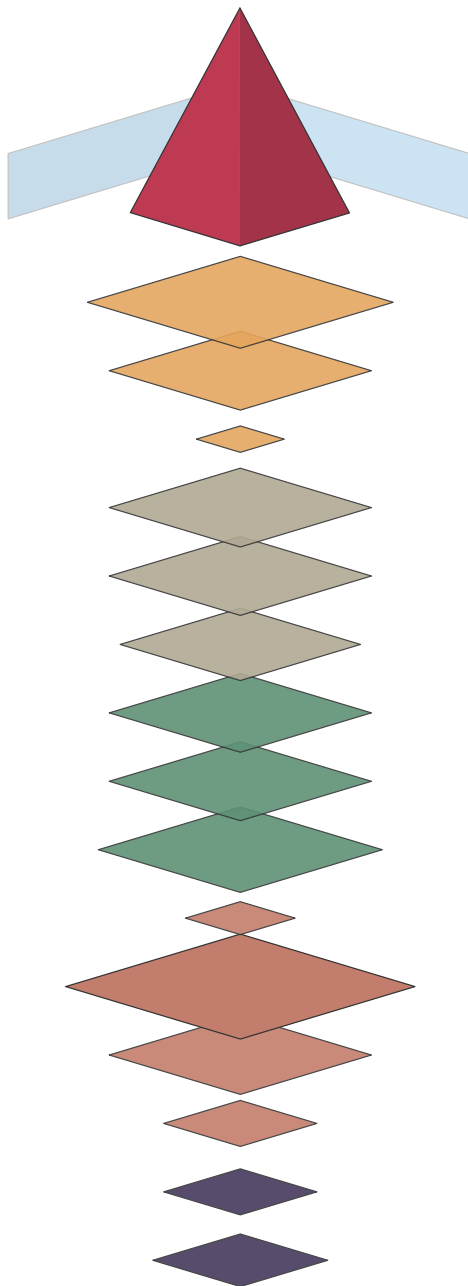


 **NICARAGUA**



 **5.72**  
**CRIMINALITY SCORE**

63<sup>rd</sup> of 193 countries  
15<sup>th</sup> of 35 American countries  
6<sup>th</sup> of 8 Central American countries

 **CRIMINAL MARKETS** **5.23**

HUMAN TRAFFICKING	7.00
HUMAN SMUGGLING	6.00
EXTORTION & PROTECTION RACKETEERING	2.00
ARMS TRAFFICKING	6.00
TRADE IN COUNTERFEIT GOODS	6.00
ILLICIT TRADE IN EXCISABLE GOODS	5.50
FLORA CRIMES	6.00
FAUNA CRIMES	6.00
NON-RENEWABLE RESOURCE CRIMES	6.50
HEROIN TRADE	2.50
COCAINE TRADE	8.00
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	3.50
CYBER-DEPENDENT CRIMES	3.50
FINANCIAL CRIMES	4.00

 **CRIMINAL ACTORS** **6.20**

MAFIA-STYLE GROUPS	5.00
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	9.00
FOREIGN ACTORS	6.50
PRIVATE SECTOR ACTORS	4.00

 **2.08**  
**RESILIENCE SCORE**



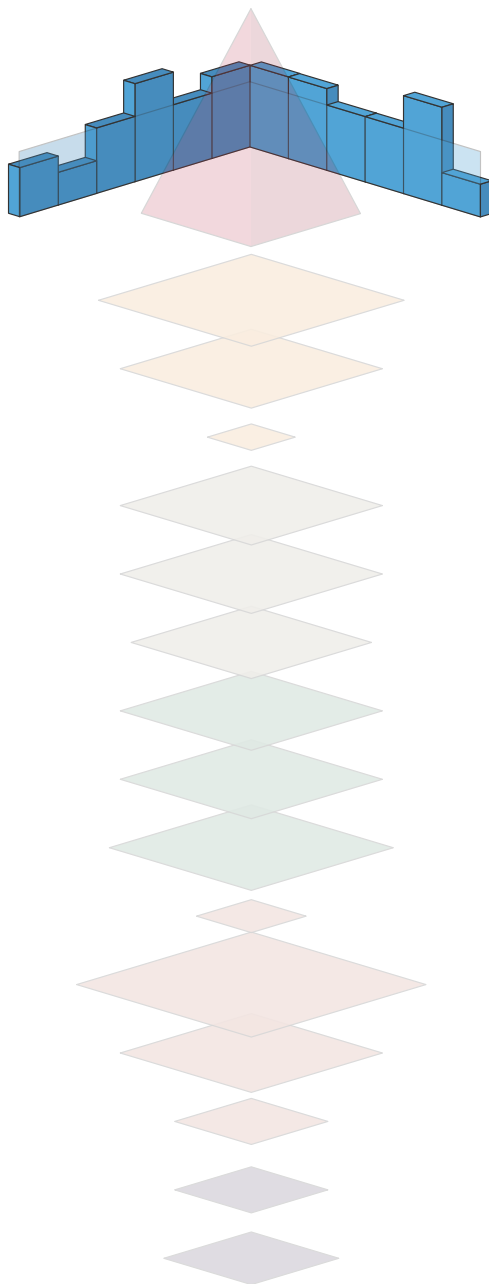
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **NICARAGUA**



 **2.08**  
**RESILIENCE SCORE**

**183<sup>rd</sup>** of 193 countries  
**34<sup>th</sup>** of 35 American countries  
**8<sup>th</sup>** of 8 Central American countries

<u>POLITICAL LEADERSHIP AND GOVERNANCE</u>	<b>1.50</b>
<u>GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY</u>	<b>1.00</b>
<u>INTERNATIONAL COOPERATION</u>	<b>2.00</b>
<u>NATIONAL POLICIES AND LAWS</u>	<b>3.00</b>
<u>JUDICIAL SYSTEM AND DETENTION</u>	<b>2.00</b>
<u>LAW ENFORCEMENT</u>	<b>2.50</b>
<u>TERRITORIAL INTEGRITY</u>	<b>2.50</b>
<u>ANTI-MONEY LAUNDERING</u>	<b>2.50</b>
<u>ECONOMIC REGULATORY CAPACITY</u>	<b>2.00</b>
<u>VICTIM AND WITNESS SUPPORT</u>	<b>2.00</b>
<u>PREVENTION</u>	<b>3.00</b>
<u>NON-STATE ACTORS</u>	<b>1.00</b>

 **5.72**  
**CRIMINALITY SCORE**

 <b>CRIMINAL MARKETS</b>	<b>5.23</b>
 <b>CRIMINAL ACTORS</b>	<b>6.20</b>



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Nicaragua hosts a notable human trafficking market that targets both Nicaraguan and foreign nationals residing in the country, including women and children who are particularly vulnerable to domestic and transnational sex trafficking. The lack of effective investigation, prosecution and prevention efforts, rampant poverty and large groups of people without birth certificates or any identification papers make the situation particularly acute. Labour trafficking is also prevalent in Nicaragua's agricultural, construction, mining and domestic service industries, with social media platforms used to recruit victims through false job offers. Corrupt state-embedded actors are highly involved in Nicaragua's human trafficking market, which also contributes to state revenue, but no state-driven investigations, prosecutions or convictions linked to their involvement have been reported.

Nicaragua is a source and transit country for human smuggling, with people from various nationalities travelling through it to reach the US. Despite the government's efforts to deter irregular migration, the country's porous borders have made it a key international route for those seeking settlement in the US. An increasing number of Nicaraguans have been fleeing the country due to various calamities, including the COVID-19 pandemic and natural disasters, and seeking refuge in neighbouring countries such as Costa Rica. In 2022, there was a rise in the number of Nicaraguans registered at the US-Mexico border. Nicaraguan army officials, tasked with preventing irregular migration and other forms of cross-border organized criminal activity, also facilitate the human smuggling market by accepting bribes. Episodes of extortion and protection racketeering committed by criminal organizations are scarce in the country.

### TRADE

Nicaragua serves as a hub for arms trafficking in Central America, supplying illegal weapons to countries such as Mexico, Honduras and Costa Rica. Both domestic and foreign actors contribute to the demand for arms, with unregistered weapons circulating within Nicaraguan borders. Many of the weapons being trafficked out of Nicaragua are civil war relics, previously in the possession of pro-government paramilitary groups. Corrupt Nicaraguan police and army officials are reportedly involved in facilitating the illicit cross-border transport of weapons, especially northbound towards Mexico or southbound across the Nicaraguan-Costa Rican border.

Despite a robust legal framework on intellectual property protection, Nicaragua fails to effectively prevent counterfeit crime, making it a target for counterfeit trade. Multi-media piracy, the use of unlicensed software and the sale of both counterfeit and pirated goods have reportedly been on the rise in recent years. Counterfeit cosmetics, perfumes, leather goods and handbags are also increasingly prevalent in the country. The Nicaraguan government's lack of public reports on counterfeit goods seizures substantially limits understanding of the size and extent of this criminal market.

Nicaragua is a transit country for the smuggling of Chinese cigarettes and other excise merchandise to Central American countries such as Costa Rica. Excise goods, including tobacco and alcoholic beverages, are also smuggled into Nicaragua for domestic consumption, causing notable damage to the country's legitimate tobacco industry.

### ENVIRONMENT

Nicaragua's timber trafficking market thrives due to informal arrangements between community leaders, local governments, forestry agents and other groups. While domestic actors typically profit from the market, international demand from Chinese consumers drives its highly consolidated nature. State-embedded actors issue harvesting permits for more timber than exists, particularly in protected forest regions, resulting in deforestation mainly in indigenous land or the country's northern or southern regions. In recent years, Nicaraguan criminal groups have increasingly participated in eco-trafficking crimes, leading to broader societal challenges such as heightened violence against indigenous communities. Despite the severity of these issues, Nicaraguan officials have failed to prioritize and allocate resources towards combatting land grabbing, deforestation and timber trafficking, and even low-level police and military officials often accept bribes to avoid intervention.

Wildlife trafficking is another prevalent issue in Nicaragua, with felines, parrots and turtles being the most threatened species. Criminal networks are heavily involved in the exotic pet trade, selling parrots to Honduran customers at lucrative prices. Although illegal to consume, turtles are still exploited for their meat, eggs and shells, and turtle egg theft is a persistent problem. The sale of protected species in public markets and roadsides underscores the prevalence of wildlife trafficking in the country, which is facilitated by corrupt police and army officials.

Illicit gold mining occurs along the Nicaraguan-Costa Rican border, posing a threat to protected ecosystems. There are also suspicions of illicit gold transport between Nicaragua and Venezuela, with Venezuelan-sourced gold being refined

and exported from Nicaragua as Nicaraguan-sourced gold, potentially serving as a key source of revenue for corrupt officials. Moreover, Nicaragua's North Caribbean Coast Autonomous Region is a hub for illicit mineral extraction, leading to violent land grabbing and attacks against environmental defenders.

## DRUGS

There is no evidence of a notable heroin trade in Nicaragua. Due to widespread poverty and the drug's relatively high price, domestic heroin consumption remains low. However, Nicaragua is an important transit country for cocaine trafficking between South and North America. Colombian, Peruvian and Bolivian-sourced cocaine is transported through Nicaragua, which serves as a key point for the arrival, storage and trans-shipment of drugs. Mexican drug cartels also have a strong presence in the country. Nicaraguan criminal networks collaborate with counterparts from Costa Rica and Honduras to transport cocaine, generating substantial revenue. Corruption within the state apparatus facilitates the cocaine trafficking market, with allegations pertaining to elite officials accepting bribes and negotiating with drug traffickers. Nicaraguan authorities do not communicate or cooperate with Costa Rican counterparts in the fight against drug trafficking, making it easier for drug trafficking operations between the two countries to occur.

Nicaragua has a consolidated cannabis market catering mainly to local demand. Due to its affordability, marijuana is the most-consumed drug among teenagers. Nicaraguan criminal networks facilitate the production, transportation and distribution of marijuana and use micro-commercialization strategies to sell small quantities of the drug in Nicaraguan cities. Locally produced marijuana, as well as from Costa Rica and Honduras, is primarily distributed and commercialized in cities such as Managua, Chinandega, Estelí, Rivas, Puerto Cabezas and Bluefields, where most consumers reside.

While the market for synthetic drugs lacks consolidation, it is driven by Nicaraguan drug mules who traffic legally purchased ketamine, primarily in liquid form, across the country's porous southern border into the hands of Costa Rican drug traffickers. Although domestic ketamine consumption remains negligible, its legality in Nicaragua facilitates the drug's illicit transport into neighbouring Costa Rica. Nicaragua-based criminal networks are also known to distribute meth, and various amphetamines among local drug markets, especially in Estelí.

## CYBER-DEPENDENT CRIMES

Nicaragua is poorly equipped to deal with cyber threats. Nevertheless, the illicit market does not seem to be particularly developed in the country so far. Nevertheless, there have been cyber-attacks targeting governmental institutions, media outlets and individuals in Nicaragua, which

include the hacking of social media accounts belonging to independent online outlets, distributed denial-of-service attacks targeting newspapers, hacking of SMS platform accounts, and cyber-attacks on the databases and websites of various public institutions.

## FINANCIAL CRIMES

According to Nicaraguan authorities, cyber-enabled financial crimes, such as electronic fraud and social media-based commerce fraud, are a problem in the country. Scammers are known to steal corporate client data and pose as corporate officials demanding false debt payments. They contact their victims via international phone calls, posing as banking employees and collecting their personal banking information. There is evidence of transnational involvement in these financial crimes. Nicaragua also suffers losses in annual tax revenues, amounting to hundreds of millions of dollars, due to corporate tax abuse.

## CRIMINAL ACTORS

The country has been adversely affected by high-level corruption and alleged links between state-embedded actors and organized criminal groups that operate with impunity. There are allegations that drug trafficking networks operate with the complicity of security forces, and other criminals even steal illicit drug shipments with the aid of corrupt state officials. The accusations have fueled long-standing suspicions of elite links to drug cartels, with high-profile arrests of parliamentarians and drug traffickers who have been seen with government officials. Collaboration with foreign criminal networks is also common, with reports of territorial expansion of Mexican cartels into Nicaragua. Mid- and low-level officials have been implicated in timber and wildlife trafficking, and prominent business and institutional representatives have also been known to work with criminal actors. Pro-government paramilitary groups have been accused of collaborating with state security forces to intimidate and commit violence against perceived enemies of the regime.

Foreign criminal entities, including several Colombian, Venezuelan and Costa Rican criminal organizations, operate across Nicaragua, relying on local criminal actors to provide key services such as transport and contacts to facilitate organized criminal markets. These foreign criminal entities reportedly exert near-total control over the country's cocaine trafficking market. Although Nicaragua has a limited presence of mafia-style groups, the strongest provide specialized services to transnational criminal entities involved in drug trafficking, timber trafficking, wildlife trafficking or other forms of organized crime.

Smaller criminal networks in Nicaragua also work with foreign counterparts in various illicit activities such as human trafficking, drug trafficking, timber trafficking, wildlife trafficking and micro-commercialization. Some

networks specialize in specific aspects of Nicaragua's drug trafficking market, such as the transport of drugs across Central America, while others steal drug shipments with the help of corrupt state officials.

The largest private companies in the country are managed and/or owned by political elites, which raises concerns

over the existence of a business network known to use state funds through contracts with public institutions. The advantages obtained in exchange for these concessions showcase rampant corruption in the private sector. Some of these companies are also found to be involved in money laundering schemes.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Nicaragua is currently in a state of political and economic crisis, with only a small percentage of the population expressing support for the regime. The ruling political party has been accused of having links to the transnational drug trade, and state-driven anti-organized crime initiatives are regarded as being only symbolic. Human rights violations have been increasing, with political prisoners remaining unfairly imprisoned and opposition candidates facing arbitrary arrests. The Nicaraguan government's credibility has also been tarnished by money laundering, embezzlement and the exploitation of cybercrime legislation to accuse political opposition leaders of financial-related crimes. High-level corruption linked to political elite has been alleged to permeate the entire Nicaraguan state apparatus, leading to concerns about political attacks on individuals and larger regulatory entities. The executive's overtaking of state powers has led to the dismantling of institutions and represents a significant setback in transparency and accountability.

Nicaragua is a party to international treaties and conventions related to organized crime and has extradition agreements with several countries. However, the government has faced criticism for granting Nicaraguan nationality to foreign individuals who are facing charges of corruption and other crimes in the courts of their countries to evade legal extradition requirements. Nicaragua has collaborated with various international entities to combat organized crime, but it has been widely condemned on the international stage. The US and EU have imposed sanctions on high-level Nicaraguan officials. Nicaragua has a relatively strong legislative framework against most forms of organized crime but lacks adequate legislation against environmental crimes such as illicit gold mining, timber trafficking and wildlife trafficking. Moreover, the country does not have effective regulations or infrastructure in place to combat cybercrimes. High-level corruption and violence linked to the regime have rendered anti-organized crime legislation largely symbolic. Nicaragua's adoption of life imprisonment as a penalty for hate crimes has been widely regarded as an attempt to silence the regime's political opposition, along

with the adoption of legislation limiting local human rights and political organizations.

## CRIMINAL JUSTICE AND SECURITY

Nicaragua's judicial system is weak, heavily influenced by politics and corrupt. Most judges are affiliated with the ruling party and are known to accept bribes from drug traffickers in exchange for judicial favours. The government's increasing weaponization of the judicial system against political opponents has resulted in the revocation of the legality of political opposition parties and unfair imprisonment of their members, leading to a widespread criticism of the presidential re-election in 2021. The willingness of Nicaraguan judiciary officials to undermine democracy and commit severe human rights violations has led to foreign governments imposing sanctions on them. More than half of the total prison population in Nicaragua is imprisoned for drug-related offenses, and the prison system is severely overcrowded, with extremely poor living conditions. Criminal groups often bribe corrupt prison officials and operate from within the prison system.

Nicaragua's law enforcement agencies are widely considered tools of political repression, often collaborating with pro-government paramilitary groups to target human rights defenders, independent journalists and dissident activists. The Nicaraguan military, which was previously praised for its effectiveness in drug seizures and community programmes, has been accused of corruption, arbitrary arrest, torture and collaboration with paramilitary groups. The police force's annual budget has increased, leading some to view it as a reward for loyalty to the ruling elite.

Nicaragua's Pacific and Caribbean borders, with difficult terrain and blind spots, provide significant topographical advantages for the execution of transnational organized crime. Drug traffickers, often with the aid of corrupt state officials, take extensive advantage of remote Nicaraguan coastlines and islands to transport drugs through the country. Regional cocaine trafficking and money laundering operations frequently pass through Nicaraguan territory. High-level corruption not only facilitates cross-border

organized crime, but also makes it difficult to measure the extent of Nicaragua's organized criminal markets. Following years of cyber-attacks against state institutions, Nicaraguan and Russian authorities agreed to collaborate on the development of virtual infrastructures to protect national security.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Nicaragua is considered to be one of the world's highest-risk countries for money laundering and terrorist financing. Despite some improvements, the country's anti-money laundering initiatives are reportedly targeted against the political opposition of the ruling party. The Financial Analysis Unit (UAF) has been criticized for its vague language, which could be exploited to characterize public demonstrations as terrorism, and for allowing the Nicaraguan Army to monitor national banking institutions. Although the law outlines confiscation procedures following seizures of criminally sourced funds and assets, these procedures are rarely implemented. Consequently, Nicaragua has been grey-listed internationally due to its unreliability and high potential for money laundering.

Rampant corruption, favouritism and impunity among Nicaraguan officials, exacerbated by weak law enforcement capacity, constitute considerable deterrents to foreign investors. Moreover, Nicaragua has fallen into a deep state of political and economic crisis since the outbreak and brutal suppression of social security reform protests. This crisis, compounded in recent years by COVID-19 pandemic-linked increases in poverty and unemployment, has caused many foreign businesses to leave the country. Extortion, facilitation payments and kickbacks also plague Nicaragua's economic regulatory system. Tax and customs officials not only enforce national regulations arbitrarily, but also engage in bribery and corruption, creating a challenging business environment for foreign companies. More recently, the regime's heightened isolation on the international stage has exacerbated the above-mentioned issues and triggered a significant increase in criminal financing accessibility.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Although Nicaragua's policies outline procedures for victim identification and assistance, authorities rarely implement them. The government has not established shelters or allocated funding for specialized victim services, with minimal support efforts in place. Despite enabling the provision of humanitarian visas to foreign human trafficking victims, the government has not identified any foreign victims since 2018.

Nicaragua's anti-organized crime legislative framework includes preventative measures, such as public awareness and education programmes, but they are not well-implemented. Public outreach strategies, such as targeted brochures and radio segments, have limited efficacy, and there is a lack of reliable data on drug consumption, making analysis of drug prevention programmes difficult. Drug prevention and treatment services are reportedly rarely utilized, possibly due to a lack of awareness or limited operational capacity.

The regime in Nicaragua has been criticized for its restrictions on press freedom and its repressive approach towards independent media outlets, with journalists and media employees facing physical and judicial harassment, arbitrary detention and false allegations of libel and defamation. Many media broadcasters in the country are owned or controlled by political allies of the regime. Civil society organizations also report being subjected to harassment, violence and legislative action aimed at limiting their activities. NGOs and independent media outlets documenting and reporting human rights violations in Nicaragua have been stripped of their legality, with over a thousand organizations believed to have been shut down or sent into exile. The disappearance of humanitarian, development and pro-democracy groups has had a severe impact on local populations, with indigenous communities facing high vulnerability to land theft and settler violence. Nicaragua was identified as the country with the highest per-capita rate of land and environmental defender assassinations worldwide in 2022.

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