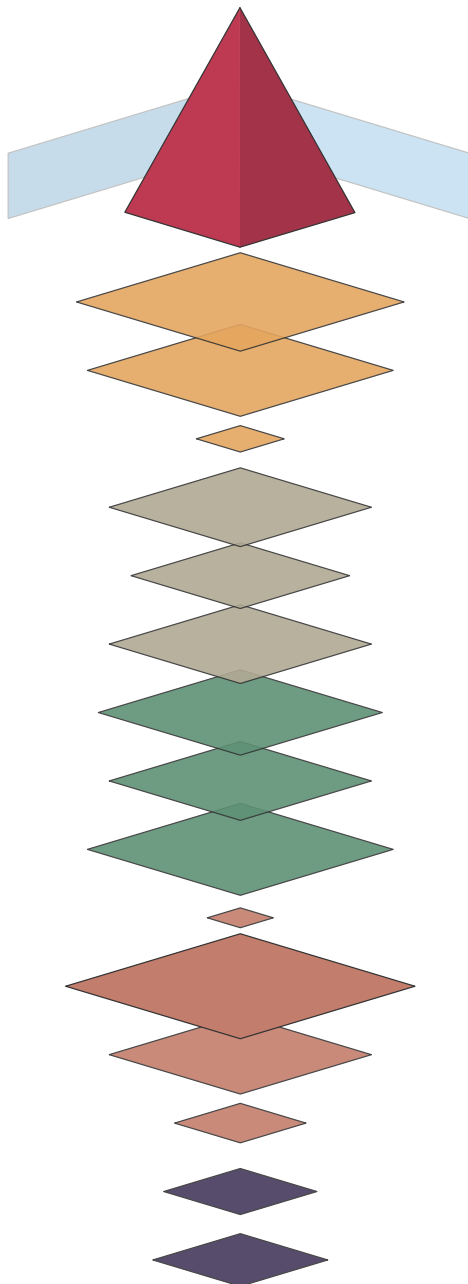


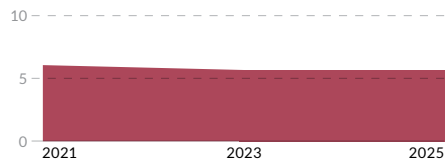


# NICARAGUA



## 5.73 $\nearrow 0.02$ CRIMINALITY SCORE

69<sup>th</sup> of 193 countries  $\searrow 6$   
16<sup>th</sup> of 35 American countries  $\searrow 1$   
6<sup>th</sup> of 8 Central American countries -



## CRIMINAL MARKETS 5.27 $\nearrow 0.03$

HUMAN TRAFFICKING	7.50 $\nearrow 0.50$
HUMAN SMUGGLING	7.00 $\nearrow 1.00$
EXTORTION & PROTECTION RACKETEERING	2.00 0.00
ARMS TRAFFICKING	6.00 0.00
TRADE IN COUNTERFEIT GOODS	5.00 $\searrow 1.00$
ILLCIT TRADE IN EXCISABLE GOODS	6.00 $\nearrow 0.50$
FLORA CRIMES	6.50 $\nearrow 0.50$
FAUNA CRIMES	6.00 0.00
NON-RENEWABLE RESOURCE CRIMES	7.00 $\nearrow 0.50$
HEROIN TRADE	1.50 $\searrow 1.00$
COCAINE TRADE	8.00 0.00
CANNABIS TRADE	6.00 0.00
SYNTHETIC DRUG TRADE	3.00 $\searrow 0.50$
CYBER-DEPENDENT CRIMES	3.50 0.00
FINANCIAL CRIMES	4.00 0.00



## CRIMINAL ACTORS 6.20 0.00

MAFIA-STYLE GROUPS	4.00 $\searrow 1.00$
CRIMINAL NETWORKS	6.50 0.00
STATE-EMBEDDED ACTORS	9.00 0.00
FOREIGN ACTORS	7.00 $\nearrow 0.50$
PRIVATE SECTOR ACTORS	4.50 $\nearrow 0.50$



This project was funded in part  
by a grant from the United  
States Department of State.

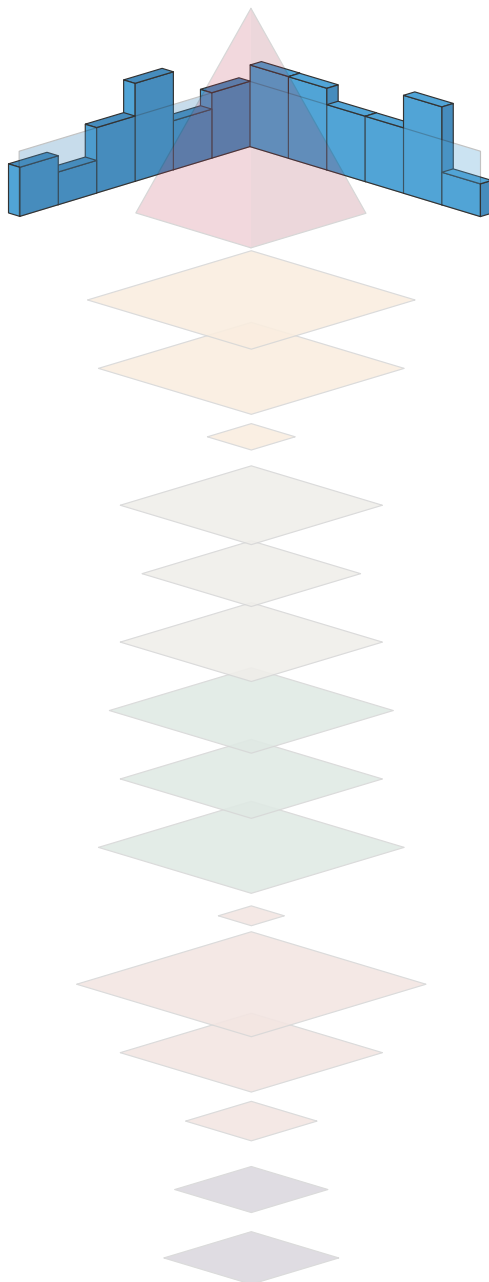


Funded by  
the European Union

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



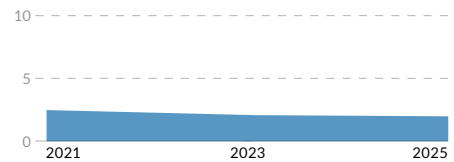
2.00  $\downarrow 0.08$

## RESILIENCE SCORE

185<sup>th</sup> of 193 countries  $\downarrow 2$

34<sup>th</sup> of 35 American countries -

8<sup>th</sup> of 8 Central American countries -



POLITICAL LEADERSHIP AND GOVERNANCE	1.50	0.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	1.00	0.00
INTERNATIONAL COOPERATION	2.00	0.00
NATIONAL POLICIES AND LAWS	3.00	0.00
JUDICIAL SYSTEM AND DETENTION	1.50	$\downarrow 0.50$
LAW ENFORCEMENT	2.00	$\downarrow 0.50$
TERRITORIAL INTEGRITY	2.50	0.00
ANTI-MONEY LAUNDERING	2.50	0.00
ECONOMIC REGULATORY CAPACITY	2.00	0.00
VICTIM AND WITNESS SUPPORT	2.00	0.00
PREVENTION	3.00	0.00
NON-STATE ACTORS	1.00	0.00



This project was funded in part by a grant from the United States Department of State.



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.

# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Nicaragua is both an origin and transit country for human trafficking, with victims subjected to sexual and labour exploitation. Economic instability, weak rule of law and state complicity have exacerbated the problem. Victims are recruited in rural areas with false promises of employment and later forced into exploitation in begging rings, artisanal mining or drug trafficking. Women and children remain the most vulnerable groups, and there has been a sharp increase in the disappearance of adolescent girls. Nicaragua is also a key origin country for victims trafficked to Spain, Costa Rica, Panama and the US. State-embedded actors, including migration officials and law enforcement, facilitate these operations through corruption and bribery.

Human smuggling is a growing industry in Nicaragua, fuelled by its strategic geographic location and its visa policies that attract migrants from Africa, Asia and the Caribbean. The Nicaraguan government benefits from imposing unofficial transit fees on migrants traveling northward. Smugglers operate at the country's southern border with Costa Rica and use local guides, known as *baqueanos*, to help migrants navigate rough terrain. Social media has become a tool for advertising smuggling services, offering package deals that include flights, transportation and lodging. The country's diplomatic expansion into African nations such as Algeria and Togo appears linked to facilitating human smuggling rather than fostering legitimate political or economic ties.

Extortion and protection racketeering remain fragmented in Nicaragua, largely limited to isolated criminal groups. The authorities recently dismantled a gang known as *El Invisible*, responsible for multiple extortion cases in the north of the country. Despite this, the market is not highly consolidated.

### TRADE

Nicaragua has become a central hub for arms trafficking, supplying illegal military-grade weapons, including AR-15 rifles, to criminal groups in Mexico, Honduras and Costa Rica. The trade is facilitated by corrupt state actors within the police and military, who control access to arms and allow their illegal distribution. The US government has imposed restrictions on arms exports to Nicaragua in response to human rights violations and the country's ties with Russia, highlighting growing international concerns over Nicaragua's involvement in illicit arms dealings.

The trade in counterfeit goods is prevalent, with pharmaceuticals, footwear, dairy products and personal care items commonly trafficked. These goods are either consumed domestically or smuggled into neighbouring Honduras and Costa Rica. The illicit trade in excise goods, particularly cigarettes, is also well-established. A majority of contraband cigarettes enter from China via Panama and are distributed through Nicaragua's porous border crossings with Costa Rica. It is estimated that illegal brands make up between 65% and 80% of total cigarette consumption in the country, resulting in significant tax losses.

### ENVIRONMENT

Flora crimes, particularly illegal logging and deforestation, are rampant in Nicaragua. Organized crime groups profit from the illicit timber trade, with indigenous territories in the north and south particularly affected. Timber trafficking is linked to violent land grabs, as settlers invade protected areas with the tacit approval of local officials. Demand for illegal timber primarily comes from China. The arrival of Chinese companies in 2020 further intensified deforestation, with displaced indigenous communities suffering violence and intimidation. Weak enforcement of land rights allows the illicit timber trade to flourish, and deforestation in key regions, such as the Bosawás Biosphere Reserve, continues at alarming rates.

Fauna crimes are also widespread. Various species, including parrots, monkeys, reptiles and ocelots, are captured and trafficked both domestically and internationally, particularly to Europe, the US and Asia. Nicaragua's porous borders with Honduras and Costa Rica facilitate illegal wildlife smuggling. In late 2024, illegal cattle trafficking was linked to the resurgence of a parasitic disease, posing a significant public health risk. Calls for stricter enforcement have increased in response to these developments.

Non-renewable resource crimes are closely tied to Nicaragua's gold mining sector, where illegal mining accounts for approximately 30% of national gold exports. Illegal mining operations rely on child labour, exploit indigenous land and contribute to environmental degradation. Despite US sanctions on Nicaragua's gold sector, the industry continues to thrive due to foreign business interests. The government is complicit, granting concessions to Chinese companies that exploit large tracts of land. These activities have led to displacement, violence and a rise in mercury smuggling, as the toxic metal is widely used in illegal mining processes.

## DRUGS

The heroin trade is not a significant market in Nicaragua, with domestic consumption remaining low due to its high price compared to other substances. Cocaine trafficking, however, is a major concern. Nicaragua serves as a key transit corridor for cocaine shipments moving from Colombia to the US. Criminal organizations take advantage of the country's extensive coastlines and porous borders. Despite official claims to the contrary, law enforcement seizures have declined in recent years, although it is unclear if this might signal an increase in undetected trafficking activity. Corruption among public officials further facilitates the trade. A major cocaine seizure in Russia in early 2024 highlighted Nicaragua's role in international trafficking networks, as the shipment originated from the country. Cannabis remains the most widely consumed drug in Nicaragua, with local production meeting domestic demand. Criminal networks manage distribution through small-scale operations in urban centres. Cannabis from Costa Rica and Honduras is also trafficked into Nicaragua. Synthetic drugs do not form a major market in Nicaragua, though there is some evidence of transit activity. In recent years, Nicaraguans were arrested in Costa Rica for smuggling ketamine, indicating cross-border connections.

## CYBER-DEPENDENT CRIMES

Despite a general lack of reporting, cyber-dependent crimes are assessed to be an emerging issue in the country, particularly targeting independent media and opposition groups. Nicaraguan outlets have reported consistent hacking attempts, often attributed to pro-government actors. Attacks include account hacking and denial-of-service attacks. Cryptocurrency scams have also targeted digital platforms, suggesting the growing sophistication of cybercriminals in the country.

## FINANCIAL CRIMES

Financial crimes are an issue in Nicaragua, with state actors implicated in embezzlement and influence peddling. Digital fraud is also increasing, with fraudulent online sales and payment scams becoming more prevalent. Despite international scrutiny, financial governance remains weak, allowing illicit transactions to continue largely unchecked.

## CRIMINAL ACTORS

Unlike other northern Central American countries, Nicaragua has limited evidence of mafia-style groups operating within its borders. However, organized criminal entities provide specialized services to transnational networks engaged in drug trafficking, timber trafficking and wildlife crimes. These groups play a role in facilitating illicit activities but do not exhibit the hierarchical structure and territorial control associated with traditional mafia organizations.

Nicaraguan criminal networks are heavily involved in human trafficking, cocaine trade and wildlife trafficking. The cocaine trade, in particular, involves collaboration with transnational mafia-style groups from Honduras, Guatemala, Costa Rica and Mexico. These partnerships indicate that Nicaraguan criminal organizations are integrated into broader regional and international trafficking operations.

State-embedded actors play a pivotal role in organized crime in Nicaragua. The government of co-presidents Daniel Ortega and Rosario Murillo has been repeatedly accused of facilitating drug trafficking, with allegations dating back to the 1980s when the Sandinista regime reportedly supported the Medellín Cartel. In recent years, analysts argue that the Nicaraguan state controls drug trafficking within its territory, managing the trade rather than actively combating it. Political experts have pointed to the regime's alleged connections with the Cartel of the Suns, a network of drug-trafficking factions within the Venezuelan military. The government has also been accused of granting asylum and citizenship to high-profile criminals and political allies, further entrenching its involvement in organized crime. This arrangement allows criminal activities to persist with minimal disruption while reinforcing state corruption and impunity.

Transnational criminal organizations utilize Nicaragua as a transit hub for illicit activities, often with the tacit approval of state authorities. Colombian and Mexican groups are key players in the cocaine trade, leveraging Nicaragua's geographic position and institutional weaknesses to facilitate drug shipments. The involvement of Chinese criminal groups has also been documented, particularly in environmental crimes such as illegal logging and mining. These actors exploit weak regulatory oversight to traffic timber and minerals, often with the cooperation of local officials. In addition to drug and environmental crimes, Nicaragua's borders serve as key points for illicit trade involving human smuggling and contraband goods. The presence of regional gangs, such as Mara 18, has also been recorded, near the border with Costa Rica for example, highlighting the continued movement of organized criminal actors between Nicaragua and its neighbours. These groups engage in a range of illicit activities, including migrant extortion, cross-border smuggling and violent crimes.

The Ortega–Murillo regime has established a vast network of businesses across multiple economic sectors, embedding itself within Nicaragua's financial, media and industrial landscape. At least 22 companies linked to the ruling family operate in industries such as energy, telecommunications, banking and tourism. Prominent financial institutions and commercial enterprises, including Albanisa, Fininsa and Interfin, are closely tied to the regime, raising concerns about money laundering and illicit financial flows. Organized crime in Nicaragua operates with the support of various private-sector actors, including commercial fishermen, gas stations, law firms and tourism-related businesses.

These entities provide logistical support for illicit activities, whether knowingly or through regulatory loopholes that allow money laundering and contraband trade to thrive. The influence of criminal elements within the private sector

underscores the systemic nature of organized crime in Nicaragua, with economic and political elites playing a significant role in facilitating illicit operations.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Nicaragua operates under a highly centralized authoritarian system, and state-driven anti-organized crime initiatives are regarded as being only symbolic. Over the years, the ruling Sandinista National Liberation Front has solidified its control over state institutions through widespread repression, political purges and electoral manipulation. The government's control extends to the security forces, judiciary and local municipalities, consolidating an environment where dissent is systematically suppressed. International organizations and human rights groups have repeatedly accused Nicaragua's leadership of direct involvement in organized crime, particularly drug trafficking, which is allegedly facilitated through government-controlled institutions. Political opponents, activists and journalists are frequently arrested and charged under broad laws that classify dissent as criminal activity.

Nicaragua ranks among the most corrupt countries in Latin America. High-level corruption linked to the 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 Ortega-Murillo administration has consolidated power over state institutions, media, labour unions and the private sector, facilitating unchecked corruption. The lack of independent oversight has enabled large-scale embezzlement and misuse of public funds without consequences. Transparency is severely hindered by repressive laws targeting opposition figures and journalists. The government has criminalized investigative reporting and significantly restricted access to information. The judiciary, heavily controlled by the executive, ensures impunity for state officials while persecuting dissenters under fabricated charges.

Nicaragua has ratified several international treaties related to transnational organized crime but fails to implement them effectively. While it maintains extradition agreements with multiple countries, it rarely cooperates in law enforcement operations. Instead, the regime maintains close security ties with Russia, including military and cybersecurity cooperation. Russia operates military installations and provides training to Nicaraguan police forces in surveillance techniques. Nicaragua's exclusion from the UN Office on Drugs and Crime initiatives targeting drug trafficking

underscores the international community's concerns about its lack of cooperation. Additionally, the country's free trade agreement with China has raised concerns about potential facilitation of illegal logging activities.

Nicaragua has a legal framework addressing organized crime. However, these laws are frequently misused to silence opposition and civil society rather than combat real financial crimes. The broad definitions of organized crime allow the state to target activists and journalists under false pretences. The country lacks adequate legislation on environmental crimes, including illegal mining and wildlife trafficking. Instead, the government is accused of facilitating such activities by allowing the invasion of indigenous lands for illicit extraction operations. High-level corruption further weakens enforcement efforts, rendering much of Nicaragua's legal framework ineffective.

## CRIMINAL JUSTICE AND SECURITY

The judicial system in Nicaragua is entirely subordinate to the executive branch, lacking independence or impartiality. Reports indicate that judicial decisions are dictated directly by the presidency, particularly in cases involving political opponents. The judiciary's lack of independence severely undermines any efforts to combat organized crime effectively. The government employs the judicial system to charge political opponents, often using accusations of drug trafficking and money laundering to justify arbitrary arrests. As for the penitentiary system, the conditions are reported to be harsh and life threatening, with overcrowding, poor sanitation, limited access to medical care and violence among prisoners.

Law enforcement agencies operate under direct presidential control. Recent constitutional reforms have further entrenched the police as a militarized force under presidential control. The police frequently engage in repression against opposition figures, journalists and civil society groups. Alongside official security forces, paramilitary groups linked to the ruling party execute campaigns of intimidation and violence, further suppressing opposition voices. While the government reports drug seizures and criminal arrests, investigative journalists suggest that these operations are often staged to demonstrate effectiveness. Many

drug traffickers allegedly cooperate with authorities in exchange for protection. Environmental crimes, including illegal logging and wildlife trafficking, persist due to weak enforcement and official corruption.

Nicaragua's central location in the Central American isthmus, with long coastlines and porous borders, makes it a key transit hub for regional trafficking networks. Criminal groups exploit these geographic features – often with the complicity of corrupt state officials – to move illicit goods and people, particularly using remote coastal areas and islands for drug transport. The country's anti-crime policy, known as the 'Containment Wall Strategy', has been in place since 2007 but is widely regarded as ineffective. High-level corruption not only enables cross-border organized crime but also obscures the true scale of Nicaragua's criminal markets, making reliable assessments difficult. In the digital realm, following a series of cyberattacks on government institutions, Nicaragua partnered with Russia in 2021 to develop cybersecurity infrastructure aimed at protecting national security.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Nicaragua's financial system is deeply compromised by state control and corruption. Despite being removed from the Financial Action Task Force grey list in 2022, concerns persist regarding the misuse of anti-money laundering laws. These laws are frequently applied selectively to target political opponents and civil society organizations rather than effectively addressing financial crime. Reports indicate that illicit funds, including proceeds from drug trafficking, are integrated into the formal economy through discretionary confiscations and opaque financial transactions managed by the government.

The country's economic landscape is dominated by businesses linked to the ruling family, which exerts control over key industries such as telecommunications, banking and energy. These enterprises benefit from state subsidies, tax exemptions and preferential contracts. In contrast, independent businesses face arbitrary taxation, legal uncertainty and extortion by state officials. Foreign investment is discouraged by the lack of regulatory transparency, high levels of corruption and the absence of legal protections for businesses. The dissolution of private sector organizations and increased state control over financial institutions have further stifled economic freedom.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Support for victims of crime is lacking in Nicaragua. The government does not provide shelters or funding for specialized victim services, particularly for victims of human trafficking and labour exploitation. Instead, victims are often placed in their relatives' homes, where they face the risk of re-victimization. The state also fails to cooperate with international organizations or NGOs to

provide assistance, leaving trafficking victims with no access to protection mechanisms. Human trafficking remains a critical issue, with the government failing to implement victim identification programmes.

Efforts to prevent organized crime and human trafficking are weak and largely symbolic. Although Nicaragua has extended its national action plan against human trafficking to 2027, no tangible steps have been taken to implement its objectives. National identification restrictions have exacerbated vulnerability, making it harder for individuals to access essential services. The lack of public awareness campaigns, ineffective hotlines and non-existent inter-agency coordination further undermine prevention measures.

Civil society organizations have been systematically dismantled by the government. Since 2018, Nicaragua has revoked the legal status of approximately 5 000 NGOs, effectively eliminating independent advocacy and social service networks. Press freedom has been significantly curtailed, with independent media outlets forced into exile or subjected to heavy censorship. Journalists who report on corruption and human rights abuses have faced persecution, imprisonment and loss of citizenship. The government has employed cybercrime laws to suppress dissent, targeting social media users and media organizations that criticize the regime. The state has also cracked down on environmental activism, targeting organizations that oppose deforestation and extractive industries. Environmental advocacy groups have been shut down, and activists face severe repression, including arbitrary arrests and forced exile. Nicaragua's human rights situation continues to deteriorate, with widespread reports of extrajudicial actions, politically motivated prosecutions and systemic abuses. International human rights organizations have repeatedly condemned unlawful detentions, torture and suppression of political opposition. Since 2022, the country has been classified as having a closed civic space, indicating that the fundamental rights to free expression and free assembly cannot be exercised under the protections of a functioning rule of law.

---

*This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.*