track with a prior pattern whereby MACCIH-supported indictments are filed by the Public Ministry, then public expectations are raised that high-profile public officials will be arrested. The accused lawyers' work through the media to complain of unfair treatment (see [InSight Crime](#).) then the Congress or courts deflate those hopes with measures favoring the accused. Such was the case against the former First Lady Rosa de Lobo, in which the charges were downgraded on the dubious claim that she was not a government official, although she received a government salary. Therefore, it is not surprising that CNA's announcement of the [Pandora II](#) case was met with some skepticism.

Social media users often claim that the MACCIH-supported investigations willfully or through incompetence present incomplete cases that the corrupt Honduran system can easily dismantle. Judges involved in cases have echoed these accusations, claiming that the "*requerimientos fiscales*" are incorrectly presented, or lacking in proper documentation or signatures, thereby giving judges no choice but to set the accused free. It is difficult to gauge the veracity of these claims.



## Monitoring Specific Areas of MACCIH's Mandate

### 1. High-Impact Prosecutions and Convictions

Here we provide an update on MACCIH's criminal investigations during the months of May, June, and July.

#### *Pandora*

The Pandora case involves 38 current and former lawmakers and former ministers accused of embezzling state funds. The case was presented mid-June, and points to embezzlement of approximately USD\$11.6 million of state funds from the Ministry of Agriculture (*Secretaría de Agricultura y Ganadería, SAG*) to finance political campaigns for three political parties: *Partido Nacional* (including current President Juan Orlando Hernández's campaign), *Partido Liberal*, and *Partido Frente Amplio Político Electoral en Resistencia (FAPER)*. The *Partido Nacional* released a statement claiming to be cooperating with the Ministry Public's investigation, as did the *Partido Liberal*. FAPER said they were willing to cooperate with the investigation but denied any knowledge or involvement in the accusations against them.

According to MACCIH's investigation, seven agreements were signed to develop livestock and agriculture projects. The agreements were signed with two NGO's: *Fundación Dibattista* and *Todos Somos Honduras*. Once the money was received, it was deposited in individual bank accounts. Among the [accused](#) are:

- William Chong Wong, former Finance Minister (who subsequently died)
- Jean-Francois Peyrecave, President Hernández's brother-in-law
- Elvin Ernesto Santos Ordóñez, former presidential candidate in 2009 and current *Partido Liberal* congressman
- Elvin Ernesto Santos Lozano, former head of the Liberal Party's Executive Council and former mayor of Tegucigalpa
- José Celin Discua Elvir, *Partido Nacional* congressman (El Paraíso)
- Rodolfo Irías Navas, former President of the National Congress and current *Partido Nacional* congressman (Atlántida)
- Miguel Edgardo Martínez Pineda, *Partido Nacional* congressman (Comayagua)
- Elden Vásquez, *Partido Nacional* congressman (Intibucá)
- Carlos Alberto Pineda Fasquelle, former vice-minister of the Environment and Mines
- Wilson Rolando Pineda Díaz, Governor of Lempira and Commissioner of the government program "Vida Mejor" ("A Better Life")
- Ramón Antonio Lara Bueso, former Director of the National Agrarian Institute
- Redin Lenin Chávez Galindo, leader of the *Partido Nacional* in Colón
- Armando José Rivera Marroquín, executive assistant to the president's office
- Hernán Seaman Elvir, former Presidential Commissioner for La Mosquitia
- Arnold Gustavo Castro Hernández, husband to Gladis López, Congress vice-president



- Franklin Erick Toruño Colindres, deputy in the Parlacen
- Lenin Rigoberto Rodas Velásquez, substitute congressman from the Democratic Unification party
- Jacobo Regalado, former SAG Minister

It took more than a month for arrest warrants to be issued for the Pandora case. [Details](#) of how the funds belonging to the Ministry of Agriculture were spent included purchasing airline tickets, paying for credit cards, political polls, and irrigation systems for Jacobo Regalado's properties. When arrest warrants were finally issued, most of the accused spent only four or five days in prison. On July 28, Judge Lidia Alvarez Sagastume of the Sentencing Tribunal of the Supreme Court of Justice (CSJ) downgraded the charges, thus [voiding](#) the requirement of preventive detention for them and allowing them to go free. Only [three](#) of the accused remain detained, including the former SAG Minister Jacobo Regalado (accused of abuse of authority and misappropriation of public funds).

When the majority of the accused were set free, UFECIC [appealed](#) the judge's decision, stating it lacked [judicial basis](#). Via Twitter, MACCIH voiced its support for UFECIC's appeal.

Public reactions to the judge's decision have been overwhelmingly negative, with former presidential candidate Salvador Nasralla claiming only Honduran citizens or the [United States](#) can save the country. The [CNA](#) lamented the corruption in the judicial branch, and [Radio Progreso](#) published an analysis of the failing judicial system. However, and notably, former President Porfirio Lobo [vocally supported](#) CSJ's decision. He was president during the period the embezzlement of SAG allegedly took place. U.S. Charge Heidi Fulton [tweeted](#) about the importance of a transparent judicial branch and eradicating impunity in Honduras.

As of August 3, [El Heraldo](#) reported that six of the accused had still not turned themselves in to the authorities.

### *Other New Corruption Cases*

The National Anti-corruption Council (CNA) announced they will present new [investigations](#) regarding corruption linked to [infrastructure](#) projects and health network in the country. The CNA later stated that the Public Ministry and MACCIH would soon announce [Pandora II](#), a follow-up investigation that allegedly includes current President Juan Orlando Hernández,

Additionally, former rector of the National Autonomous University of Honduras (UNAH) Julieta Castellanos has petitioned the Public Ministry and MACCIH to [investigate the Trans-450 project](#), an infrastructure project executed by the current Vice-President and former Tegucigalpa mayor, Ricardo Álvarez.

### *New Developments in the Judiciary Council Case*

On July 27, Corruption Appeals Court [revoked cautionary measures](#) it had previously handed to the former members of the now-extinct Judicial Council (Consejo de la Judicatura y de la Carrera Judicial), who have been accused of 600 corruption-related crimes. By revoking cautionary measures, the accused have to remain in preventive detention. The accused's lawyers presented an [appeal](#) on July 30 before the same court.



### *New Developments in the Legislators' Network Case*

On July 13, the National Congress decided to [annul](#) the Departmental Development Fund, budgeted at approximately USD\$16.6 million, and to divert half of those funds to provide salary raises to Congress employees. The mismanagement of this fund led to the initial accusation of five of the accused congressmen in *Red de Diputados*.

Supreme Court Magistrate Alma Consuelo Guzmán is said to be on the list of government officials whose visas have been suspended by the U.S. government, reports [Criterio.hn](#). The alleged visa suspension would be connected to her role in the *Red de Diputados* trial.

Román Villeda Aguilar's attorney presented an [appeal](#) against the judge's "*auto de formal procesamiento*" against his client, received on June 27. He was accused of abuse of authority, due to the changes in the Budget Law that led to the stalling of the *Red de Diputados* case. Villeda Aguilar, currently a member of congress, is not in prison.

### *New Developments in the Case Against the Former First Lady Rosa de Lobo*

Rosa Elena Bonilla de Lobo, former first lady of Honduras, had a review hearing on August 27, after her lawyers had petitioned for her to be able to defend herself in liberty. She remained detained, as did her former secretary Saul Escobar Puerto and her brother-in-law Mauricio Mora. The Public Ministry argued strongly against the accused being set free since they present a flight risk. The judges denied the petitions, and the accused remained in preventive [detention](#).

### *New Developments in the Social Security Institute (IHSS) Case*

German Leitzelar, Commissioner of the IHSS investigation commission, asked the Public Ministry to [repatriate](#) approximately USD\$1 million in properties that were confiscated from Natalie Ciuffardi; who was romantically linked to former IHSS director Mario Zelaya and participated in money laundering activities from the IHSS embezzlement.

## **2. Institutional Strengthening**

Luiz Antonio Guimarães Marrey, the new MACCIH spokesperson, presented his [credentials](#) to the Foreign Minister on July 5, stating he will have [zero tolerance](#) for corruption. Guimarães Marrey subsequently has held meetings with representatives of the National Anti-corruption Council ([CNA](#)), the main private Enterprise Council, [COHEP](#), and the Social Forum for External Debt and Development of Honduras, [FOSDEH](#). Aquiles Parada, a [prosecutor](#) from El Salvador, and Colombian judge [María Consuelo Rincón](#) joined MACCIH, signaling concrete actions strengthen the Mission, according to [CB24.tv](#).

Óscar Chinchilla was reelected as Attorney-General in a dubious process. *Proceso Digital* claims that the Ministry's budget needs to be [increased](#) to properly fight corruption mafias and organized crime.



However, several analysts have expressed displeasure at Chinchilla's reelection: an analysis by Joaquín Mejía details why Chinchilla [should not](#) have been reelected, pointing to the fact that his reelection is unconstitutional, against international law, and "morally" wrong. [Gaspar Vallecillo](#) claims that the reelection was another affront to the country's already weak institutions. And the International Center for Justice and International Law (CEJIL) criticized the reelection as lacking [transparency and legitimacy](#).

The US Embassy promptly expressed its [congratulations](#) to Prosecutor Chinchilla on his reelection, as did the Organization of American States.

### 3. Proposed Reforms to the Justice System

The Support MACCIH Front in Congress [urged](#) Congress to approve the "*Ley de Colaboración Eficaz*," which has been shelved since [April 2017](#).

### 4. Public Security Reforms

Spokesperson Guimarães Marrey [met](#) with the commissioners of the Finance, Transparency, and Audit Unit for Political Parties (UFTF), expressing continued support for the technical unit.

The Clean Politics Unit announced that in August it will present a [report](#) on its work. One of the results to be detailed in the report is the audit of L.220 million, approximately USD\$9.1 million, used in the electoral campaigns of November 2017. Javier Franco, Unit Commissioner, stated the Unit has found irregularities or inconsistencies in the use of approximately USD\$187,000.00.

On electoral reform: Reinaldo Sánchez, President of the Central Committee of the *Partido Nacional*, Antonio Rivera Callejas, Vice President of Congress, and *Partido Nacional* representatives Mario Pineda and Luis Colindres met with Luis Almagro, Secretary General of the OAS, in which they handed the SG a [petition](#) asking for OAS Support in the elaboration of a new Electoral Law. This idea came about in the National Dialogue Framework.

### 5. Accountability

Julián Pacheco, Security Minister, met with Luiz Antonio Guimarães Marrey, to strengthen the working relationship between both institutions and to present the latter with the advances in the [police reform efforts](#).

Guimarães Marrey also met with Prosecutor Chinchilla from the Public Ministry, and they discussed [UFECIC's work](#). The new spokesperson also introduced Chinchilla to the new [international investigators](#) who are now part of MACCIH.

The Police Purge Commission, which Pacheco Tinoco is part of, delivered to the Public Ministry [1,614](#) files of former agents and officials of the extinct Direction of Investigation and Evaluation of the Police



Career (DIECP) and the National Police. The Police Purge Commission also informed that it is working on 10 new police regulations that are related to the [Organic Police Law](#) and the Police Career Law. Among the purged are [former police directors](#).

## 6. Relevant Miscellanea

On June 21, our Center for Latin American & Latino Studies and UNITEC hosted a public event to present "[From Steady Progress to Severely Wounded: A Two-Year Report on the Performance of the OAS Mission in Support of the Fight Against Corruption and Impunity in Honduras](#)," a report on the first two years of the Mission and its progress and setbacks authored by Professor [Charles Call](#). The event was attended by an audience of over 200 people, including diplomats, NGO representatives, prosecutors, academics, students, and civilians. The size of the audience and engagement showed the public interest in MACCIH and the Honduran population's deeply-felt desire to see corrupt government officials behind bars. You can watch the video of the entire event [here](#).

On July 31, the Center for Latin American & Latino Studies, the Washington Office of Latin America, and the Inter-American Dialogue hosted an event at the Dialogue that discussed the two-year report and anti-corruption efforts in Honduras, as part of the "Monitoring MACCIH and Anti-Impunity Efforts in Honduras" [project](#). Professor Charles Call provided a summary of CLALS's two-year report, and special guests Luis Santos, Head of UFECIC, and Ana María Calderón Boy, MACCIH's former interim spokesperson and now Coordinator of MACCIH's Division of Prevention and Combating of Corruption, provided their perspective on anti-corruption efforts in Honduras. The discussion was moderated by WOLA's Adriana Beltran. A video of this event is available [here](#).

An international newspaper reports that Honduras is "[back to normal](#)" after nine months of unrest since the November 2017 elections, a process questioned for its many irregularities.

Former President Manuel Zelaya Rosales (2006-09) delivered a [letter](#) to the International Human Rights Commission (CIDH), during its Honduras visit from July 30 to August 3. In his letter, he detailed the many human rights violations that have taken place since the reelection, and the impunity for the perpetrators. The CIDH visited Honduras to evaluate [the human rights situation in the post-electoral context](#).

Congressman Óscar Nájera has accused ASJ representatives of being responsible for his being included in a list that U.S. congressional representatives are presenting to President Donald Trump to petition for those named in the list to have the [Magnitsky Law](#) applied to them.

The "*Los Olanchanos*" case, presented in April to the Public Ministry by the CNA, has not been covered by the media in the last months. CNA director, Gabriela Castellanos, has, on multiple occasions, denounced there are five corruption networks in the health sector in Honduras, and that "*Los Olanchanos*" is just the tip of the iceberg.

On August 14, a [National Dialogue](#), facilitated by Igor Garafulic (United Nations Resident Coordinator in Honduras) was convened. Garafulic had to call it off after three hours. Insults and accusations flew,



and Garafulic expressed his dismay: “The mistrust between the political parties is bigger than the desire to have a dialogue.”

On August 14 in Washington DC, U.S. Representative Norma J. Torres and U.S. Senator Ben Cardin issued a statement after President Trump signed the National Defense Authorization Act into law. The NDAA included a provision they introduced requiring the Secretary of State to provide Congress with a list of individuals, including government officials, who have committed serious acts of corruption, drug trafficking, and illicit campaign finance in Guatemala, Honduras, and El Salvador. Torres said, “Our provision sends a clear message that the United States is serious about the fight against corruption in Central America. We must do everything in our power to help ensure accountability.” Cardin added: “We must be willing to name names, and that’s what this legislation does. The Secretary of State now has 180 days to provide Congress with a list of names. It is time to get to work. Human rights abuses and entrenched corruption in Central America have a direct impact on the national security of the United States, and the U.S. government should use all the tools at its disposal to name and shame, denying abusers and corrupt officials’ access to the U.S. and our financial institutions.”