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New Report Implicates Man Accused of Berta Cáceres' Murder in a Pattern of Violence, Human Rights Violations & Corruption to Benefit Associated Companies

August 30, 2019

Washington, DC/Geneva

Today, a group of expert human rights organizations that have been closely monitoring the Berta Cáceres case in Honduras released, “***Violence, Corruption & Impunity in the Honduran Energy Industry: A Profile of Roberto David Castillo Mejia.***”

The carefully researched report brings together information that implicates Castillo, the CEO of the *Desarrollos Energéticos S.A.* (DESA) corporation, in a pattern of violence, human rights violations and corruption to benefit companies with which he was associated. Castillo has been involved with at least eight companies, registered in Honduras and Panama, which are described in the report.

Berta Cáceres' 2016 murder was part of a series of attacks against members of the Lenca organization COPINH that she led, and the Rio Blanco indigenous community that never gave its free, prior, and informed consent for the Honduran government to authorize the hydroelectric project to be implemented in their territory. Evidence shows that when communities protested abuses, DESA unleashed a campaign of stigmatization and violence with the support of key state actors to ensure impunity. In the November 2018 verdict that convicted seven men of Cáceres' murder, including two former DESA employees, the tribunal concluded that other DESA executives knew about and consented to the murder, but there have been no further apprehensions since.

Arrested in March 2018, David Castillo is currently in jail awaiting the continuation of the hearing that will decide if he goes to trial for his alleged role in Berta Cáceres' murder, though allegations of his criminal activity extend beyond the assassination. The report documents the prosecutions, open investigations and administrative sanctions in Honduras that have brought to light evidence suggesting that Castillo, a former employee of the National Electrical Energy Company (ENEE), a West Point graduate and former Honduran military intelligence officer, illegally influenced government contracts and enlisted state security forces' assistance in committing human rights abuses.

It also reveals Castillo's possible connections to Honduras' most notorious drug trafficking network, the Cachiros. Records show that Castillo acted as the legal representative of PEMSA, a Panamanian holding company whose ownership is unclear. PEMSA owned a significant share in DESA. In 2014, it also assumed ownership of another Honduran energy company, PRODERSA, that was created by lawyers who Honduran prosecutors say managed the Cachiro's assets. Ownership of PRODERSA was transferred to PEMSA just a few months before the Cachiro leaders surrendered to the DEA.

The activities of the Panamanian holding company PEMSA, for which David Castillo acted as the legal representative, should be further investigated by prosecutors in the United States and Honduras urgently. The US government has the capacity to sanction those who it determines to be human rights violators.

If International Financial Institutions and Development Banks including the World Bank are partnering in investments with criminal networks, as the evidence presented in this report suggests, immediate measures to end these practices must be enacted. Both DESA and PRODERSSA have received funding from international financial institutions.

The report comes on the heels of a UN Working Group on Business and Human Rights country visit to Honduras in which they concluded that, “All too often, companies and investors benefit from corruption and neglect their responsibility to respect human rights.”

The report urges the international community to call on the Honduran government to protect human rights defenders, fight corruption and impunity, and prevent the participation of state actors in human rights violations.

The report can be accessed online at <http://bit.ly/DavidCastilloProfile>

For Media Inquiries Contact:

Email: media@ghrc-usa.org // Telephone: (202) 529-6599

“Violence, Corruption & Impunity in the Honduran Energy Industry: A Profile of Roberto David Castillo Mejia” is a collaboration between Due Process of Law Foundation, Guatemala Human Rights Commission, International Platform Against Impunity, Robert F. Kennedy Human Rights and School of the Americas Watch.

The full report can be downloaded at: <http://bit.ly/DavidCastilloProfile>

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Report Summary

Violence, Corruption & Impunity in the Honduran Energy Industry: A Profile of Roberto David Castillo Mejia

Roberto David Castillo Mejía is a Honduran businessman, former government employee, a West Point graduate and a former Honduran military intelligence officer. “*Violence, Corruption & Impunity in the Honduran Energy Industry: A Profile of Roberto David Castillo Mejia*,” gathers information about his business activities and related legal cases, including indictments for the murder of internationally renowned indigenous rights advocate Berta Cáceres. and corruption. It outlines patterns of alleged criminal activities including serious human rights violations and significant acts of corruption while serving as a government official.

The alleged criminal activities outlined in *A Profile of David Castillo* were presumably undertaken to advance the interests of corporations with which Castillo was associated. At least six companies associated with Castillo were incorporated in Honduras, where corporate filings are spread across the country in approximately 18 distinct registries. At least two companies associated with Castillo were registered in Panama, where the anonymity of their shareholders is protected. Difficulties in obtaining access to the filings of some of the corporations, and laws allowing anonymity of ownership in Panama, make it extremely difficult to identify the owners. This contributes to impunity as it is an obstacle to the investigation of responsibility for grave human rights violations.

Though multiple corporations have apparently benefitted from alleged crimes, those that would have benefitted *Desarrollos Energéticos S.A. (DESA)*, and related companies, are particularly grave. Prior to her murder on March 2, 2016, Berta Cáceres led the Civic Council of Indigenous and Popular Organizations of Honduras (COPINH), and supported indigenous communities that denounced the illegal implementation of DESA’s Agua Zarca hydroelectric project in indigenous territory. Castillo was President of the DESA corporation at the time of the murder and apparently continues in that role today.

On March 2, 2018, Castillo was arrested for Cáceres.’ murder. Evidence presented to Honduran courts by prosecutors suggests that Castillo participated in the murder of Berta Cáceres. as an intellectual author, allegedly coordinating with, and presumably providing funds to, the material authors for the purpose of carrying out the murder. Castillo has been indicted for the murder and the case remains in the initial phase of prosecution; no other intellectual authors of the crime have been arrested.

Evidence suggests that the murder of Berta Cáceres was part of a pattern of violence, corruption, intimidation, malicious prosecution and impunity orchestrated by Castillo and others at DESA, who appear to have functioned as a criminal structure. Evidence admitted in *Honduras v. Douglas Bustillo et al* suggests that Castillo and his associates and employees at DESA

enlisted the support of key agencies of the Honduran government, using improper influence in the Ministry of Security, police military and the Honduran judiciary, seemingly to advance efforts to intimidate, persecute, and neutralize Berta Cáceres and COPINH's opposition to the Agua Zarca project.

A Profile of David Castillo highlights special concern for the apparent connections between *Producción de Energía Solar y Demás Renovables S.A. de C.V.* (PRODERSSA) and the violent drug trafficking organization referred to as the Cachiros. Though it is impossible to ascertain who owns PEMSA (Panama), PEMSA assumed ownership of a Honduran energy company, PRODERSSA. Lawyers that Honduran prosecutors say managed Cachiro assets at that time were involved in the creation of PRODERSSA. The transfer of PRODERSSA's ownership to PEMSA occurred months before the Cachiros' leaders surrendered to the DESA. Castillo was the legal representative of PEMSA, which also owned a large share of DESA.

PRODERSSA's Power Purchase Agreement (PPA) with the National Electrical Energy Company (ENEE) was awarded just 12 days before Honduran President Porfirio Lobo left office. A leader of the Cachiros testified in U.S. court that he made bribes to Lobo in exchange for contracts favorable to companies he owned. This provokes concern that PRODERSSA's PPA may have been awarded through corruption.

Recently formed corporations with which Castillo has been associated were granted contracts from state agencies for which Castillo has worked. The companies apparently had little or no relevant experience or capital of transparent origin. This included a PPA held by DESA that Honduran prosecutors say was fraudulently negotiated with the ENEE to provide unduly favorable conditions to DESA.

Castillo has been subject to administrative sanctions for actions that could be considered criminal corruption. The Honduran High Tribunal of Auditors found that Castillo's computer company sold equipment to the Armed Forces at inflated prices and that Castillo also illegally received a double salary from the government while he was a military officer and a contracted employee of ENEE.

The Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH) has initiated an investigation into potential bribes related to the ENEE's dealings with the Brazilian company Constructora Norberto Odebrecht. Honduran media reports that Castillo formed part of the team which negotiated contracts with Odebrecht, even traveling to Brazil, on behalf of the Honduran government.

The investigations detailed in *A Profile of David Castillo* opened a window into the activities of individuals allegedly involved in criminal activities and human rights violations that benefit corporations, which have reportedly received support from international investors and multilateral development banks. These international financial institutions were at least partially owned by foreign governments such as Norway, Holland and Finland, and included multilateral development banks like the World Bank, in which the United States holds a significant ownership share. Some of these banks and international investors continue to benefit from investments in corporations with questionable state licenses and contracts. In the case of DESA, some development banks did cancel financing, however, DESA apparently continues to hold licenses

and contracts for the Agua Zarca Project.

The report highlights the precarious situation of human rights in Honduras and shows how concessions to exploit natural resources - especially when they are made to companies with connections to dangerous criminal networks - often profoundly and negatively impact surrounding communities. This often leads to conflicts that put community human rights defenders at extreme risk.

A Profile of David Castillo urges the international community to call on the Honduran government to protect human rights defenders, fight corruption and impunity, and prevent the participation of state actors in human rights violations. It also sets out a series of recommendations regarding international development financing.