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# Central America: Policy Options Following Expiration of Targeted Sanctions Authority

On December 27, 2023, a targeted sanctions authority created by Congress to respond to corruption and democratic backsliding in four Central American countries (Figure 1) expired along with any visa restrictions that the State Department had imposed pursuant to the authority. Congress may assess how the sanctions authority was used, the potential implications of its expiration, the extent to which other sanctions options exist, and policy alternatives.

into such acts of corruption.” This report is colloquially known as the *Engel List*, after the act’s sponsor, former Representative Eliot Engel.

Section 353(c) of the act, which expired in December 2023, directed the President to deny U.S. entry to, and, as applicable, revoke existing U.S. visas for, any individuals listed, with certain exceptions. The President delegated those functions to the State Department, which publicly designated 184 individuals—including five former presidents—pursuant to the act by the time of its expiration (Table 1).

Figure 1. Map of Central America



Source: CRS Graphics.

Table 1. Individuals Publicly Designated Under Section 353, by Country and Sanctionable Behavior (July 2021-December 2023)

Country of Origin	Corruption	Undemocratic Actions	Total
El Salvador	19	17	34
Guatemala	30	24	52
Honduras	46	3	49
Nicaragua	—	49	49
Total	95	93	184

Source: CRS analysis of U.S. Department of State reports.

Note: Two Salvadorans and two Guatemalans were designated for both sanctionable behaviors. Consequently, the totals for those countries are less than the sum of the “corruption” and “undemocratic actions” columns.

## Origins of the Sanctions Authority

Congress has devoted increased attention to Central America over the past decade as the region has become a top source of irregular migration to the United States. Between FY2016 and FY2023, Congress appropriated more than \$5 billion of foreign assistance to address the underlying economic, governance, and security challenges in Central America that have contributed to millions of people leaving their homes. Corruption and democratic backsliding have hindered U.S. objectives in the region by deterring investment, siphoning scarce resources away from government programs, and facilitating criminal co-optation of security and justice-sector institutions.

## Potential Implications of the Expiration

It is difficult to assess the impact Section 353 sanctions had on democracy and governance in Central America. The threat of Section 353 sanctions reportedly deterred some Central American policymakers from engaging in corrupt or undemocratic activities, at least in some instances. Some civil society organizations also welcomed the Section 353 list as a “name and shame” tool to begin holding political and economic elites accountable in a region characterized by high levels of impunity and state capture.

Among other efforts intended to stem the erosion of the rule of law in Central America, Congress enacted the United States-Northern Triangle Enhanced Engagement Act (Division FF, Title III, Subtitle F of P.L. 116-260; 22 U.S.C. §§2151 note, 2277-2277a; hereinafter, “the act”) in December 2020. Section 353(b) of the act, as amended by the Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform Act of 2021 (P.L. 117-54; “RENACER Act”), requires the President to submit an annual report to Congress on individuals in El Salvador, Guatemala, Honduras, and Nicaragua who have “knowingly engaged in actions that undermine democratic practices or institutions” or in “significant corruption or obstruction of investigations

At the same time, governance continued to deteriorate in portions of Central America and some individuals designated under Section 353 continued to erode the rule of law and democratic institutions. For example, Rafael Curruchiche, the head of Guatemala’s Special Prosecutor’s Office Against Impunity, allegedly continued to persecute anti-corruption investigators and interfered in Guatemala’s

2023 electoral process after the State Department designated him under Section 353 in June 2022.

Since the December 2023 expiration of the Section 353 sanctions authority, individuals designated under the act have been eligible to apply for new visas. They may continue to be denied entry into the United States based on other grounds.

### Other Sanctions Options

The executive branch may use a variety of other global and country-specific authorities—some of which are more expansive than Section 353—to address corruption and undemocratic actions. Some of these authorities, and examples of the Biden Administration applying them in Central America, are described below.

**Section 7031(c) of annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations legislation** requires the Secretary of State to deny U.S. entry to foreign officials involved in “significant corruption” or a “gross violation of human rights.” It also extends visa restrictions to the immediate family members of such officials. In May 2022, for example, the State Department designated Guatemalan Attorney General Maria Consuelo Porras Argueta de Porres and her family members under Section 7031(c) for her alleged involvement in significant corruption. The State Department had designated her previously under Section 353 in September 2021.

**The Global Magnitsky Human Rights Accountability Act** (P.L. 114-328, Title XII, Subtitle F; 22 U.S.C. §§10101-10103; as implemented through executive order (E.O.) 13818) authorizes the President to impose economic sanctions and visa restrictions on foreign individuals or entities involved in human rights abuses or corruption. For example, in December 2022, pursuant to E.O. 13818, the Treasury Department’s Office of Foreign Assets Control (OFAC) designated Conan Tonathiu Castro Ramirez, legal advisor to the Salvadoran president, for allegedly engaging in corruption. The State Department had designated him previously under Section 353 for allegedly undermining democratic processes or institutions in July 2021.

**Section 212 of the Immigration and Nationality Act** (INA; P.L. 82-414, Ch. 477, 66 Stat. 163, as amended; 8 U.S.C. §1182) grants the executive branch broad authority to deem certain classes of foreign nationals inadmissible and bar them from U.S. entry. The visa records of individuals subject to INA inadmissibility criteria are generally treated as confidential (see §222 of the INA; 8 U.S.C. §1202(f)). In December 2023, for example, the State Department applied Section 212(a)(3)(C) of the INA on certain (unnamed) Honduran individuals who allegedly carried out or sought to foment acts of violence and intimidation amid a contested attorney general appointment process. Later that month, the State Department publicly designated Honduran Minister of Strategic Planning Ricardo Arturo Salgado Bonilla under Section 353 for similar actions.

**E.O. 13851 (“Blocking Property of Certain Persons Contributing to the Situation in Nicaragua”)**, as amended by E.O. 14088, imposes economic sanctions and visa restrictions on individuals engaged in certain activities in Nicaragua, including “actions or policies that undermine democratic processes or institutions” or any transaction involving corruption related to the government of Nicaragua. For example, in March 2024, pursuant to E.O. 13851, OFAC designated Nicaraguan Attorney General Wendy Carolina Morales Urbina for allegedly facilitating a “coordinated campaign to suppress dissent.” The State Department had designated her previously under Section 353 in July 2023.

### Congressional Considerations

The 118<sup>th</sup> Congress has taken some steps to review U.S. sanctions policy in Central America. For example, H.Rept. 118-146, incorporated into the explanatory statement accompanying FY2024 SFOPS legislation (Division F of P.L. 118-47), directed the Secretary of State to submit a report to selected committees on how U.S. agencies coordinate sanctions policies to influence the behavior of individuals in Central America involved in corruption, human rights abuses, and anti-democratic actions and on challenges to sanctions implementation in the region.

Some Members of Congress also have raised concerns about the Biden Administration’s use of sanctions in the region. Some Members assert that visa restrictions have not produced the behavior change sought in Central America and have encouraged the Administration to more broadly utilize its targeted financial sanctions authorities in the region. Others argue that the Administration may have “politicized” the Section 7031(c) sanctions process in Latin America by targeting certain individuals but not others who may have engaged in similar behaviors. They have called on the Administration to clarify its designation criteria.

Congress could consider whether or not to address such concerns with a variety of options. These potential options include

- continuing to exercise oversight of the executive branch’s use of global sanctions authorities in the region and assessing whether U.S. agencies have sufficient resources for sanctions implementation;
- authorizing a new sanctions program for Central America that includes asset blocking and transaction prohibitions in addition to visa restrictions; and/or
- legislating an extension to Section 353 authority, either as is or with modifications for stronger evidentiary standards and more specific criteria for designation (and delisting) of individuals.

Congress also could consider whether or not to continue using other policy tools to combat corruption and democratic backsliding in the region, including foreign assistance appropriations and/or legislative withholding requirements on such assistance (e.g., see §7045(b) of the FY2024 SFOPS legislation, Division F of P.L. 118-47).

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