



The former security head for the DESA dam company is one of seven people arrested for the killing of Berta Cáceres. © Giles Clarke/Global Witness

## CASE STUDY 2: BERTA CÁCERES, COPINH AND THE SHADY INTERESTS BEHIND THE AGUA ZARCA DAM

Berta Cáceres, mother of four, and one of Honduras' most prominent environmental and indigenous rights activists was murdered in her home in March 2016. Cáceres had been campaigning for years against the construction of a hydroelectric dam on her community's land and the sacred Gualcarque River by a Honduran company, Desarrollos Energéticos SA (DESA). This was not the first attempt on her life: Cáceres had filed dozens of reports of death threats with the police, and had reported other violent incidents and intimidation. None of these was ever investigated. And in spite – or perhaps because of – her growing international reputation, someone was determined to silence her.

Cáceres' murder generated international headlines because of her prominence as an activist and head of the Civic Council of Popular and Indigenous Organisations of Honduras (COPINH) but hers was just one in a series of

killings associated with the Agua Zarca dam, stretching back years. On 15 July 2013, COPINH member Tomas García and his 17-year-old son were shot at close range by the Honduran military during a peaceful demonstration at the dam site in Río Blanco.<sup>53</sup> Tomas García died instantly of his wounds but his son Alan survived, despite being shot several times in the chest, back and arm.<sup>54</sup>

A year later, William Jacobo Rodríguez, a COPINH member and activist opposing the dam, was also murdered.<sup>55</sup> After this, the police guarding the hydroelectric project were accused of torture and death threats against other COPINH members.<sup>56</sup> In October 2014, Rodríguez's 15-year-old brother disappeared – he grew corn on ancestral Lenca land wanted by the dam company. His body was later found in a river showing signs of torture.<sup>57</sup> On 5 June 2014, eight people ambushed COPINH member María Santos Dominguez, threatening to kill her because of her opposition to the dam and hacked off her finger with a machete.<sup>58</sup>

In the days after Cáceres' killing one of her colleagues, Nelson García, was shot dead in the face by unidentified gunmen as he returned home following an eviction by Honduran security forces of a Lenca community.<sup>59</sup> The killing took place in Río Lindo, about 100 miles north of where Cáceres was killed.<sup>60</sup> A few months later, in July 2016, the body of yet another COPINH activist, Lesbia

Janeth Urquía, was found on a rubbish dump with machete wounds to the head.<sup>61</sup>

## MILITARY INVOLVEMENT

Seven men have been charged with the murder of Berta Cáceres, two of whom have links to DESA, the company that owns the Agua Zarca dam, and four of whom have ties to the Honduran army.<sup>62</sup> Sergio Ramón Rodríguez was an environmental engineer employed by DESA, and Douglas Geovanny Bustillo was the firm's former head of security, as well as an ex-army lieutenant and military intelligence specialist. Edison Duarte and Henry Javier Hernández Rodríguez were retired military officers and Major Mariano Díaz was a special forces veteran and trainer of the Military Police.<sup>63</sup> Bustillo stands accused of hiring Edison and his brother Emerson as hit men.<sup>64</sup>

However, the links between the Honduran army and Cáceres' killing do not stop there. A former member of an elite US-trained unit of the Honduran military, interviewed by the Guardian, claims that Cáceres' name appeared on a military hit list in the months before her death.<sup>65</sup> He told the newspaper that a list featuring the names and photographs of dozens of social and environmental activists was given to two elite units, with orders to eliminate each target.<sup>66</sup> COPINH leader Tomás Gómez told Global Witness of a similar hit list being touted to hit men, offering US\$1,000 to kill Berta.<sup>67</sup> In September 2016, COPINH discovered a military spy had infiltrated the organisation and, for a year, had been passing information on their activities directly to the president's office.<sup>68</sup>

DESA's links with the Honduran military run to the highest levels. According to company records seen by Global Witness, DESA's president is Roberto David Castillo Mejía, a former military intelligence official and employee of the Honduran state-owned energy company Empresa Nacional de Energía Eléctrica.<sup>69</sup> In 2009, a public auditor's office found evidence of corrupt acts by Castillo – he was still receiving a salary from the army having left the institution – and a company he owned was selling products to the military at inflated prices.<sup>70</sup> A few months before her death Cáceres told Global Witness that Castillo called to try and bribe her to stop opposing Agua Zarca.<sup>71</sup>

Court records below show the dam company DESA calling for the persecution, punishment and neutralization of COPINH

*La amenaza de los imputados BERTHA ISABEL CACERES FLORES, TOMAS GOMEZ MENBREÑO Y AURELINO MOLINA VILLANUEVA que lideran COPINH es destruir a mí representada DESA a través de atentados perpetrados sabotaje y manipulación de las masas, es una realidad que obliga al Estado Hondureño a actuar con todos los recursos a su alcance para perseguir, sancionar, neutralizar y disuadir aquellas conductas individuales y de grupos que pretenden enervar la autoridad, infundir terror, destruir vidas humanas y bienes materiales, públicos o privados, atentando contra la propia independencia y soberanía nacional.*



Berta Cáceres was one of 123 land and environmental defenders killed in Honduras since 2010. © The Goldman Prize

## THE ATALA FAMILY AND DESA'S WEB OF POLITICAL CONNECTIONS

DESA's company records show that some of Honduras' most well-connected business and political elites are on the board. Company Secretary, Roberto Pacheco Reyes is a former minister for governance and justice within the Honduran government.<sup>72</sup> DESA's vice president, Jacobo Nicolás Atala Zablah, is the President of the BAC Honduras bank and member of one of Honduras' wealthiest business families, the Atalas.<sup>73</sup>

Jacobo's cousin is the billionaire Camilo Atala, a former cabinet minister and owner of Ficohsa Bank\*.<sup>74</sup> Camilo Atala is also one of the main investors in the controversial Indura Beach and Golf resort, covered in Case study 5. Jacobo's brother, José Eduardo Atala Zablah, is also on DESA's board<sup>75</sup> and is President of the US–Honduras Chamber of Commerce and the ex-Honduran Director of the regional bank Banco Centroamericano de Integración Económica (BCIE).<sup>76</sup> The BCIE is one of the main investors in DESA's Agua Zarca dam project.<sup>77</sup> Another member of the Atala family, Daniel Atala Midence, is DESA's finance head.<sup>78</sup>

## INTERNATIONAL INVESTORS

The Agua Zarca project is a good example of how international investors and development banks are implicated in the corruption and human rights abuses that take place in Honduras. The Dutch development bank FMO, together with Finnish government-owned Finnfund, and the Central American Bank for Economic Integration (CABEI) are financing DESA's construction of the Agua Zarca dam.<sup>79</sup> FMO is the lead international investor with US\$15 million committed<sup>80</sup> of the US\$64

\* This report originally stated that Ficohsa and Camilo Atala Faraj were "currently being investigated for money laundering". In fact the allegations of money laundering were dismissed for lack of probable cause in 2016. We have also been asked to point out that neither the bank nor the Atala Faraj family have ever had any involvement in the DESA project.



COPINH leader Tomas Gomez visits the grave of Tomas García, who was shot dead by the military during a protest against the Agua Zarca dam.  
© Giles Clarke/Global Witness



Alan García survived being shot at close range by the Honduran military during a protest against the Agua Zarca dam. © Giles Clarke/Global Witness

million total project costs.<sup>81</sup> After the killing of Berta Cáceres, financing to the dam was suspended and FMO and Finnfund announced they were ‘seeking to exit the project’.<sup>82</sup> In spite of the public nature of Cáceres’ opposition to the dam, and the resulting threats against her and COPINH, Cáceres told Global Witness in November 2015 that FMO had never attempted to contact her or any of her colleagues.<sup>83</sup>

### RIGHT TO THE TOP?

Cáceres’ story is a vivid illustration of how the Honduran judiciary can be hijacked by political interests. According to court records obtained by Global Witness, the Honduran government and DESA attempted to depict Cáceres and her colleagues as violent extremists seeking ‘the downfall of the government and of private enterprise’.<sup>84</sup> In 2014, they brought a case against Cáceres and two other members of COPINH for ‘usurpation, coercion and continued damage’ against the dam project and for attempting to undermine the democratic order.<sup>85</sup> Court records show that DESA’s lawyers went as far as to call on the Honduran state to ‘act with all resources at its disposal to persecute, punish and neutralise’ the actions of COPINH.<sup>86</sup> Cáceres and her colleagues were cleared by the courts of any wrongdoing.<sup>87</sup>

Global Witness believes those who ordered the killing of Berta Cáceres are higher up the food chain than those currently under arrest. In September 2016, the case file on Berta Cáceres’ killing was stolen in a robbery of a supreme court magistrate. This looks like a clear attempt to intimidate and muddy the waters of the investigation which, on top of the huge political influence wielded by the Honduran military and DESA, suggests that it is highly unlikely the Honduran government will arrest the true perpetrators if, as suspected, they have high-level ties to the dam project or the army.<sup>88</sup> Berta’s family has

repeatedly called for an independent international investigation led by the IACHR. In spite of the commission’s openness to the proposal, the Honduran government has so far refused to accept it.

### WHAT NEEDS TO BE DONE

Global Witness is calling for the cancellation of the Agua Zarca dam and an independent, international investigation into the killing of Berta Cáceres under the remit of the IACHR. The investigation should focus on the ties between the Honduran military and the dam’s owners, DESA. The targeted murders of members of Cáceres’ organisation COPINH must be properly investigated and the safety of their activists guaranteed, many of whom are supposed to have emergency protection by the government as required by the IACHR. International investors should immediately divest from the

project and the Honduran government should cancel the project’s concession given the grave human rights violations related to the dam and the failure to consult all affected indigenous communities before the approval of the project.

### MAIN FINDINGS

Specifically, Global Witness is calling for an investigation into:

- **DESA’s links to the killing of Berta Cáceres**, given that two of the men currently under arrest for her murder worked for the company.
- **The Honduran military’s links to the killing of Berta Cáceres**, given that three of those arrested for her killing have ties to the Honduran army, that DESA’s President Roberto David Castillo Mejía used to work for military intelligence, and given reports of a military hit list with Berta Cáceres’ name on it.
- **The President of DESA, Roberto David Castillo Mejía** for allegedly trying to bribe indigenous activist Berta Cáceres to stop her protests against the DESA-owned Agua Zarca dam.

When asked to comment by Global Witness on these allegations, DESA denied any involvement in the murder of Berta Cáceres or any links between the company and the army or powerful business actors. This is despite confirming in a letter to Global Witness that DESA’s secretary, Roberto Pacheco Reyes, is the former minister for governance and justice and DESA’s President, Roberto David Castillo Mejía, was a member of the Honduran military. Castillo also denied trying to bribe Berta Cáceres.