

# LATIN AMERICA REPORT

**1 February – 30 April 2018**

Produced for AIG

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EXPERTISE



## COUNTRY HIGHLIGHTS

### MEXICO

- > The first quarter of 2018 was reportedly the most violent in Mexican history, based on the number of recorded homicides
- > This period has been characterised by significant politically motivated demonstrations
- > The threat from kidnap for ransom remains severe, particularly in border areas

### COLOMBIA

- > Incidents of civil unrest increased over the reporting period, notably over issues connected to the 2018 presidential election
- > The overall threat from kidnap and crime remains severe along the country's porous borders where drug trafficking is rife, particularly in the Catatumbo region and in Putumayo and Nariño
- > The crime level increased significantly in Q1 2018 compared to the corresponding period in 2017

### GUATEMALA

- > Incidents of extortion are increasingly common, targeting all strata of society
- > Gangs continue to perpetrate a high number of violent crime and extortion incidents
- > Civil unrest remains a substantial threat, with protests related to alleged government corruption

### BRAZIL

- > There is a severe threat of crime, particularly violent crime, in the northern states of Brazil, where major drug trafficking routes from Colombia and Peru are located
- > The number of civil unrest outbreaks is expected to increase in the months preceding the presidential election, scheduled for October 2018
- > Extortionists continue targeting small business owners for protection rackets

### ECUADOR

- > Since January drug traffickers have increased their use of routes in the northeastern states
- > The kidnap threat in Esmeraldas is heightened due to the presence of FARC dissident groups
- > Political protests are common, recently motivated by concessions granted in the rainforest

## THREAT TABLE

	OVERALL	CIVIL UNREST	CRIME	KIDNAP	EXTORTION
MEXICO	Severe	Moderate	Severe	Substantial	Severe
COLOMBIA	Substantial	Substantial	Severe	Substantial	Substantial
GUATEMALA	Substantial	Substantial	Severe	Moderate	Substantial
BRAZIL	Severe	Substantial	Severe	Severe	Substantial
ECUADOR	Substantial	Moderate	Substantial	Substantial	Substantial

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## **MEXICO**

### **CIVIL UNREST**

Incidents of civil unrest have increased in frequency since the previous reporting period, largely in response to policy announcements by US President Donald Trump regarding the border wall with Mexico and the issue of forced disappearances. The latter was highlighted on 26 April in Guadalajara, when approximately 12,000 protesters demonstrated against the deaths of three students who were abducted and subsequently killed and dissolved in acid by members of the Jalisco New Generation Cartel.

### **CRIME**

There has been a spike in assassinations during the run-up to Mexico's regional and national elections scheduled for 1 July 2018. According to the Organization of American States there is an average of one murder of a candidate every four days. Notably, the Citizens' Council for Public Security and Criminal Justice has reported that the first quarter of 2018 has been the most violent in Mexico's history, with 7,667 victims of homicide (an average of 85 homicides per day). However, this may be attributed to the new, more comprehensive, methodology for the registration and classification of crime by the central government introduced in January 2018.

High profile criminal incidents in popular tourist areas indicate the escalation of narco-violence throughout the country. In the past, the central government has successfully shielded these areas from violent crime in order to protect the tourist industry. However, on 9 March the US issued a travel warning for Playa del Carmen after explosives were discovered on a ferry in Cozumel on 2 March and an explosion on a tourist ferry on 21 February injured more than 20 travellers.

### **KIDNAP**

According to Stop Kidnapping, a Mexican NGO, there were 245 kidnap incidents recorded nationally in February and March 2018. The states of Tamaulipas, Mexico and Veracruz accounted for the highest number of kidnappings. During the reporting period there were multiple victims of kidnap for ransom that were abducted shortly after entering Mexico from the United States. On 17 February two Americans were kidnapped in Nuevo Leon state and rescued nine days later from the northern city of Monterrey. On 9 February three Belizean cyclists were kidnapped and held in Matamoros City, Tamaulipas, shortly after crossing the border. Criminal gangs operate in border areas and some have the intent to kidnap foreign nationals for ransom due to the victims' perceived affluence compared to the local population.

### **EXTORTION**

The number of incidents of extortion – particularly in tourist areas – has increased slightly since the previous reporting period. National statistics show 973 incidents of extortion occurred in February and March 2018. States that reported the highest rate of extortion during this reporting period include Baja California Sur, Nuevo Leon and Jalisco.

### **OUTLOOK**

Incidents of civil unrest, homicide and assault, particularly targeting political candidates, are likely to increase in frequency in the short term due to upcoming elections. This year local elections in 30 of Mexico's 32 states are scheduled on the same day as the presidential election, making it the biggest election in Mexican history.

## COLOMBIA

### CIVIL UNREST

An elevated number of protests, many of which focused on issues and personalities associated with the upcoming presidential elections in May and June, took place around Colombia during the reporting period. On 7 February protesters gathered in Cali to demonstrate against Rodrigo “Timochenko” Londoño’s presidential bid during his visit to the city for a press conference. Protesters shouted “murderer” and threw eggs at Londoño and his protection detail. On 28 March a Holy Week celebration in Popayán was interrupted when a number of attendees began to protest against the presence of presidential candidate Iván Duque.

### CRIME

The number of crime incidents – particularly theft and homicide – increased significantly in the reporting period. Theft continues to be the most commonly reported crime throughout Colombia, particularly in large urban centres such as Bogotá and Medellín. According to the General Prosecutor’s Office, 81,039 incidents were recorded between 1 January and 14 March 2018. This is a 17.8% (or 12,265 incidents) increase compared to the same period in 2017. Cities along the Colombian-Venezuelan border, which serve both as a transit point and as a final destination of Venezuelan immigrants, have witnessed a significant increase in crime rates.

On 31 March a Swiss tourist was shot and killed after resisting a robbery attempt in Santa Marta, Magdalena Department. Although official statistics have not yet been released, there has reportedly been a spike in the number of homicides in from 1 February to 30 April – particularly in regions where the illicit crop substitution programs have begun to develop. There is a substantial threat of violent crime in contested regions where organised criminal groups, FARC dissident groups and the ELN vie for territorial control. These include the Catatumbo region in Norte de Santander, Putumayo and Nariño.

### KIDNAP

During the reporting period the threat of kidnap for ransom remained substantial, with a heightened threat in areas of armed group activity characterised by weak law enforcement, and along the country’s porous borders frequently used as drug trafficking routes. On 13 April suspected ELN members kidnapped the president of a community action committee in the municipality of Teorama in Norte de Santander department, which borders Venezuela.

### EXTORTION

The threat of extortion remained substantial in the reporting period, though GAULA (Unified Action Group for Personal Liberty) launched operations to address the threat. Notably, on 12 April Colombian security forces arrested 281 individuals on charges of extortion, including former FARC members and members of BACRIMS (criminal bands) and cartels, such as the Clan del Golfo.

### OUTLOOK

Incidents of civil unrest are expected to increase in frequency ahead of the 2018 presidential election and in its immediate aftermath. Border regions and regions of coca cultivation will remain severe threat areas and are expected to witness an increase in kidnap and violent crime in the short to medium term due to the presence of active criminal groups.

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## **GUATEMALA**

### **CIVIL UNREST**

This reporting period witnessed significant outbreaks of civil unrest, consistent with previous reporting periods, principally due to the investigation by Guatemala's attorney general and a UN-backed anti-graft body into suspected illicit financing in President Jimmy Morales's 2015 presidential campaign. On 24 April thousands of protesters convened in the capital to demand Morales's resignation. Other demonstrations during the reporting period included a protest by 2,000 indigenous Xinka against the Escobal silver mine on 9 April and a procession on 8 March that honoured 41 casualties and 15 survivors of a fire in an orphanage last year.

### **CRIME**

The threat of both petty and violent crime is assessed as severe throughout Guatemala. Petty crime is widespread and incidents often target foreign nationals, particularly on public transport and in heavily populated areas frequented by tourists. The use of motorcycles to perpetrate crimes remained a common tactic used by criminals in heavily populated areas. Armed assault is a commonly occurring crime and such incidents can occur spontaneously in any location.

Violent crime is largely perpetrated by the country's gangs (Barrio 18, MS13, CIACS, Los Mendoza, Los Leones and Los Lorenzana), who primarily target rival groups. Gang war violence has been known to indiscriminately spill over into local communities. On 21 March a taxi driver was shot dead through his windscreen in El Maestro colony, Quetzaltenango. One passenger jumped from the moving car during the attack and two of the others were injured. No further information is available about who may have perpetrated the attack, indicating the unpredictable nature of violence throughout the country.

### **KIDNAP**

The threat of kidnap in Guatemala is assessed as moderate. Kidnap incidents remained infrequent during the reporting period due to the relative effectiveness of the National Civil Police (PNC). The PNC carries out regular anti-kidnapping operations and has reported a year-on-year decline in kidnapping since 2008. In 2017 the PNC reported 24 kidnappings, however the real number of incidents is likely higher due to underreporting. Although criminal gangs do not typically target foreign nationals for kidnap, the Public Prosecutor's Office noted that the kidnap environment is slowly shifting from intelligence driven, organised abductions to more opportunistic attacks.

### **EXTORTION**

Incidents of extortion, often perpetrated by criminal gangs, are increasingly common. Perpetrators target all strata of society indiscriminately, and victims who do not comply with extortionists' demands face a severe threat of violence. On 21 March the PNC carried out 45 raids to dismantle a network of extortionists posing as gang members to extract regular payments from their victims.

### **OUTLOOK**

Corruption will remain a severe threat in the medium term. This will ensure that the structural conditions precipitating Guatemala's high levels of insecurity will fail to be addressed. Therefore, violent crime, kidnap and extortion will remain significant threats to both foreign and domestic nationals.

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## **BRAZIL**

### **CIVIL UNREST**

Brazil experienced an elevated number of demonstrations throughout the reporting period. The most prominent incidents focused on ex-President Luiz Inácio Lula Da Silva's sentencing and imprisonment for corruption. Multiple demonstrations escalated and involved violence. On 28 April shots were fired at a pro-Lula camp and on 7 April police allegedly used rubber bullets and tear gas to disperse approximately 500 Lula supporters gathered outside the prison where he is held near Curitiba. According to local reports, more than 20 shots were fired and two people were hospitalised for their injuries. Lula maintains a large following of supporters despite his conviction, indicating protests by pro-Lula contingents are highly likely to occur in the short term.

### **CRIME**

Brazil continued to witness elevated rates of violent crime during the reporting period, particularly in large urban areas, and along drug trafficking routes in the northern border states. A spate of homicides between 26 March and 2 April in Belém, a well-known trafficking hub, resulted in the death of 12 people. According to the local authorities, the homicides exemplified execution characteristics, characterised by the perpetrators' targeting of individuals with a criminal background. The severe homicide rate is linked to the presence of organised criminal groups in Brazil and conflict over contested territory.

### **KIDNAP**

Incidents of express kidnap continue to be the most commonly reported type of kidnap in Brazil. On 28 April criminals using fake weapons carried out an express kidnapping targeting a Brazilian family of three on the Vitalina Grassman Street in Jardim Mirante, São Paulo. Domestic nationals remain the primary victims of kidnap and criminals often target bank managers or security firm employees in order to gain access to banks and corporate safes. On 5 April four armed criminals attempted to kidnap a bank manager and his family in São Domingos do Maranhão in order to access his place of work. Two of the four kidnappers were killed as a result of a clash with police officers, while the others managed to escape.

### **EXTORTION**

Extortion continues to permeate all levels of society in Brazil. Organised criminal groups, corrupt police officers and opportunistic criminals all participate in extortion related activity. Criminal gangs frequently target private transport providers for access to their areas of operation and charge small businesses a "protection fee". On 3 March, three military police officers were arrested under suspicion of extorting small business owners in Bangu, Rio de Janeiro – a neighbourhood beset by police involvement in kidnapping, extortion and trafficking of illicit goods.

### **OUTLOOK**

Organised criminal groups will likely expand their areas of operation throughout Brazil, resulting in continued violent conflict over territorial control. Crime, kidnap and extortion, exacerbated by turf wars, are expected to remain at elevated level. Brazil's northern border and states along the Atlantic coast will continue to witness severe threat levels due to the presence of organised criminal groups and illicit trafficking.

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## **ECUADOR**

### **CIVIL UNREST**

Outbreaks of politically motivated civil unrest are frequent in Ecuador, particularly surrounding the intersecting issues of environmental and indigenous rights. In late 2017, President Lenin Moreno pledged to end oil concession grants in areas where local communities had not been consulted. However, in February the Minister of Hydrocarbons announced that the government would auction 16 concessions in the southern rainforest regions, where rights groups say that local communities have not been consulted. This has engendered dissatisfaction among Ecuador's powerful indigenous rights community and will likely lead to further demonstrations in the short term.

### **CRIME**

New drug trafficking routes through Sucumbíos witnessed increased illicit trafficking activity from Nariño and Putumayo, Colombia during this reporting period. The militarisation of the Colombian border in Esmeraldas and increased police presence in San Lorenzo, Colombia, has led Ecuadorean drug traffickers to modify their operations. Law enforcement officials seized a total of 520kg of cocaine originating from Nuevo Loja, Sucumbíos in March and April.

### **KIDNAP**

During the reporting period the kidnap threat along the Colombian border increased due to heightened activity from the estimated 1,200 former FARC rebels believed to have joined dissident groups operating in the region. The groups have conducted a number of kidnappings in retaliation to President Moreno's militarisation of the area in an attempt to interrupt the flow of narcotics to the Pacific Coast. On 26 March two Ecuadorean journalists and their driver were kidnapped in Esmeraldas on the Colombian border, and on 13 April it was confirmed they had been killed. On 17 April two more Ecuadoreans were kidnapped by the same group, believed to be led by a dissident known as "Gaucho", in the same area. Although recent incidents have primarily affected Ecuadoreans, the threat also applies to foreign nationals and travel in the border region is strongly advised against.

### **EXTORTION**

The threat of extortion remained substantial during the reporting period. The most frequently reported incidents involve criminals posing as policemen with the intent to extort individuals for financial gain. On 12 April security officials arrested two men impersonating police officers who sought out wanted criminals and demanded at least USD200, threatening incarceration otherwise. Cases of extortion by bogus security officials reported in media highlight incidents against domestic nationals, however, foreign nationals should be aware of the trend. Foreign nationals are especially vulnerable to this type of extortion, particularly if travelling alone on remote rural roads.

### **OUTLOOK**

FARC dissidents will likely continue to conduct kidnappings along the Colombian border, as they seek to expand their areas of operation and put pressure on national and local authorities on both sides of the Ecuador-Colombia border. Incidents of kidnap will likely occur further east towards Sucumbíos in the short term due to heightened drug trafficking activity. Anti-government protests are likely to increase in the short term, largely perpetrated by the indigenous rights community.

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## **LIMITATION**

Our opinion and advice is given on the basis of the information given to us in our instructions and the surrounding circumstances known to us to exist at the time when those instructions are given. We do not accept responsibility for verifying the information or investigating beyond its limits. Subsequent changes to relevant information or to the surrounding circumstances may affect the reliability of our opinion and advice but we do not accept responsibility for that effect. We do not accept responsibility for the outcome of action taken or not taken as a result of our opinion and advice unless the possibility of that action being taken or not take is set out in specific terms in our instructions.

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