



The controversial Indura Beach and Golf Resort is backed by some of Honduras' most powerful figures (image from Indura's facebook)

## CASE STUDY 5: THE GARIFUNA PEOPLE AND THE POWERS BEHIND HONDURAS'S FLAGSHIP TOURISM DEVELOPMENT

On Honduras's northern Caribbean coast, about an hour and a half's drive from the second city, San Pedro Sula, a luxury development of hotels and golf courses has sprung up. With its infinity pools, luxury apartments, and wellness center, the five-star Indura Beach and Golf Resort is a honeymooners' dream location, and Honduras' flagship tourism project. But beneath the perfect travel brochure surface, is a story of threats, harassment and human rights abuse. The Indura hotel, now part of Hilton's luxury 'Curio collection',<sup>156</sup> has deprived an indigenous Garifuna community of access to their ancestral burial grounds and agricultural lands.<sup>157</sup>

Descendants of black slaves brought to the Caribbean, the Garifuna have lived in Honduras since the 18th Century. One hundred and fifty-seven Garifuna families live in wooden shacks on the beach at Barra Vieja, right next door to the current hotel site.<sup>158</sup> According to the community, the boundaries of the Jeanette Kawas National Park, named after an environmental defender killed for her activism, were redrawn to allow for its construction.<sup>159</sup>

### ORGANISED INTIMIDATION

At the start of the Indura project in December 2008, the Minister for Tourism, Ricardo Martínez Castañeda, wrote a letter to the then president Manuel Zelaya pleading with him to take action to remove the community, who he described as 'illegal squatters [...] affecting the development of the project, and the investment.'<sup>160</sup> In the letter, leaked to Global Witness, the minister outlined several high-level meetings with other government officials where he tried to persuade them to evict Barra Vieja's inhabitants. The ministry he headed indirectly owns 49 per cent of the Indura project via the Honduran Tourism Institute and has a clear vested interest in getting the community removed from its land.<sup>161</sup> In March 2009, he wrote further letters to the attorney general's office and the minister for security seeking their support in evicting those living in Barra Vieja.<sup>162</sup>

Officially, the eviction orders were requested by the National Port Authority, a state body that claims to own the land where Barra Vieja is situated.<sup>163</sup> However, a document from the prosecutor's office seen by Global



José Armando Guzmán faced spurious legal charges for defending his village from luxury tourism development. © Global Witness

Witness shows the Indura project as a co-complainant.<sup>163</sup> In April 2014, the investors announced their intention to build an additional two luxury hotels with 550 extra rooms, culminating in a 600-building tourism complex.<sup>164</sup> The Barra Vieja community believes the hotel owners are ultimately behind efforts to evict them from their land to make way for these expansion plans.<sup>165</sup>

**FORCED EVICTIONS AND LEGAL PROCEEDINGS**

The first phase of the US\$120 million Indura tourism project was inaugurated in April 2014 amidst huge fanfare, with the presence of then president Porfirio Lobo and former presidents Ricardo Maduro and Rafael Leonardo Callejas.<sup>166</sup> In August of the same year, members of the Honduran military and police tried to forcibly evict the community from their homes, removing the families’ belongings and leaving them on the street.<sup>167</sup> Community leader José Armando Guzmán told Global Witness that a month later 80 soldiers and 60 police returned with heavy machinery in another effort to remove them from their homes.<sup>168</sup>

Through the National Port Authority - the Honduran government, in an attempt to justify these actions, has brought legal charges against the Garifuna people of Barra Vieja, accusing both its leaders and 64 other community members of ‘usurpación’ (illegal occupation of lands).<sup>169</sup> In July 2015, following years of legal battles, the 64 community members were absolved of any crime after providing records going back to 1950 demonstrating the existence of Barra Vieja.<sup>170</sup>

In documents from the court case, seen by Global Witness, the attorney general’s office claimed that the Garifuna are not indigenous to Honduras and therefore do not need to be consulted before decisions that might affect their land, in spite of UN guidance to the contrary.<sup>171</sup>

The attorney general’s office provided a biased witness with an ‘incoherent’ testimony, according to the court’s decision, and presented ‘senseless’ accusations that the Barra Vieja community members lied about their place of birth on their birth certificates.<sup>172</sup> In September 2016, the leaders of the community were absolved of any crime.<sup>173</sup>

Despite these decisions and the absolution of community members, a high-ranking government official told Global Witness that they do not recognise the Garifuna as indigenous peoples and are still looking to forcibly resettle Barra Vieja.<sup>174</sup> In October 2015, the Honduran government were found to have violated the land rights of the Garifuna in a separate case involving a community on the same coastline as Barra Vieja. Making it clear that its ruling did not address the alleged violations relating to the Indura tourism project, the Inter-American Court on Human Rights ruled that the Honduran State denied the community’s right to consultation when agreeing tourism projects on Garifuna land.<sup>175</sup>

|              |            |                  |                          |
|--------------|------------|------------------|--------------------------|
| 64,000.00    | 02/03/2013 | MARIA ROSA LOPEZ | MARIA ROSA LOPEZ         |
| 75,000.00    | 03/03/2013 | HENRY GOMEZ      |                          |
| 100,000.00   | 04/03/2013 | GUSTAVO LINARES  | GUSTAVO LINARES          |
| 493,500.00   | 04/03/2013 | 01-104-409682    | CA TEGNOLOGIES           |
| 100,000.00   | 05/03/2013 | GUSTAVO LINARES  | GUSTAVO LINARES          |
| 5,000,000.00 | 05/03/2013 | 1-240-114166     | GABRIELA LAINEZ REINA    |
| 50,000.00    | 05/03/2013 | 1-240-114166     | GABRIELA LAINEZ REINA    |
| 135,000.00   | 06/03/2013 | ADRIAN MARTINEZ  | ADRIAN MARTINEZ          |
| 100,000.00   | 07/03/2013 | GUSTAVO LINARES  | GUSTAVO LINARES          |
| 50,000.00    | 08/03/2013 | GUSTAVO LINARES  | GUSTAVO LINARES          |
| 125,000.00   | 09/03/2013 | 1190040178       | MARIO ROJAS              |
| 2,091,000.00 | 11/03/2013 | 1-240-134166     | GABRIELA LAINEZ REINA    |
| 101,418.50   | 11/03/2013 | 01-240-64443     | DESARROLLO BAHIA DE TELA |
| 130,000.00   | 11/03/2013 | PABLO BARILLAS   | PABLO BARILLAS           |
| 185,000.00   | 12/03/2013 | HECTOR VENTURA   | GUSTAVO MAYORGA          |
| 190,000.00   | 12/03/2013 | 04-106-30029     | LAMA MOTORS              |
| 185,000.00   | 12/03/2013 | HECTOR VENTURA   | HECTOR VENTURA           |

Documents leaked to Global Witness show Desarrollo Bahía de Tela laundering money from the Social Security Institute.

**THE INVESTORS AND LINKS TO HONDURAS’ BIGGEST EVER CORRUPTION SCANDAL**

49 per cent of Desarrollo Turístico Bahía de Tela, the company behind the Indura Beach Resort, is state-owned through the Honduras Tourism Institute, whilst the remaining 51% is in the hands of a group of private investors.<sup>176</sup> One of these investors told Global Witness that some of Honduras’ most powerful elites are behind the project.<sup>177</sup> They include ex-Honduran president Ricardo Maduro; Epaminondas Marinakis, the President of Honduras’ National Tourism Chamber; and Camilo and Pedro Atala, members of one of Honduras’ wealthiest business families and supporters of the 2009 coup.<sup>178</sup>

The Atala family is also connected to the controversial Agua Zarca dam against which Berta Cáceres was



The Honduran government refuses to recognize the rights of the Garifuna people. © Global Witness

protesting before she was murdered (see case study 2). Billionaire Camilo Atala, a former cabinet minister and owner of Ficohsa Bank, is the public face of the Indura resort.<sup>179</sup>

In a dramatic development, which links the Indura hotel to Honduras's biggest corruption scandal in recent years, Global Witness has obtained evidence of corrupt funds being laundered through the project. The hotel's business name appears in a report by the special prosecutor's office against organised crime, leaked to Global Witness, as having received corrupt funds from the Social Security Institute.<sup>180</sup> In this massive corruption scandal, top officials from the Social Security Institute stand accused of stealing US\$350 million through a network of phantom companies which left ailing patients without access to life-saving medicines.<sup>181</sup> Some of this money was funneled to current President Hernández's election campaign,<sup>182</sup> and now it seems that some of the funds were also used to support the development of Indura.

According to the internal report, on 11 March 2013 just over 100,000 Lempiras (US\$5,000) was transferred to Desarrollo Bahía de Tela from an account set up to launder social security funds.<sup>183</sup> A year later a plot of land was bought for US\$287,000 in the Indura hotel complex by Gabriela María Láinez Reina, a front person for the principal masterminds of the scam, which included the Social Security Institute's ex-director.<sup>184</sup> In addition, US\$20 million of credit has been lent to the hotel project from a consortium of regional banks led by Camilo Atala's Ficohsa Bank.<sup>185 186</sup>

## WHAT NEEDS TO BE DONE

Global Witness is calling for the government to fully recognise the land rights of the Afro-Honduran community of Barra Vieja and stop attempts to forcibly

evict them from their homes. Access to their ancestral burial grounds and agricultural lands should be restored and attempts to criminalise the rightful defence of their land stopped. The owners of the Indura hotel project must be investigated for laundering corrupt funds from the Social Security Institute. International financing for tourism projects, including from the International Finance Corporation, must respect the land rights of Afro-Honduran communities.

## MAIN FINDINGS

Specifically Global Witness is calling for an investigation into:

- Ex-minister for tourism, Ricardo Martínez Castañeda for undue influence over an attempt to evict the community of Barra Vieja from their ancestral land, as shown in various letters seen by Global Witness.
- The National Port Authority for continual demands for an illegal eviction of the Barra Vieja community and for filing unfounded criminal charges against community members.
- Desarrollo Turístico Bahía de Tela for allegedly cutting off access to Garifuna ancestral lands, and laundering corrupt funds from the social security institute.

Global Witness approached Desarrollo Turístico Bahía de Tela for comment on these allegations but received no response. Hilton became associated with the Indura project in 2016, after the allegations made in this case study occurred. There is no suggestions Hilton took part in these events.