

Extortion Study for Northern Central America (NCA) – September 2022

El Salvador Overview

Extortion permeates daily life in Northern Central America (NCA), from patterns of violence to individual incomes. The Extortion Study for NCA – conducted by Latin America and the Caribbean Learning and Rapid Response (LACLEARN) on behalf of USAID’s Bureau for Latin America and the Caribbean – provides a holistic examination of extortion trends and impacts in El Salvador, Guatemala, and Honduras.

What does extortion look like in El Salvador?

From a legalistic view, extortion can be defined as the demand for money or objects of value through threat against persons or property. This study used a broader definition, examining the causes and effects of other forms of extortion such as payments to be able to carry out routine activities (e.g., keep a job, enter an area) or demands beyond cash (e.g., free food, sexual services).

Extortion rates are significantly higher in urban areas (see Figure 1). While 74% of extortion cases occur in urban areas, repeated occurrences of extortion are also more likely in these areas.

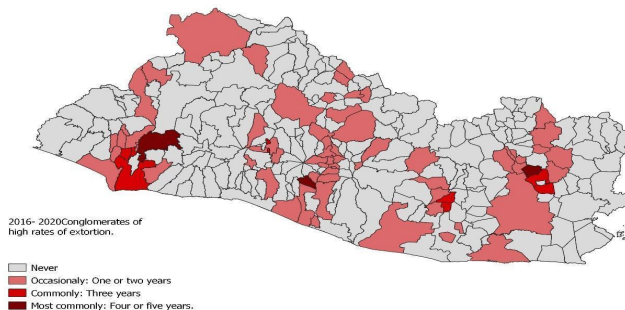
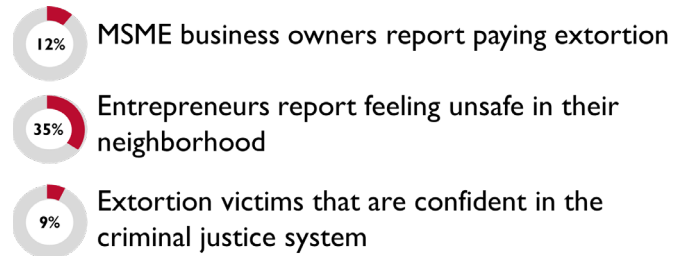


Figure 1. Rates of Extortion by Municipality, 2016-2020

Extortion has a negative effect on Salvadoran businesses, disproportionately harming micro-, and small-, and medium-sized enterprises (MSMEs) and inhibiting investment. In recent victimization surveys, the majority of MSMEs report having been extorted. Extortion fees are highest for firms with 21-25 employees. A “tipping point” approach

to negotiating extortion fees, as implemented by perpetrators, limits entrepreneurs’ willingness and ability to invest in growth.

Figure 2. Entrepreneurs’ experiences with extortion, IUDOP 2022



The Central Bank estimated that extortion was the equivalent of 3% of the country’s gross domestic product in 2014. Extortion also affects the transportation sector in the form of clandestine tolls, rents, or fees for construction projects. In 2010 and 2015, gangs paralyzed San Salvador’s transportation system for days through extortion, devastating the country’s economy.

Women are particularly vulnerable to extortion, while also taking on expanded roles in gangs. Women are central in gang extortion activities as they are perceived as more “discreet” in fee collection or coordination roles. These roles also make extortion a driver of incarceration for women and girls, with extortion being the cause of incarceration for 3% of incarcerated men compared to 27% of incarcerated women. Female vulnerabilities to sexual threats and violence are also under-documented, both as victims of extortion and within the justice system.

LGBTQI+ individuals are particularly vulnerable to extortion. In general, LGBTQI+ individuals are more likely to experience socioeconomic instability that affects their lives and livelihoods, pushing them into positions (e.g., informal commerce, sex work) that makes them more likely to be exposed to extortion. Several cases of extortion-related violence towards LGBTQI+ individuals, transgender people in particular, mirror broader trends of endemic violence against LGBTQI+ individuals in the region.

In 2021, extortion was estimated to be the second biggest cause of forced displacement, followed by gang threats (which may also involve

extortion). Extortion was the fourth leading cause of forced displacement in 2018-2020, with a particularly sharp increase in forced displacement linked to extortion in 2021 for LGBTQI+ Salvadorans.

What are significant drivers of extortion in El Salvador?

Gangs are the primary perpetrators of extortion, making the crime a key enabling factor for their influence. With 40,000–60,000 members, the two main gangs (MS-13 and Barrio 18) have a documented presence in 247 of the country's 262 municipalities. These groups carry out an estimated 74-80% of cases of extortion, and extortion is estimated to account for 80% of gang funding. Extortion provides gangs with extensive resources and extraordinary control, including access to schools, hospitals, parks, and transportation. For example, in 2016, reported extortion and gang-related threats affected 60% of the country's schools. In contrast, the presence of the police and prosecutors is limited by under-staffing, creating space for gangs to entrench their influence.

Impunity and interference in judicial processes, and an endemic lack of state presence in high-crime areas, enable extortion. Increased politicization of gang-related issues among government agencies is yet another contributing factor. The confluence of these factors undermines credibility in effective prosecution and further de-incentivizes reporting to authorities. This lack of reliable data, especially across agencies, is an additional challenge in combating extortion.

Extortion is linked with many peoples' livelihoods, creating perverse incentives for the crime to continue. This momentum – especially among gang members, communities they exert control over, and government actors complicit in extortion schemes – must be overcome to make progress on combating extortion.

How is extortion addressed in security and judicial institutions, and what are the gaps?

Poor coordination with respect to gang legislation inhibits the prosecution of extortion cases. These laws are *Ley de Proscripción de Maras y Pandillas, Agrupación, Asociaciones y Organizaciones de Naturaleza Criminal*; *Ley de Actos de Terrorismo*; and *Ley Crimen Organizado*. Poor data sharing among institutions

and a weak delineation between terrorist and criminal acts undermine efforts to combat extortion. These weaknesses aggravate other problems, such as a limited ability to gather intelligence from citizens and low levels of evaluation to critically assess and adjust policy.

Coordination challenges undermine investigation, likely contributing to a declining rate of sentences for extortion. Although the PNC and FGR signed a cooperation protocol, a national mechanism has not been established. There has been proposed training for the PNC, FGR, PGR, as well as judiciary training in investigation and prosecution with a gendered and victim-centered approach.

Salvadoran Agencies Addressing Extortion

- Anti-extortion Office of the Public Prosecutor / *Unidad Especializada Antiextorsión de la Fiscalía General de la República* (FGR)
- The Ministry of Justice and Public Security / *Ministerio de Justicia y Seguridad Pública*
- National Counsel for the Defense of Human Rights / *Procuraduría para la Defensa de los Derechos Humanos* (PDDH)
- National Police / *Policía Nacional Civil* (PNC)

There are delays across the judicial system in investigating and prosecuting extortion. The *El Salvador Seguro Plan* (PESS) has aimed to reduce delays in the initial investigation and prosecution phase. Nearly every agency reports a systemic failure to process cases, with one organization reporting that 92% of reported cases of extortion are not resolved.

Extortion is facilitated by telecommunication and banking channels that lack the necessary political will to enact adequate controls. Extortion is mainly collected in cash, which makes it difficult to track. Telecommunications enables extortion, with 39% of reported extortion cases happening over calls or the internet and 20% of extortion cases originating from calls from in a prison. Tigo Money, a financial services platform, agreed to work with the FGR to combat extortion, though the effectiveness of this agreement is yet to be determined.

Figure 3. Salvadoran Officers (Photo Credit: USAID/El Salvador)



Many promising responses to extortion have not been investigated or replicated. Public-private partnerships, such as the sugar cane sector's agreement with the PNC for logistical support to counteract extortion, have been effective. In urban areas, community-oriented policing could help protect vulnerable populations, foster trust between communities and the police, and expand access to timely intelligence on extortion.

Key Recommendations

Read the full Extortion Study for Northern Central America [here](#), including additional data and recommendations.

→ Replicate promising responses to extortion among the private sector, such as collective anti-extortion efforts through MSME associations and police-private sector partnerships.

→ Provide better protection for entrepreneurs, LGBTQI+, and women, all of whom are particularly vulnerable to extortion, such as through specialized training to police and prosecutors, as well as promoting secure reporting mechanisms.

→ Build on successful transport sector approaches, including video surveillance and support to transit police units.

→ Strengthen key legal instruments, particularly the *Ley Especial Para la Protección de Víctimas y Testigos* (Decree 1029, 2006).

→ Promote inter-institutional collaboration among key agencies (e.g., PNC, FGR, judiciary, penitentiary) to capitalize resources and improve data sharing.

→ Support the strengthening of banking regulations, focusing on controls and monitoring of extortion-related activity.

→ Replicate and support successful anti-extortion court models (such as that of Honduras), as well as local and regional courts.

→ Support the penitentiary system to improve monitoring and telecommunications blockages.

For questions or more information, contact Cara Thanassi (cthanassi@usaid.gov) from USAID's LAC Bureau.

About the Study: LACLEARN's Extortion Study for NCA addressed three primary questions around: socioeconomic conditions that foment extortion; impacts of extortion, especially among people in vulnerable situations, and; how police and judicial agencies work together to prevent, investigate, and prosecute extortion crimes. Evidence presented in the study report are based on a robust literature review, secondary analysis of existing databases, as well as primary data collection and analysis (including 120 interviews and 30 focus group discussions). To complement its study, LACLEARN also issued a grant under contract (GUC) to IUDOP (Instituto Universitario de Opinión Pública), whose final report provides a detailed characterization of extortion victims in El Salvador through a nationwide survey focused on the private sector.

Learn more about Latin America and Caribbean Learning and Rapid Response (LACLEARN) [here](#). This brief was prepared for USAID under the terms of Contract 7200AA19D00006. The opinions expressed herein are the sole responsibility of Development Professionals, Inc. – Making Cents International, LLC and do not necessarily reflect the views of USAID.