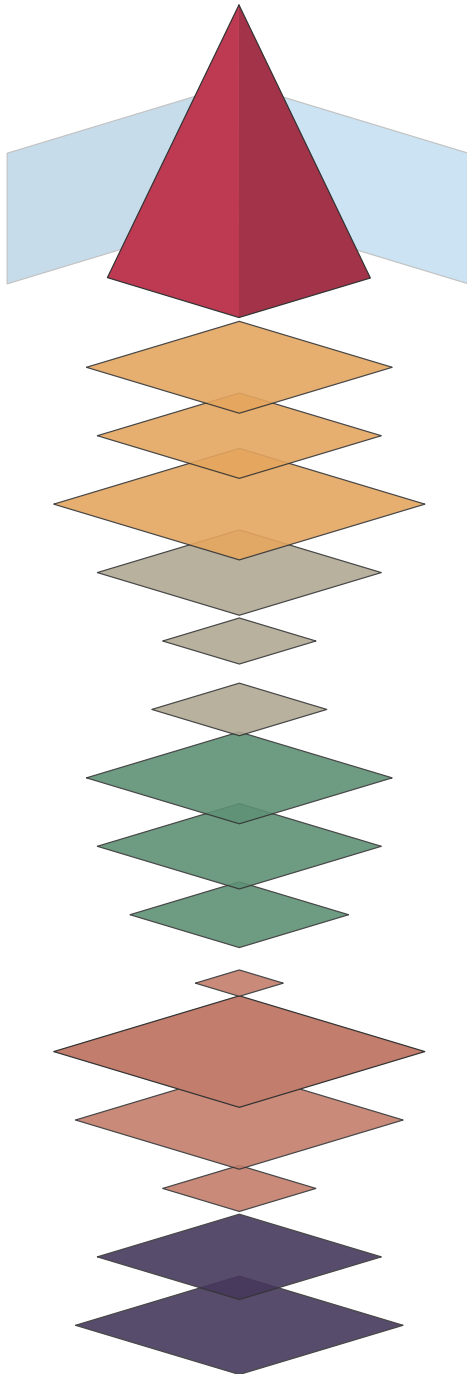




HONDURAS



7.05

CRIMINALITY SCORE

13th of 193 countries

5th of 35 American countries

2nd of 8 Central American countries



CRIMINAL MARKETS

6.00

HUMAN TRAFFICKING 7.00

HUMAN SMUGGLING 6.50

EXTORTION & PROTECTION RACKETEERING 8.50

ARMS TRAFFICKING 6.50

TRADE IN COUNTERFEIT GOODS 3.50

ILLICIT TRADE IN EXCISABLE GOODS 4.00

FLORA CRIMES 7.00

FAUNA CRIMES 6.50

NON-RENEWABLE RESOURCE CRIMES 5.00

HEROIN TRADE 2.00

COCAINE TRADE 8.50

CANNABIS TRADE 7.50

SYNTHETIC DRUG TRADE 3.50

CYBER-DEPENDENT CRIMES 6.50

FINANCIAL CRIMES 7.50



CRIMINAL ACTORS

8.10

MAFIA-STYLE GROUPS 8.50

CRIMINAL NETWORKS 7.50

STATE-EMBEDDED ACTORS 8.50

FOREIGN ACTORS 8.00

PRIVATE SECTOR ACTORS 8.00



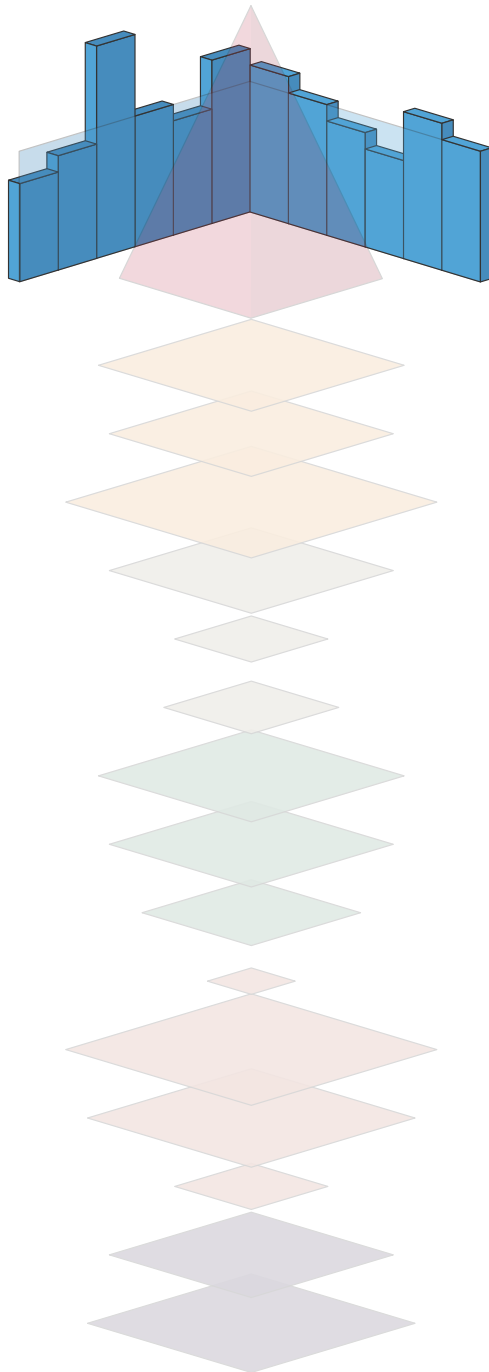
4.08

RESILIENCE SCORE





HONDURAS



4.08

RESILIENCE SCORE

127th of 193 countries

26th of 35 American countries

4th of 8 Central American countries

POLITICAL LEADERSHIP AND GOVERNANCE	3.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	6.50
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	3.50
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	4.50
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	3.50
VICTIM AND WITNESS SUPPORT	3.00
PREVENTION	4.50
NON-STATE ACTORS	4.00



7.05

CRIMINALITY SCORE



CRIMINAL MARKETS 6.00



CRIMINAL ACTORS 8.10



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking is a considerable problem in Honduras because of the high number of people travelling through the country to reach the US and other countries such as Belize, El Salvador, Guatemala, and Mexico. Victim vulnerability has increased because of rising unemployment, reduced labour income, gang violence, gender discrimination, and domestic violence. Indigenous and Afro-descendant children are at risk of exploitation because of racial discrimination. Many trafficking victims are forced to work as street vendors, domestic servants, and drug traffickers. They are also exploited for sex work.

The human smuggling market operates domestically and transnationally, with criminals using social media platforms to coordinate and transport people across the Northern Triangle of Central America (Guatemala, Honduras, and El Salvador). Caravans of people offer protection for those fleeing domestic threats, but they are often targeted by organized crime groups who kidnap and hold them for ransom. Despite the risks, victims continue to employ smugglers in the hopes of enhanced security en route. The socio-economic impacts of the COVID-19 pandemic and natural disasters have increased the vulnerability of current and potential victims. Violence, extortion, and drug trafficking in Honduras and surrounding regions continue to encourage emigration to countries such as the US.

Extortion is a major source of income for mafia-style groups in Honduras. To evade law enforcement, criminal groups often force children to collect extortion payments on their behalf, and they increase their income by forcing victims to pay for undelivered services. The transport sector has become one of the most dangerous industries in Honduras because of such illicit practices. Few extortion cases are reported because of collaboration between military and police officials and criminal actors. Extortion from within the prison system is common, and territorial competition between criminal groups drives this crime. Poverty also drives low-income people to engage in extortion, posing as members of criminal groups to feed or protect their families.

TRADE

Loose gun laws and political instability make Honduras an attractive market for the illicit arms trade, which involves a variety of actors, such as drug traffickers, criminal gangs, corrupt officials, and locals who want to avoid the time-consuming process of registering weapon ownership. Illicit firearms are smuggled into Honduras through various

means, including the smuggling of weapon parts in transport vehicles and the concealment of weapons in legal import containers. The legal framework for firearms in Honduras is full of loopholes and largely unenforced, and corrupt officials exacerbate the problem by providing black-market weapons. As a result, high rates of violence are reported in Honduras, with the majority of homicides being committed with illicit firearms. Criminal groups operating in Honduras have started purchasing newer, higher-powered weapons suitable for urban warfare from Mexican criminal groups and corrupt officials in neighbouring countries.

Although no structured criminal groups are believed to be involved in Honduras' counterfeiting market, counterfeit goods, such as medicine and clothing, are often seized from temporary warehouses, shops, and pharmacies across the country. Although the trade of counterfeit goods in Honduras is not significant, the country's economy is predisposed to the export of such products.

Criminal groups, particularly gangs, in Honduras engage in the illicit trade of excise goods such as soft drinks, cigarettes, and alcoholic beverages. The smuggling of excise goods is linked to several illicit points of entry into Honduras, including customs points and blind spots. Smuggling routes align with those used by legal international commerce companies seeking to capitalize on free-trade zones in Colón, Panama and Corozal, Belize. Illicitly sold alcoholic beverages account for close to a quarter of all domestic alcohol consumption. The smuggling of Chinese-sourced excise goods originates with transport from China to Mexico, then to Belize, and finally into Honduras through either Guatemala or El Salvador. The illicit trade of excise goods has a notable impact on the country's revenue losses and may also contribute to the growth of criminal groups in the region.

ENVIRONMENT

Honduras faces various challenges related to illicit logging, with loggers, landless farmers, drug traffickers, cattle ranchers, and farmland conversion speculators among those involved. Mahogany and cedar are the main targets for traffickers, who export the timber, veneer, or wooden-made products to countries like China, Hong Kong, and the US. These illicit goods often travel the same routes as drugs, which helps to conceal narcotics shipments on cargo ships. In addition, the establishment of coca-leaf plantations, secret airstrips, and drug laboratories associated with Honduras' drug trafficking industry contribute substantially to deforestation. Corrupt officials in Honduras often support illegal logging operations by providing false permits, which allow trafficked timber to be mixed with legal cargo at sawmills before it is exported.

Illicit logging has been linked to higher homicide rates in certain parts of the country.

A variety of species is exploited for different purposes such as exotic pets, consumption, and body parts in Honduras. Jaguars are often killed in response to cattle attacks and sold for extra income, and iguanas, turtles, and vipers are frequently trafficked. The trade occurs locally and internationally, with macaw eggs trafficked between Honduras and El Salvador, and jaguar parts potentially sold to Chinese nationals. Prices for trafficked wildlife vary depending on the species and whether they are intended for local or foreign markets. An illicit trade in sea cucumbers is on the rise, with fishing boats extracting large quantities of the creatures each season. Regulatory issues, including corrupt officials accepting bribes to ignore legal fishing quotas, have made the illegal trade more profitable than its legal counterpart.

Honduras has significant deposits of minerals like gold, silver, zinc, and lead. Although illegal mining is a punishable offence under the Honduran penal code, locals continue to engage in informal gold mining operations. The government has acknowledged the negative impact of gold and mineral exploitation and has promised to ban open-pit mining and cancel existing permits for the activity. Oil theft and smuggling occur in Honduras, often linked to criminal gangs and other groups known as lateros.

DRUGS

There is currently no evidence to suggest the existence of a considerable heroin trade in Honduras. However, recent law enforcement investigations suggest that drug cartels in the country's northern regions are probably growing poppy plants, which may be linked to poppy plantations in neighbouring countries such as Guatemala. Nevertheless, poppy production in Honduras is still relatively low, and heroin demand is much lower than that of drugs such as fentanyl.

Honduras serves primarily as a key transit country for cocaine trafficked through the Central American isthmus to Mexico and the US. Despite increasing government crackdowns, drug peddling continues to be a lucrative source of revenue for local criminal gangs. The increasing discovery of domestic drug laboratories and coca-leaf plantations suggest that Honduras is also becoming a source country for the regional cocaine trafficking market. High-level corruption among security forces, judicial authorities, and other governing authorities in Honduras facilitates cocaine trafficking.

Honduras has a notable cannabis market with mafia-style groups and other criminal groups, including local street gangs, involved in the production and micro-trafficking in the country. Honduran cannabis is primarily sold along Guatemala's Atlantic coast and to tourists visiting Belize, and

wholesalers are believed to act as intermediaries between local gangs and larger drug trafficking organizations.

The link between Honduras and the global synthetic drug trade is unclear, with no significant evidence of the country producing synthetic drugs for international export. However, there have been multiple seizures of chemical precursors for synthetic drugs, such as ephedrine and pseudoephedrine, transiting through Honduras to neighbouring countries. Large-scale drug traffickers are believed to have supplied ephedrine to Mexico in previous years. Although there is some concern that Honduras could become a fentanyl hub because of weak institutional capacity and vendors with Honduran origins found in dark web markets, recent data on domestic synthetic drug use is lacking. There is also an increase in the sale of chemically altered cannabis, which is mostly carried out by mafia-style groups active in the country.

CYBER-DEPENDENT CRIMES

Criminal actors in Honduras, especially those linked to gangs, have been involved in cyber-dependent crimes more frequently, resorting to hacking, computer sabotage, and ransomware attacks, through advanced technological tactics. Domestic companies, banks, and media outlets have increasingly reported being victims of cyber-attacks. Government websites have reportedly been targeted too, with criminals using cyber knowledge to break into institutional computer platforms.

FINANCIAL CRIMES

Financial crimes are prevalent in Honduras and are often connected to political parties and widespread corruption within the state apparatus. Senior politicians are frequently accused of embezzling state revenue, which is then redirected to fund political campaigns. The most common types of corruption linked to financial crimes in the country include procurement fraud, tax evasion, embezzlement, and capital flight, which have substantial macro-economic impacts. These crimes are perpetrated by various corrupt and criminal actors, including government officials at local and national level, public and private sector actors, elements of organized crime, international financial organizations, and even foreign governments. Additionally, fraudulent activities through false web pages and phishing tactics have increased at Honduran banking institutions. As a result, cyber-enabled financial crime continues to occur systematically and with impunity in the country.

CRIMINAL ACTORS

Mafia-style groups operating in Honduras are involved in a range of criminal activities, such as drug trafficking, car theft, and extortion. The revenue generated from drug trafficking has contributed to the growth and sophistication of these

groups. There are two main mafia groups in Honduras, both of which employ extreme violence and extortion to control the territories they operate in. Despite a recent decrease in domestic homicide rates, Honduras remains one of the most violent countries globally. During the COVID-19 pandemic, mafia groups in Honduras refrained from extortion, which allowed them to enter the political sphere by funding allies' campaigns for municipal positions. Additionally, transportista groups, comprising family-based networks, assist mafia groups in criminal activities, such as transport logistics, cargo security, and money laundering.

Bribery and corruption play a significant role in organized crime groups' operations, with deep political ties to local law enforcement and public officials facilitating their activities. Corrupt officials at different levels of government create opportunities for organized crime, and even construct infrastructure and transportation necessities for criminal entities. State security forces are involved in the arms and drug trafficking markets. In April 2022, a former president was extradited to the US for his involvement in drug and arms trafficking, as well as for using drug-related revenue for political campaign funding.

Foreign criminal entities, particularly Colombian and Mexican drug trafficking networks, operate in Honduras through small emissary groups located in large cities and

border regions. These groups engage in drug production activities such as poppy cultivation and laboratory cocaine processing within Honduras, and subcontract Honduran transportista groups to facilitate the illicit transport of drugs northbound to the US via Guatemala. Central American and Chinese criminal networks are involved in local illicit activities such as human smuggling.

Private sector actors such as banks, insurance companies, and remittance companies play a considerable role in illicit activities, especially corruption, in Honduras, facilitating the flow of illicit revenue. Criminal entities often own or exploit the bank accounts of private sector businesses, such as hotels, to launder drug-related and other criminally sourced revenue. Additionally, business elites in Honduras have notable influence over the state judicial system, exacerbating corruption by manipulating legal processes to avoid the consequences of their actions.

Honduras-based criminal networks collaborate with other criminal groups, including state-embedded actors and foreign counterparts, to facilitate various organized criminal markets, such as drug trafficking, human trafficking, and arms trafficking. These networks diversify their activities by targeting transportista groups and stealing drug shipments along smuggling routes.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The recently elected president pledged to reform state institutions by rejecting organized crime and promoting widespread respect for human rights. In recent years, several measures have been implemented to fight organized crime, including reinstating the former national police chief. However, the new administration inherited a highly corrupt state apparatus, including security institutions that are too corrupt or weak to combat impunity. Additionally, the country has grappled with economic hardships brought on by the COVID-19 pandemic, Tropical Storm Eta, and Hurricane Iota. Since taking office, the new leadership has also made efforts to tackle corruption and improve government transparency. One such effort was urging UN officials to establish an international commission against corruption in Honduras. However, corruption continues to pose a significant threat to the new administration and Honduran state security.

Furthermore, Honduras is heavily reliant on foreign aid, with the US being its primary international partner. The US government has provided various forms of assistance, including developing anti-crime capacities and intelligence,

and providing economic aid packages to combat corruption and violence. Other foreign governments and international NGOs have launched anti-corruption and poverty reduction programmes in Honduras. Nevertheless, weak institutional frameworks, corruption, and a lack of stakeholder capacity have hindered the effective implementation of these programmes. Honduras has a legislative framework that addresses a range of illicit activities associated with organized crime including embezzlement, arms trafficking, drug trafficking, and human trafficking. However, the implementation of anti-organized crime legislation remains limited because of corruption and limited law enforcement capacity. Although the country's penal code mandates harsh sentences for membership in criminal organizations, vague legal definitions of gang membership continue to result in arbitrary detentions based on appearances.

CRIMINAL JUSTICE AND SECURITY

The judiciary system in Honduras is plagued by corruption, underfunding, and politicization, rendering it inefficient and contributing to judicial impunity, especially in cases involving state officials and businesspeople from elite

backgrounds. Although there have been efforts in recent years to improve the system, such as digitizing criminal files and establishing specialized tribunals, the judiciary remains a considerable obstacle to the current administration's anti-corruption agenda. There is also a severe lack of due process in civil and criminal cases, resulting in human rights issues. Furthermore, Honduran prisons are notoriously overcrowded, unsanitary, and allegedly under the control of criminal organizations. Most prisoners are pre-trial detainees, and in some cases prison officials themselves lack integrity and competence.

Honduras has various law enforcement agencies, including the national police and specialized units tasked with combating organized crime. However, these agencies suffer from inadequate resources, such as staff, equipment, and fuel, and are plagued by corruption. Law enforcement officials often face allegations of colluding with criminal organizations and committing human rights abuses. To address these issues, the country has implemented some reforms, such as a training programme for new recruits and cooperating with the US to apprehend and extradite people wanted for various criminal charges. Despite some improvements, the country's law enforcement capacity remains limited, and previous administrations' legacies pose significant challenges.

Honduras' location and terrain make it a noteworthy hub for the regional trafficking of illicit goods and people between South America and the US. The Honduran-Guatemalan border is a notable site for clandestine crossings, and border police often lack the necessary resources for patrols. Additionally, the Honduran navy is substantially lacking in operational capacity, despite having air radar. The Honduran government's territorial control is limited by vast forest cover that conceals various criminal activities in rural areas and criminal networks in urban areas. However, in recent years, the Honduran government has made efforts to increase security at legal ports of entry by investing in port infrastructure and technology and working with US officials to deter irregular migration.

ECONOMIC AND FINANCIAL ENVIRONMENT

Honduras faces critical obstacles in its anti-money laundering efforts because of a lack of investigative capacity, inter-institutional cooperation, and digitalization. The country's laws have not been effectively implemented, and the Financial Intelligence Unit lacks transparency and analytical capacity. The banking and insurance commission reportedly lacks comprehensive internal mechanisms. Despite receiving support from a US-deployed legal advisor on financial crime-related issues, Honduras remains one of the highest-risk locations for money laundering and terrorism financing in South America. To effectively combat money laundering and terrorist financing, the country needs to improve its investigative capacity, inter-institutional cooperation, and digitalization efforts.

Honduras' economic regulatory system is highly corrupt, which has led to the development of a large informal economy benefiting corrupt private sector actors. The country struggles to control monetary and customs flows, and its financial sectors, including banks, credit unions, real estate, construction, currency exchange operators, and remittance systems, are vulnerable to money laundering. Public procurement processes and trade-based industries, such as wood logging and cattle ranching, are significantly affected by organized crime. Private sector financial institutions tend to have greater control over organized crime assets than state institutions because of the severe lack of resources allocated to state institutions.

CIVIL SOCIETY AND SOCIAL PROTECTION

Honduras' support for victims of crime is highly inadequate, with few mechanisms in place to support victims of modern slavery and highly inefficient witness protection programmes that lack institutional capacity. Victims alleging extortion have increasingly been forced to seek ratification of their allegations in criminal gang-controlled extortion courts. NGOs provide rehabilitation services to drug abuse victims.

Honduras lacks prevention initiatives in the fight against organized crime, with a focus primarily on increased security and territorial integrity. Although efforts to raise public awareness about cyber-related risks have increased, comprehensive national and regional campaigns linked to cybercrime prevention are lacking. Crime-prevention strategies are further affected by threats and physical violence against whistle-blowers and anti-crime activists, resulting in most crime going unreported.

Honduras has a poor record on press freedom, with journalists and media employees at high risk of violence and harassment, particularly if they are aligned with opposition voices against the ruling party. State security forces, primarily military police and army members, perpetrate the highest levels of harassment and violence against journalists and media employees. Rampant judicial corruption often results in the conviction and imprisonment of journalists falsely accused of defamation. Attacks against human rights defenders, including activists and journalists, are common in the country. Despite these issues, human rights groups continue to publicly oppose corruption, fight for indigenous land rights, and voice concerns over other prominent human rights-related issues in Honduras.

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