The Rise of the PCC: How South America’s Most Powerful Prison Gang is Spreading in Brazil and Beyond

By InSight Crime and American University’s Center for Latin American & Latino Studies

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Investigative Team

Matthew Taylor, an associate professor at American University’s School of International Service, and Steven Dudley, the co-director of InSight Crime, were the co-principals of this project.

Dudley and Taylor worked with InSight Crime investigator Monica Betancur, as well as Bruno Paes Manso, Thaís Lemos Duarte, Camila Almeida, Vinicius Madureira, and Barbara Dos Santos on the Brazil research. Paes Manso, a PhD in political science from the University of São Paulo (USP), works at the Núcleo de Estudos da Violência at the USP and is the co-author of a book on the PCC, A Guerra: A ascensão do PCC e o mundo do crime no Brasil (São Paulo, 2018). Duarte is a postdoctoral fellow at the Federal University of Minas Gerais. Almeida is a Brazilian journalist who has a master’s in Urban Planning at the USP. Madureira has a master’s in International Security and Defense from Brazil’s National War College (Escola Superior de Guerra-ESG). Dos Santos was a graduate student at American University, while she did her research.

InSight Crime’s Elisa Roldán, Ana Isabel Rico, and Juan José Restrepo did the graphics.

The Director of the Center for Latin American & Latino Studies (CLALS) at American University, Eric Hershberg, was the project director. Rob Albro at CLALS oversaw research and administered the project, with help from Dennis Stinchcomb.

María Elena Ortegón administered the project for InSight Crime, along with María Clara Salazar and Alicia Flórez.

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Organizations

InSight Crime is a think tank dedicated to the study of the principal threat to national and citizen security in Latin America and the Caribbean: organized crime.

We fulfill this mission by:

• providing high quality and timely analysis of news events linked to organized crime in the region;

• investigating and writing reports on organized crime and its multiple manifestations, including its impact on human rights, governance, drug policy, and other social, economic, and political issues;

• giving workshops to journalists, academics and non-governmental organizations on how to cover this important issue and keep themselves, their sources, and their material safe;

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• presenting in public and closed-door sessions to governments, non-governmental organizations, academics, and stakeholders on best practices, strategies, and pitfalls in implementing citizen security policy on the ground.

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The Center for Latin American & Latino Studies (CLALS) at American University, established in January 2010, is a campuswide initiative advancing and disseminating state-of-the-art research. The Center’s faculty affiliates and partners are at the forefront of efforts to understand economic development, democratic governance, cultural diversity and change, peace and diplomacy, health, education, and environmental well-being. CLALS generates high-quality, timely analysis on these and other issues in partnership with researchers and practitioners from AU and beyond.

Learn more about CLALS.
The PCC is now the dominant TCO in the criminal markets of southeastern and western Brazil; it has control over the most important southbound trafficking routes; and it has privileged access to Brazil’s largest airports and ports.

Major Findings

- In fewer than thirty years, the First Command of the Capital (Primeiro Comando da Capital – PCC) has grown from a handful of prisoners into a powerful transnational criminal organization (TCO).

- The PCC is now the dominant TCO in the criminal markets of southeastern and western Brazil; it has control over the most important southbound trafficking routes; and it has privileged access to Brazil’s largest airports and ports. Together with its allies, it is also increasingly powerful in the northeastern region, which is also a significant transit point to the Caribbean, Africa, and Europe.

- The PCC operates in a manner akin to a criminal cooperative or a secret society. This model of organization provides considerable autonomy to members, and offers them privileged access to criminal resources, such as loans, arms, collective protection, and a network of contacts, which stimulate the criminal economy in Brazil.

- The PCC has gained strength because of its effective control of prisons and prison violence, because of its regulation of violence by criminals and in criminal markets, and because of the support it provides to prisoners and their families. These tactics have lent it prestige, legitimacy, and popular support, especially in poor communities.

- Although the PCC has not shown much interest in entering drug production in neighboring countries, its pursuit of drug supplies and rivalries with other Brazilian TCOs has pushed it further into regional South American trafficking distribution networks. It now reaches well into Paraguay, where its spread has been facilitated by deep-seated corruption and weak state capacity. The PCC has engaged in violence against rival gangs and seems increasingly well-positioned to make a bid for control of the Paraguayan penitentiary system.

- After two years of intense violence between the PCC and its competitors, a fragile truce appears to have emerged in Brazil’s north and northeastern states. However, the reasons for this truce are multiple and tenuous, including the segregation of criminal organizations in prisons and temporary federal government intervention in some states. In the past, the PCC has muscled back after similar moments of apparent calm.

- In recent years, the senior leadership of the PCC has been destabilized by law enforcement authorities’ continued interception of the group’s communications, by ongoing warfare with rival organizations, and by the transfer of top leaders to federal penitentiaries. However, the amorphous organizational structure of the PCC appears to make it at least partially resilient to these challenges.
Introduction and Methodology

The PCC (Primeiro Comando da Capital, or First Capital Command) may be the world’s most successful prison gang, having grown in less than three decades into a transnational criminal organization (TCO). Since its founding in 1993, the PCC has expanded to as many as 30,000 members, dominating criminal markets in six Brazilian states with a combined population of more than 76 million. Much of this growth has taken place since 2015, as the group moved into new territories, contributing to convulsions of violence in entire regions of northern Brazil. During this period, the PCC has also expanded into neighboring Paraguay and built connections to criminal markets across South America and into the Caribbean, Africa, and Europe.

This report analyzes the phenomenon of the PCC and the factors that have enabled its rise and spread. It is the result of a research project by the Center for Latin American & Latino Studies (CLALS) at American University and InSight Crime. Together, they completed a multi-disciplinary study: Mapping Transnational Organized Crime in Argentina, Brazil, and Paraguay. The project set out to evaluate, among other themes:

- Transnational criminal organizations’ networks and collaboration;
- Cross-border operations of criminal organizations;
- Impacts of transnational criminal organizations on U.S. interests; and
- Country capacity to address threats by transnational criminal organizations.

Research was conducted in Brazil, Argentina, and Paraguay. The project authors conducted interviews with law enforcement officers, journalists, social workers, and academics specializing in criminal dynamics in a variety of cities, including São Paulo, Santos, Porto Alegre, Santa Catarina, Brasília, Buenos Aires, and the sister cities of Pedro Juan Caballero-Ponta Porá, and Ciudad del Este-Foz de Iguaçu. Researchers visited multiple federal and state prisons in both Paraguay and Brazil.

We have used case studies from judicial cases to reinforce our understanding of criminal dynamics. We understand that these examples are not perfect representations of how crime works, and that there may be a sample bias as prosecutors have a clear interest in depicting criminal organizations as complex, sophisticated criminal groups that should be subject to conspiracy laws similar to the Racketeer Influenced
and Corrupt Organizations (RICO) statute in the United States. Nonetheless, the testimonies and experiences of members of the organized crime networks and their victims provide an important perspective on criminal dynamics and law enforcement effectiveness. Further, when triangulated against information from interviews and prior studies, this information serves to fortify our knowledge base of the PCC.

**PCC: A Brief History**

The PCC emerged from Brazil’s brutal prison system following a bloody jailhouse massacre in 1992 and rose to prominence amidst a massive expansion of the country’s penitentiary system. Part criminal organization, part non-governmental advocacy group, part family support group, the organization turned the government’s own repressive apparatus and its complete abandonment of the prisons to its advantage, taking control of the underworld in the prison as well as the streets. They have since expanded to neighboring countries, most notably Paraguay, thus creating South America’s most powerful transnational criminal organization.

**The Comando Vermelho Model**

The PCC is a culmination of years of criminal evolution and changing criminal dynamics on a regional level, as well as haphazard, abusive, and racist public policy at the local and federal levels in Brazil. In all, there have been four major waves in the evolution of national and transnational criminal organizations in Brazil over the past half century, each of which contributed in their own way to the development of what became the PCC.

The first wave brought the increasing organization of criminal activities, pioneered by the Rio-based Comando Vermelho (Red Command – CV) in the late 1970s and early 1980s. Like the PCC, the CV was a prison gang. Its rise is often attributed to the jailing of political prisoners together with common criminals during the military regime of the 1970s, enabling criminals to learn from political prisoners how to structure a clandestine organization and how to organize around themes of social justice and the oppressive conditions inside the penitentiary system. “Paz, Justiça e Liberdade” (Peace, Justice, and Liberty) was their slogan, one that other prison gangs, including the PCC, would adopt years later. The CV spread within the prison system in Rio, began engaging in bank robberies, and then spread into favelas, the marginalized neighborhoods embedded in the mountainsides and peripheral areas surrounding larger cities.

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2 Bruno P. Manso and Camila N. Dias, *A Guerra: A ascensão do PCC e o mundo do crime no Brasil* (São Paulo, 2018). (*Note: Manso was an investigator for this project.*)
3 Amorim, op. cit.; Rodrigues, op. cit.
Partly in consequence of its organization and control of the prisons, the CV emerged as the preeminent criminal organization in Rio de Janeiro, dominating favelas and poor peripheral neighborhoods where it sought a monopoly over many criminal ventures. The chief marker of this wave of criminal expansion was the introduction of a vertical and hierarchical structure to drug trafficking, which increased its lethality and scale, and led to open battles for dominance between the CV and smaller groups of drug dealers in the metropolitan areas of Rio de Janeiro state.\(^4\)

The increased organizational structure of criminal activities begun under the CV has been imitated by a variety of subsequent organizations, such as Rio’s militias.\(^5\) But the CV’s emphasis on control over territory and drug sale locations also essentially limited its expansion, with the group operating as a series of loosely affiliated local gangs, rather than a single overarching criminal organization statewide.

Still, for years the CV enjoyed considerable prestige in the shantytowns of Rio, in part because it developed a rudimentary “social assistance fund” to serve the children and women of “associates” who were killed or imprisoned.\(^6\) The CV also developed a benefit network for favela residents, sporadically providing money for everything from medical emergencies to children’s parties and sanitation efforts.\(^7\) This criminal provision of “social services” has been emulated and expanded upon by the PCC.

The Emergence of the PCC

The second wave in the evolution of organized crime in Brazil was a deepening of organizational structure that permitted its expansion to broader swaths of territory. This phenomenon was most evident in the emergence and eventual expansion of the Primeiro Comando da Capital (First Capital Command) across Brazil’s most populous state, São Paulo.

Not even the most knowledgeable of investigators of the PCC can pinpoint the exact birth date of the group,\(^8\) but most agree that the origins of the PCC can be traced to an October 1992 riot in the Carandiru prison in São Paulo. The prison was the country’s largest at the time, holding as many as 8,000 inmates. The government sent military police to quell the fighting, and these police killed at least 111 inmates in the process. In PCC lore, it became known as the “massacre at Carandiru,” and

\(^4\) Manso and Dias, op. cit.

\(^5\) The militias emerged as providers of security against the threat posed by armed drug dealers like the CV. However, in many if not most cases, the militias have devolved into predators in their own right, preying on legitimate business and governing informal economies in the place of either other criminal organizations or the state.

\(^6\) José Arbex Jr. and Claudio Tognolli, *O século do crime* (São Paulo, 1996); José Arbex Jr., *Narcotráfico: um jogo de poder nas Américas* (São Paulo, 2005); Rodrigues, op. cit.

\(^7\) Leeds, op. cit.; Rodrigues, op. cit.

Watershed Moments for the PCC

- **1992 October**: Carandiru prison massacre, São Paulo state; state police kill 111 prisoners while putting down prison riot.

- **2001 February**: PCC leads first “mega-rebeldão” or coordinated prison uprising, at 29 prisons across São Paulo state, after authorities transferred five PCC leaders to Taubaté prison.

- **1993 August**: Founding of PCC, Taubaté prison, São Paulo, after a bloody soccer game against a rival prison organization.

- **2001 May**: Differentiated Disciplinary Regime (RDD) instituted in São Paulo prisons, reducing conjugal visits, access to media, and outside time for troublemakers. RDD also increased monitoring of prisoners and allowed RDD prisoners to be placed in solitary confinement.

- **2002**: Tit-for-tat murders of top PCC leaders resolve long-simmering internal dispute about the PCC’s direction; Marcelo emerges as the top leader.

- **2002 March**: In the so-called “Castelinho” attack, 12 members of the PCC were lured into a trap on a highway near Sorocaba, where they were killed by São Paulo police.

- **2003 August**: Central Bank heist in Fortaleza, Ceará; members of the PCC are believed to have stolen more than US$70 million after tunneling into the bank vault.


- **2006 May**: May, Mothers’ Day attacks, São Paulo; between May 12 and May 21, 59 law enforcement officers and 505 civilians were killed in conflicts between authorities and the PCC.

- **2008**: Rio de Janeiro state adopts the Pacifying Police Unit (UPP) public security policy, which tries to eliminate the territorial dominance of armed drug dealers.
2016 June
Jorge Rafaat Toumani, a leading Paraguayan-Brazilian businessman active in smuggling, is assassinated in Pedro Juan Caballero.[2]

2016
End of the 23-year PCC alliance with Comando Vermelho; Marcola and 12 other PCC leaders sent to RDD in Presidente Bernardes jail in the interior of São Paulo state.

2017 January
Prison riots that leave more than 160 dead nationwide; 57 PCC members killed in Compaj prison in Manaus, dominated by Familia do Norte; five days later, 33 members of the CV murdered in a prison in Roraima state; beginning of two years of confrontations between these two gangs; severe prison conflict in northern and northeastern Brazilian state.

2019 January
Attacks on law enforcement and infrastructure in Ceará state after new public security secretary cracks down on gangs; federal Força Nacional sent in to contain violence; Depen prison intervention task force sent.

2019 January
Several close associates and family members of Jarvis Chimenes Pavão murdered in Ponta Porá and Pedro Juan Caballero signalling that the battle for the border is not over.

2012
PCC leads a series of attacks on police in São Paulo to avenge killings of PCC members.[1]

2012-2016
PCC sends increasing number of members to establish operations in Paraguay.

2016 December
Marcola and 12 other PCC leaders sent to RDD in Presidente Bernardes jail in the interior of São Paulo state.

2017 April
Armed robbery of Prosegur armed transport company by PCC, Paraguay.

2018 February
President Michel Temer decrees federal intervention in Rio de Janeiro state in response to declining security situation.

2018 December
Temer decrees federal intervention in Roraima state in wake of strike by police and jail personnel.

2019 January
21 influential members of the PCC transferred from São Paulo to federal prisons, in wake of threats against law enforcement authorities and alleged plans for a massive prison break.

2020 January
75 PCC-affiliated inmates escape from the Pedro Juan Caballero Prison in Paraguay.

was an impetus toward greater organization among prisoners for self-protection and to further their fight against their state “oppressors.”

One of the places where prisoners organized was the Taubaté penitentiary. On August 31, 1993, a small number of inmates who had formed a prison-based group aimed at improving conditions inside the penitentiary system had scheduled a soccer match with a rival group. The match never happened. Instead, the group, known at the time simply as the Comando da Capital, murdered its opponents and left the heads of its rivals on the soccer pitch as a message to the rest of the prison: They were in charge.

The PCC grew rapidly from there, expanding across the state’s growing prison population. Authorities at the highest levels refused to acknowledge them for years, but within the prison system the PCC began providing protection to members and affiliated prisoners, supplying assistance to families, and instituting a series of rules governing prisoner behavior which included prohibiting rape. They also become the designated interlocutors to avoid violent confrontations between prison authorities and the prisoners. The introduction of cell phone technology greatly enhanced coordination across prisons, and alongside an anti-system ideology that played to many youths’ experience of police brutality in peripheral neighborhoods, contributed to expanding the appeal of the PCC to young men in both state penitentiaries and the poorer districts of the state.

Around the turn of the century, the PCC began to consolidate its control over the São Paulo prison system. In December 1999, a second generation of leaders led a prison riot at the Taubaté prison that resulted in the death of the group’s original founders. The new group, led by Marcos Willians Herbas Camacho, alias “Marcola,” quickly consolidated its leadership position within the organization. In 2001, the PCC led coordinated rebellions in 29 state prisons across the state, causing 16 deaths and solidifying the organization’s hold over the state prison population. By 2002, Marcola had emerged as the leading figure within the PCC, eliminating rival sources of power and giving the organization its strategic direction.

In 2001, the PCC led coordinated rebellions in 29 state prisons across the state, causing 16 deaths and solidifying the organization’s hold over the state prison population.

9 Ibid.
11 Biondi (2016), op. cit.
12 Ibid.
13 Manso and Dias, op. cit.
16 Marcola was born in 1968. He was a pickpocket as a child and served time in a detention center for minors. As a teen, he became a bank robber, and was first arrested as an adult at age 18. He has been in jail for almost all of his adult life, except for a year and a half in the 1990s, a period during which he escaped five times from state jails. A voracious reader, he claims to have read Sun Tzu, Dante, Nietzsche, and a variety of other classics. His sentences to date total 330 years. See: Rogério Pagnan, “Marcola foi de trombadinha ao comando da maior facção criminoso do país,” *Folha de S. Paulo*, 13 February 2019.
Over the course of the next five years, tensions between state authorities and the PCC grew steadily. In 2002, state military police set up a carefully planned trap for PCC leaders, killing 12 in an ambush of their bus that became known as the “Castelinho” attack. The PCC’s first overt strike against law enforcement authorities came in March of the following year, when PCC leader Rogério Jeremias de Simone, alias “Gegê do Mangue,” allegedly ordered the assassination of Antonio José Machado Dias, the judge charged with supervising a state penitentiary.

In May 2006, the long-simmering tension between the PCC and state law enforcement authorities came to a head. There were multiple causes. The state government had undertaken a variety of hardline actions, including the imposition of a more punitive prison regimen for troublemakers, known as the Differentiated Disciplinary Regime (Regime Disciplinar Diferenciado – RDD), which isolated prisoners instead of allowing them to mingle in the large patios. Corrupt law enforcement authorities had extorted, kidnapped, and even murdered PCC members involved in a cinematic heist of more than US$70 million from the Central Bank headquarters in Fortaleza, the capital of Ceará state. Resentment also lingered over the Castelinho murders.

The fuse was lit when word leaked of the state government’s intention to transfer more than 750 PCC members and leaders to prisons in the interior of the state ahead of Mother’s Day, a move that would upset prisoner leave and family visits, as well as isolate the group’s leadership. The PCC engaged in an unprecedented and dramatic set of coordinated, violent acts. Police officers were shot in public, police stations were attacked, and public property was burned.

Authorities and “death squads” responded with equal or more virulence. According to a 2008 study published by Rio de Janeiro State University, 505 “civilians” were killed during or in the aftermath of the Mother’s Day assaults by the PCC. Of these, 118 were killed in “confrontations” with police; 88 were killed by masked and unmasked vigilante groups; 206 cases were classified as “undetermined.” These attacks and the aggressive police response they engendered virtually shut down the megalopolis of São Paulo over the course of several days of violence and helped to establish the PCC as the most significant criminal organization in São Paulo state.

**PCC Expansion in Brazil**

Because the São Paulo prison system is very large — with 237,000 prisoners who together account for one-third of prisoners nationwide — and because the PCC found little organized opposition in the state’s prisons, it was able to parlay its local strength into increasing regional control and national influence. Ironically, the

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18 Christino and Tognolli, op. cit.
20 Ibid.
21 Millard and Hundleby, op. cit.; Bailey and Taylor, op. cit.
transfers of PCC leaders by state authorities seeking to squelch the organization enabled it to spread across all of São Paulo’s state prisons. (The error of this strategy was acknowledged as early as 2002 by the very prison administrator carrying out the policy.22)

Yet they continued and over the course of the 2000s, the PCC began to expand beyond the limits of São Paulo state, to prisons and criminal markets across the entire national territory. Much of the expansion was made possible by the imprisonment of PCC members in states lying between São Paulo and the key smuggling hub of Paraguay, such as Paraná and Mato Grosso do Sul. In a chicken-and-egg cycle, the increasing imprisonment of PCC members in Paraná expanded the group’s control of smuggling routes across the state, while the increasing criminal activities of the group in Paraná also led to the rising imprisonment of PCC members in state prisons, helping to establish PCC domination over local criminal markets.

A similar story can be told about its expansion elsewhere. As a result of this jailhouse dynamic, the PCC now has a dominant position in the states of Paraná, Piauí, and Mato Grosso do Sul.23 Control of prison systems permitted the PCC to regulate criminal markets in all of these states, which are all important entry points for contraband into Brazil. The PCC’s membership across various states have also remained closely connected. As early as 2008, a congressional investigatory committee examining the prison system determined that the PCC had a variety of clandestine telephone “exchanges” that facilitated communication between leaders in various prisons, as well as with criminals outside the prison system.24

The PCC also used alliances to further its ends. Throughout the decade of the 2000s and the early 2010s, the PCC observed a truce with the CV, and neither group operated in the other’s home territory. The PCC expanded largely west and north, rather than east into Rio de Janeiro where the CV had its stronghold. The limited scale of criminal groups contributed to the preservation of this alliance of convenience between the two most significant national criminal organizations. The two organizations even cooperated and engaged in friendly commerce. By the mid 2010s, however, the expansion of the PCC toward Brazil’s western frontier meant that it increasingly competed with the CV over the drug traffic flowing from Paraguay eastward into Brazil, raising tensions between the two organizations.

In 2016, simmering rivalry broke out into open warfare between the CV and PCC, and each began to partner with smaller gangs in various states where there was no clearly dominant criminal organization.25 In 2017, for example, the PCC reached an

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23 Manso and Dias, op. cit.
agreement with the Guardiões do Estado, a criminal organization with roots in the northeastern state of Ceará. It is believed that this alliance helped the PCC to push back against a joint effort by the CV and the Família do Norte (FDN) to expand in Brazil’s northern states, and to control northern smuggling routes that served as an alternative to the southern Bolivia-Paraguay-Brazil routes.26

One consequence of the national spread of this rivalry between criminal organizations originating in southern Brazil was a wave of street violence and massive prison riots across the north and northeast regions, leading to the deaths of hundreds of prisoners and a 9.3 percent increase in the national number of homicides between 2015 and 2017.27 Homicide rates dropped thereafter, but remain above 30 deaths per 100,000 in some northern and northeastern states, such as Acre, Alagoas, Amapá, Pará, Pernambuco, and Roraima.28 What’s more, the prison riots made clear that control over prison systems, trafficking routes, and criminal markets remained intimately linked and consistently contested.

**PCC’s International Expansion**

The fourth wave of expansion, during the late 2010s, was marked by the incipient internationalization of the PCC. Although ties between Brazilian criminal organizations and drug suppliers in bordering nations go back at least as far as the 1980s, the transnationalization of criminal groups reached new heights in the 2010s. According to Instituto Igarapé, the PCC has ties to the Colombian Oficina de Envigado, cells of the Colombian FARC, and the Mexican Cartel del Golfo, which are suppliers of cocaine sold in Brazil, as well as the source of transshipments of cocaine destined for Europe and the U.S.29

Federal authorities in Brazil also point to loose connections between PCC members and a variety of European organizations, including the ‘Ndrangheta and Serbian organized crime. While this does not imply that the PCC necessarily is active in all locales, federal authorities in 2020 identified nearly 400 PCC members in 16 foreign jurisdictions in the Americas and Europe: the U.S., 11 Latin American countries (including Brazil), and seven European countries.30 The PCC

30 Luís Adorno, “Investigação detecta membros do PCC em EUA, Europa e América do Sul,” *UOL*, 6 October 2020. Adorno points to the US, Suriname, Argentina, Guyana, Chile, Uruguay, Venezuela, Colombia, Peru, Spain, Italy, Switzerland, England, Portugal, Holland and France. The largest concentrations are in Venezuela (163 PCC members), Uruguay (72), Portugal (43), and
is also present in Africa: recent apprehensions of cocaine in an Uruguayan port point to a connection to South Africa and a prominent ally of the PCC was arrested in Mozambique in 2020 (more about this below).³¹

Brazilian criminal organizations expanded forcefully into neighboring countries, especially Paraguay, seeking safe haven, direct control of major smuggling routes, and contacts with source producers. As these Brazilian TCOs move into neighboring countries, they have brought with them the tactics and operational skills that have made them such a threat in their home country. Perhaps the best example of this expansion and the threat it poses was the PCC’s sophisticated April 2017 attack on the Prosegur armed transport company’s facilities in Paraguay, which thoroughly overwhelmed local law enforcement capacity (see Graphic 1).³²

Prison uprisings within Paraguay and attempted robberies of armored bank trucks in Bolivia show all the hallmark characteristics of the PCC. A series of targeted assassinations and reports of increasing links between criminal organizations and law enforcement officials in Paraguay and Bolivia suggest that the expansion of the PCC will take advantage of the weak state capacity and corrupt elites that characterize many of Brazil’s neighbors. The PCC is now believed to have members in every prison in Paraguay.

**Modus Operandi**

The PCC is both the least hierarchical major Brazilian criminal organization and, paradoxically, the most coordinated. Contrasting the PCC with its rival Comando Vermelho helps to illustrate the point. The CV has been effective in controlling many of Rio de Janeiro’s favelas in part because of its pyramidal organization, structured in a vertical hierarchy with runners (vapores), soldiers (soldados), managers (gerentes), and bosses (chefões).³³ Above the neighborhood level, however, the CV appears to have no formal leadership structure beyond the local favela bosses, and instead operates as a series of loosely allied “franchise” operations.

By contrast, the PCC does not have a vertical, hierarchical structure at the local level. Whether because of geography or history, drug markets in most of São Paulo (with the exception of the so-called Baixada Santista) have not evolved into the tight neighborhood structures seen in Rio, and local criminal hierarchies are thus less vertically organized. Yet, although the PCC appears loosely organized locally, the group has a series of higher-level coordinating bodies with authority over members, known as the *sintonias*. This may be thought of in comparative terms. The CV is a federation of local gangs, each responsible for their own territory, and only loosely interconnected. By contrast, the PCC is a network of criminal entrepreneurs akin to

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Guyana (35). We include Bolivia and Paraguay in the count of Latin American countries as well.

31 Ibid.

32 Manso and Dias, op. cit.

a secret society, such as the Masons, which is able to undertake more coherent state and national strategies.34

One of the most confusing aspects of this simultaneously amorphous but coordinated structure is that the PCC looks organizationally quite different depending on where it is observed. At the top of the organization, the PCC is a pyramidal, hierarchical group, responding to about a dozen key leaders whose reputations give them authority and power. A series of committees or directorates, the aforementioned sintonias, coordinate the PCC’s actions in a variety of different activities and locations. But as one progresses down to the street level, the PCC becomes more unstructured, membership is more fluid, and coordination is less authoritative.

**Organizational Structure: Sintonias**

The PCC’s top leader by authority and reputation is Marcola, and many of his potential rivals have been systematically eliminated over the years. But Marcola is no longer the sole decision-maker or even necessarily essential to the day-to-day operation of the PCC as a criminal organization. Instead, at the top of the organization, the PCC’s sintonias help to ensure that leadership is institutionalized rather than personalized, and they have guaranteed a certain continuity in the organization over time despite leadership turnover. This organizational ethos — which is embodied in the term *igualdade* (equality) — is described in more detail below.

The sintonias provide the organizational structure that has made the PCC so different from predecessor organizations such as the CV and which has enabled the group’s expansion nationally and internationally. But there is no master organizational chart, and the members of one sintonia may not know how another works, or even that another exists.35 In fact, there is little consensus in law enforcement circles as to what exactly constitutes a sintonia in the PCC, but we identify four broad types that have been referred to under various names at different points in the PCC’s history.

The first three types of sintonias exist in different forms across Brazilian markets and prison systems. Type one are sintonias that exist to service the needs of prisoners. These can include a Sintonia das Gravatas, which provides legal assistance, and a Sintonia da Ajuda, which assists families with visiting their relatives in jail. Authorities also refer to a Sintonia de Apoio (mutual assistance) and a Sintonia de Ônibus (to coordinate bus service for family visits to the prisons). This support for family members engenders loyalty not only among baptized members but also from their families and social networks. Social-familial networking also appears to have opened the door to a rising number of women. The PCC increasingly recruits women from female prisons in Brazil, as well as women who have a close relationship

34 Feltran (2018), op. cit.

35 Ibid.
with members. The numbers are hazy but could be as high as 10 percent of all baptized members, or anywhere between 1,000 and 3,000, as well as a far greater number of female “sympathizers” and allies.

The second type of sintonia exists to facilitate the administration of the organization. These include a Sintonia do Cadastro, which handles questions of membership; a Sintonia da Cebola, which collects dues from members outside of the prison; and a Sintonia da Rifa, which handles raffles inside the prison system that help finance the organization. At different moments in time, the group has kept meticulous accounts on its members, maintaining written records of members’ names, nicknames, addresses, and other personal information.

36 According to interviews conducted by InSight Crime with authorities, the cebola (or onion) was R$800 a month in São Paulo at the time of writing, but as the PCC sought to expand in the north in response to pressures from the CV and FDN, dues were reduced to as low as R$200 in those states. 37 InSight Crime interviews with various São Paulo Civil Police, 26 April 2019.
when they were “baptized” into the organization, who the person’s sponsors were, whether or not the person had committed a violation of the rules, and the consequences of that violation. Records also often included a list of family members’ names and addresses. As an example of this fastidious record-keeping, in October 2019 the Federal Police received an anonymously mailed package containing two CDs worth of records of the group’s finances. The CDs detailed a monthly allowance paid to PCC members in the federal prison system, totaling nearly R$450,000 (US$80,000) monthly, derived from the cebola and the raffle.

The accounting ledgers and membership lists serve the organization in myriad ways. Many inmates cycle in and out of the prisons repeatedly, and the organization relies on those who are released to pay dues, carry out personal favors, participate in criminal activities, and administer discipline, among other tasks. Failure to follow orders can lead to severe repercussions for patrons and relatives alike. Thus, the membership lists give the PCC leverage over their members long after they leave the direct control of the group in prison.

The third type of sintonia helps to manage the group’s criminal economy. Authorities have identified a Sintonia do Progresso, which handles drug trafficking matters; a Sintonia de Padaria, which deals with micro-trafficking of cocaine and derivatives; a Sintonia de Cigarros, which handles contraband cigarettes; a Sintonia de Bob Esponja, which handles marijuana sales; and a Sintonia das Armas, which manages weapons depots.

There appears to be considerable flexibility in terms of how the PCC organizes these sintonias across various markets and prisons, permitting the PCC to adjust its organization to the varied criminal economies in which it operates. Each prison or set of prisons in a specific region may add or subtract sintonias, depending on their own needs, criminal activities, and specific local circumstances. Nonetheless, they all seem to feature the core sintonias focused on support systems for families and prisoners; registration and dues collection from members; and administration of the group’s criminal economy.

The final type of sintonia cuts across the previous categories to hold the entire enterprise together and loosely coordinate members. The Sintonia Financeira is the financial wing that administers dues and criminal proceeds; the Sintonia da Disciplina administers internal and external justice; and the regional sintonias are the local and state leadership councils. In each of the areas under their purview, the PCC also has Sintonias da Rua for the street level leadership; these are covered in more detail below.

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40 InSight Crime interviews with various São Paulo Civil Police, 26 April 2019.
There is a separate Sintonia de São Paulo in that state, where membership is highest. There are local sintonias within particular prisons, as well as municipality-wide sintonias for members outside prison, numbered by area codes. The continued expansion of the PCC has also pushed them to create a Sintonia dos Estados e Países to govern the group outside of São Paulo and a Resumo Disciplinar dos Estados, which acts as a board of directors for states beyond São Paulo.\(^{41}\)

This complex, multi-layered structure is held together by a strong leadership council known as the Resumo Geral (sometimes referred to as a Sintonia Final Geral). The Resumo Geral makes collective strategic decisions that are communicated via *salves*, or orders,\(^{42}\) to the rest of the PCC.\(^{43}\) The orders from this council might include a decision on an agreement with an allied gang, or on how to confront police in a particular state.

Each of these sintonias is made up of leaders known as *responsas*, but their authority accrues by virtue of their position, rather than because of their charisma or other individual characteristics.\(^{44}\) The relationship between these sintonias is “collegial” rather than “submissive”\(^{45}\) or subordinate, since that is exactly the type of “oppression” the group is seeking to alleviate. Although some sintonias have been destabilized by law enforcement — for example, Operation Ethos in 2016 arrested more than three dozen lawyers working for the PCC’s Sintonia dos Gravatas — the basic structure and organizational logic continues intact.

*Leaders and Cells: Independent but Loyal*  
At the top of the PCC, leaders simultaneously play two roles: leading the organization’s various actions on behalf of membership and taking advantage of the organization’s expertise to coordinate personal criminal ventures. In other words, top leaders may simultaneously act on behalf of the PCC as an organization while also freelancing as entrepreneurs. Two notable recent cases demonstrate this dynamic: the Rafaat assassination and the Prosegur theft.

The 2016 assassination of Jorge Rafaat — often referred to as “the king of the border” because of his control over the Paraguay-Brazil land frontier — is believed to have been carried out by the PCC in association with Jarvis Chimenes Pavão, another border drug entrepreneur. The intent appears to have been to eliminate a key chokehold over the movement of drugs across the border near the Paraguayan city

\(^{41}\) Manso and Dias, op. cit.  
\(^{42}\) As Biondi notes, *salve* is broader than “order” — perhaps closer to an orientation, a recommendation or an alert. See: Biondi (2016), op. cit; Feltran (2018), op. cit.; André C. Fábio, “Por que a hierarquia não manda no PCC, segundo esta pesquisadora,” *Nexo Jornal*, 12 August 2018.  
\(^{43}\) As Biondi points out, these *salves* don’t always have the same power everywhere: since their communication is via a sort of chain letter, and because the Sintonias don’t all have the same degree of authority, the *salves* may go through some revision as they are passed along. See: Biondi (2016), op. cit.  
\(^{44}\) Fernanda Mena, “Eliminar facções criminosas é impossível, afirma pesquisador americano,” *Folha de S. Paulo*, 14 October 2018; Feltran (2018), op. cit.  
\(^{45}\) Manso and Dias, op. cit.
of Pedro Juan Caballero, although Rafaat’s alleged killings of several PCC members may also have been a contributing factor.

The attack was sophisticated, requiring intelligence gathering and a coordinated ambush by multiple attackers. The assassin was a former military gunner who used an SUV-mounted .50 caliber machine gun to perforate Rafaat’s bulletproof Hummer. Within weeks of Rafaat’s death, more than three dozen of his associates had also been killed along the border. These killings allowed the PCC to take control of this drug route and weaken the CV’s access to eastern Paraguayan smuggling routes. The PCC-CV truce fell apart shortly after the assassination.

The Prosegur theft, which is described in greater detail below, was equally brazen. In April 2017, five dozen armed men employed a series of direct assaults and diversionary tactics to rob the cash transporter’s central distribution depot. The attacks lasted for hours and paralyzed Paraguay’s second most important commercial hub, Ciudad del Este, which lies along the Tri-Border Area (TBA) with Brazil and Argentina. After stealing at least US$11.7 million, the group split up, then mostly fled to Brazil. While a number were caught and others killed in the chases that followed, several escaped and only a small amount of money was recovered.

Perhaps most surprising about both of these cases is that they were entrepreneurial, undertaken by PCC leaders without the active support or even pre-approval of the top PCC hierarchy. In the Rafaat assassination, the PCC leadership in São Paulo appears to have been unaware of the plan until it was concluded, and the assassination was allegedly directed by the top local PCC leader in Pedro Juan Caballero, Elton Leonel Rumich da Silva (aka “Galá” or “Galant”). The Prosegur theft was also extremely sophisticated, including the use of decoy attacks, but it was carried out by top PCC members acting in their personal capacity and for their own personal profit. It is unclear whether the full PCC leadership were even aware of the theft before it was hatched.

In sum, while there is a certain hierarchy to the PCC leadership, each leader may act autonomously both on behalf of the organization and in pursuit of his own business interests. This allows the PCC to operate with significant flexibility over large swaths of territory.

46 David Gagne, “Killing of Mysterious Figure Part of Larger Narco War in Paraguay?” InSight Crime, 16 June 2016; and Emerson Dutra and Jorge Zárate, “En atentado tipo comando asesinan a empresario Jorge Rafaat,” La Nación, 16 June 2016.
47 Manso and Dias, op. cit.
48 Alexandre Hisayasu and José Maria Tomazela, “PCC avança fronteira e explode empresa no maior roubo da história do Paraguai,” O Estado de S. Paulo, 24 April 2017.
50 Manso and Dias, op. cit. In a short documentary on the PCC, longtime prosecutor-turned judge Mario Sergio Christino said Rafaat was unhappy he was being excluded from the PCC’s Bolivian operations. To be sure, Rafaat’s murder ensured greater PCC control over Bolivian cocaine trafficking. See: João Wainer, “Primeiro Cartel da Capital,” UOL, 2019.
Analytic Note 1: Prosegur: A Sophisticated Assault

On April 24, 2017, a leading private security company, Prosegur, saw its headquarters in Ciudad del Este, Paraguay, overrun by criminals who made off with at least US$11.7 million in cash. During this cinematic “robbery of the century,” as it was termed by Paraguayan authorities, as many as five dozen heavily armed gunmen spent three hours attacking the Prosegur building.

The attack began with a diversionary assault on a police station, as well as the burning of more than a dozen cars and trucks on key roads leading to the Prosegur building. Police who sought to approach Prosegur found their way blocked, with one group of robbers setting up a 600-meter perimeter around the security company headquarters to stave off police, while a second group worked their way into the building. Police officers who approached were met by heavy weapons fire, including a .50 caliber machine gun, as well as sharpshooters who may have been using infrared sights.

Explosives were used to blast through armored doors and vault walls, with hand grenades and heavy arms used against Prosegur guards and police. Once the safe was breached, the robbers seized the money and began their flight, with some running away into Paraguay while others fled into Brazil by car and boat. After their escape into Brazil, at least three of the robbers were killed and 14 arrested, including known PCC members. More than US$1.5 million were seized by police. But the bulk of the money was never recovered, and the remaining robbers disappeared.  

Leaders killed in recent years for acting too freely. Most spectacular in this regard was the targeted assassination of Gegê do Mangue, perhaps the second or third most influential PCC member at the time, who was believed to control the PCC’s drug routes from the Brazilian northeast to Europe.  

Gegê and his partner Paca are believed to have been killed after their helicopter set down in a native tribal reserve in Ceará in 2018 because they were embezzling from the organization and Gegê was charging a controversial additional fee on cocaine trafficked through Santos. But while the Gegê killing shows that there are unwritten limits to each leader’s autonomy, within these grey lines the top PCC leaders have significant freedom as they work to achieve organizational objectives as well as to profit personally from the immense criminal network it provides.

52 Manso and Dias, op. cit.  
Connecting the Prison and the Streets

The PCC looks like a classic prison gang, providing protection to its members and regulating life behind bars. The hierarchy consists of three levels: faxinas (housekeeping), pilotos (pilots), and torres (towers). The housekeepers focus on maintaining order and discipline at the cell level, the pilots are the prison-wide leaders who only leave their positions when they are transferred, and the towers act as a board of directors of sorts who emit orders across the penitentiary system.54

The PCC’s organization within the prisons gives them enormous leverage over other criminals both inside and outside the prisons. The porous nature of the São Paulo prison system, where cell phones and contraband enter freely and regular visits with lawyers as well as “intimate visits” with spouses and girlfriends enable regular communications, has permitted the PCC leadership to engage in regular communication across the prison system and with gang members outside the prisons.

In recent years, these forms of communication have been made slightly less effective by intensive wiretaps by prosecutors and anti-crime task forces, as well as the 2019 transfer of senior PCC leadership to the new federal penitentiary system, where many were initially held in solitary detention (under the aforementioned RDD).55

Our visits to two of the five federal penitentiaries showed that these offer a qualitatively different — and seemingly more stringent — treatment than that dispensed in most other prisons nationwide. In addition to more modern infrastructure, the federal penitentiaries are small, with a maximum capacity of 208 prisoners who are held in corridors of cells that are segregated by criminal organization. Prisoners’ days are highly regimented, with only two hours outside the cell block each day. Cellular phones are banned, and the rules and physical layout largely prevent physical contact with visitors. These barriers notwithstanding, the communications network has been resilient and communication between leaders continues to occur within and across prisons, permitting a certain standardization of life in prisons the PCC controls and the coordination of actions outside the prison system.

Members released from prison are expected to maintain a relationship with the PCC, and the organization collects membership dues (called a cebola) on a regular basis from these street level members. Still, it can be hard to distinguish between members of the PCC, associates of the PCC, and those who simply draw on the PCC label as a source of protection on the streets.

The PCC utilizes the Sintonia da Rua discussed above as a governing board to help coordinate group activities outside the prison system in concert with the

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54 Biondi (2016), op. cit.
55 Brazil created a federal penitentiary system in 2006. Today, there are five federal penitentiaries. They each hold a maximum of 208 prisoners, although prison officials are cautious to keep numbers below the maximum to ensure space for new arrivals and create barriers between rival groups. Federal prison officials estimate that as of late 2019, perhaps a third of prisoners are PCC.
incarcerated leadership structure. Within this structure are members who serve as *disciplinas*, or enforcers. The legitimacy afforded by the disciplinas is a very important component of the PCC’s power, allowing it to discipline local markets and ensure voluntary compliance with its decisions by both members and non-members, while also giving the organization the tools to regulate markets and shape social interactions within a fairly broad segment of Brazilian society.\(^{56}\) This regulation has differentiated the PCC from other criminal groups and led to significant drops in violence, as detailed below.

Still, the network of members outside of prison is amorphous and the degree to which it responds to PCC leadership varies considerably. While the PCC has clear control over most drug trafficking in poor São Paulo neighborhoods, where sellers must conform to PCC rules and purchase from the PCC, it is not clear that most local low-level drug dealers are PCC members and, as already noted, even in PCC-dominated regions most sellers do not respond to a pyramidal local hierarchy.

In other words, although the PCC is quite powerful in many Brazilian states, it is not able to — and does not really seek to — maintain a rigid structure at the street level. But it exerts significant influence through its estimated 30,000 members, its rigidly enforced code of criminal ethics, its life-and-death authority over several 100,000 prisoners, and the power and influence this provides among prisoners’ families and in their neighborhoods. Meanwhile, the network of contacts within the PCC significantly leverages criminal potential: a criminal needing a weapon, a loan, a getaway vehicle, or assistance with legal matters no longer needs to take matters into his own hands but can instead turn to the PCC network for a referral.

### Membership

The PCC has expanded rapidly over the past decade. At the end of 2012, the PCC had around 8,000 members in São Paulo state, 80 percent of whom were in prison.\(^{57}\) There were also as many as 2,400 PCC members in prisons across the remaining Brazilian states (excluding Roraima, Rondônia, and Amapá).

By 2018, however, these numbers had grown rapidly as a consequence of the conflict with the CV and its allies. The PCC relaxed its membership requirements and lowered its monthly dues in some states, quickly building its scale and tripling to nearly 30,000 members nationwide.\(^{58}\) The PCC is now believed to have 32,000 members across all 26 Brazilian states and its federal district:\(^{59}\) around one-third are in São Paulo, with the next largest contingents in Paraná and Ceará states.

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\(^{56}\) Berg, op. cit.; Lessing and Willis, op. cit.

\(^{57}\) Manso and Dias, op. cit.


Analytic Note 2: Prison Communication

The new model of criminal organization established by the PCC has in many ways only been possible because of its ability to communicate effectively across different prisons, as well as between prisons and the streets.

Much of the law enforcement effort against the PCC has thus focused on disrupting these communication channels. Cell phone technology enabled the organization to coordinate more efficiently, so law enforcement authorities have alternately either blocked or intercepted cell phone signals. Lawyers were being used as “carrier pigeons” during their visits to prisons, so law enforcement carried out Operation Ethos in 2016, arresting more than two dozen of the PCC’s lawyers. In federal prisons, lawyers’ conversations with top criminal leaders are now routinely recorded and transcribed and physical contact between lawyers and prisoners is barred.

But communications continue to flow. The example of Operation Echelon in 2018 is illustrative: Marcola and other PCC leaders held in São Paulo’s Presidente Venceslau state prison were found to be plotting an escape which would use African mercenaries, helicopters, rocket launchers, and heavy weapons. But for all the cinematic drama of the escape plans, perhaps most creative were the means for communicating those plans. Officials found notes being passed through the prison sewage system. They also seized messages ordering the assassination of a prison official and a prosecutor that the spouse of one PCC leader was carrying out of the prison after meeting her husband. The use of notes like these is so common that they are referred to as “kites,” carried through the prison system and outside it by visitors and lawyers. Similarly, when it is necessary to send a notice to all members, the sintonias issue a salve: a command expressing the consensus decision of sintonia members on issues affecting the PCC community. These salves may be simultaneously transmitted by a combination of kites and cell phone messages.

Although segregation of the top PCC leaders in federal prisons may limit their ability to communicate with the organization, communications at state prisons remain porous and frequent. State officials’ plans to block cell phone signals often are met with riots and violence. Lawyers are able to come and go frequently. Visits with spouses and family are protected by law. The PCC’s communication network remains resilient and strong, suggesting that law enforcement’s only hope is to use it as a source of intelligence rather than attempt to cut off contact completely.

60 In Ceará, one such plan led to at least 13 attacks on state offices, and a car bomb was found outside the state assembly accompanied by a note complaining about the plan. In Rio Grande do Norte, a similar plan was met by more than 100 attacks against public institutions, commanded by the Sindicato do Crime, an opponent of the PCC. See: Luiz Fábio S. Paiva, “Aqui não tem gangue, tem facção’: as transformações sociais do crime em Fortaleza,” Caderno CRH, 32(85), (2019), p. 165-184.
Paulo, with the next largest contingents in Paraná and Ceará states. It also has sizable contingents in Mato Grosso do Sul, Rio Grande do Sul, and Roraima, as well as a presence, albeit not a dominant one, in Rondônia, Rio Grande do Norte, Acre, and Alagoas. Further, it has been “baptizing” members in Paraguayan prisons since 2012, with a growing contingent in that country that may number upwards of 500 (more below). Importantly, as many as two-thirds of these new members are not Brazilian, but Spanish and Guaraní speakers from Paraguay.\textsuperscript{61}

However, the PCC’s influence is significantly larger than these membership numbers suggest. São Paulo currently has 250,000 prisoners, most of whom are in prisons where the PCC exerts considerable control; the state also has more than one million former prisoners.\textsuperscript{62} Given high recidivism rates and shared socio-economic characteristics, many prison alumni retain links to PCC members. Furthermore, the PCC dominates criminal markets in which more than two million people work, suggesting broader influence.\textsuperscript{63}

\textbf{Ideology and Rules}

At its founding, the PCC was merely a prison gang with the objective of providing security to its jailed members. But it also began with a strong claim to legitimacy as a defender of the downtrodden, claiming that it sought to avenge the deaths of 111 inmates massacred by brutal police forces putting down riots at the Carandiru prison in October 1992.\textsuperscript{64} The organization gains strength and continues to benefit from the perverse incentives created by a prison system in which none of the basic guarantees of prisoner safety are met by state governments, and in which a majority of prisoners are recidivist and thus more likely to be subject to PCC authority in the future.

The PCC uses a narrative of oppression by the state, and of “crime against the state” to legitimize its control over prisoners. But for both the prisoners and the state, having clear interlocutors and leadership inside the prisons is beneficial. The PCC’s “command” has greatly reduced intra-prisoner violence and kept riots to a minimum.\textsuperscript{65} Over time, the gang has adopted the mantra “O crime fortalece o crime,” (roughly, “criminals strengthen crime”) implying that criminals who stick together against the state will be stronger than criminals who act on their own.\textsuperscript{66}

In the early part of the 2000s, as the battles for control over the organization turned in favor of Marcola, the PCC added the word igualdade (equality) to their motto.

\begin{itemize}
  \item \textsuperscript{61} Berg, op. cit.; and Renan Nucci, “Número de membros de facções brasileiras quintuplica na fronteira, diz polícia,” \textit{Midiamax} 24 January 2020.
  \item \textsuperscript{62} Feltran (2018), op. cit.
  \item \textsuperscript{63} Ibid.
  \item \textsuperscript{65} Biondi (2016), op. cit.
  \item \textsuperscript{66} Manso and Dias, op. cit.
\end{itemize}
thus codifying this collective spirit. Leaders sought to establish “consensus” amongst numerous members, or create the appearance of consensus, rather issuing top-down orders. (In more complicated circumstances, they would use the torres as a kind of cover.) What’s more, leaders did not enforce rules as much as apply “the consequences” from bad decisions and poor behavior. Leaders were also rotated frequently, and any member who had consistently sought to benefit the collective could be elevated to the role of faxina or piloto.67 Fostering “consensus” while exerting their authority is inherently contradictory and can be complicated, but the practice differentiated the PCC from other organizations, most importantly the state “oppressors,” and gave them more legitimacy in the penitentiary system and on the streets.

Indeed, one of the subtle but very important innovations of the PCC has been to carry the arguments against state oppression from the prisons to the streets.68 This anti-state rhetoric has a particularly strong appeal in poor urban neighborhoods, where there is considerable revulsion against the heavy-handed tactics of police forces and the implicit racism that underlies the Brazilian state’s brutal treatment of the poor.69 This brutality is real; uniformed police killed 5,012 people in Brazil in 2017, according to the Monitor da Violência, meaning that even if only official acts of violence by on-duty officers are counted (and not executions by off-duty authorities) the police were responsible for 10 percent of homicides. The year 2017 was not exceptional; the number of police killings in 2018 reached 10.8 percent of all homicides nationally, 23 percent in Rio, and 20 percent in São Paulo.70

The violence is also heavily biased against the poor: young, Afro-Brazilian youth account for most prisoners and most victims of police violence. In such a brutal environment, the idea of solidarity and self-protection against an abusive state is a powerful one, allowing members to both commit to a life of crime and claim to be following an ethical path in which criminals defend and respect each other in pursuit of a communal goal.71

This rhetoric of “crime” as a world unto itself is extremely powerful and helps to explain the appeal of the PCC. As described below, the PCC is in turn a prison gang, seeking to improve the lives of prisoners incarcerated in inhumane conditions; a criminal fraternity, providing a network of contacts and supports in the underworld; a market regulator, seeking to reduce violence levels and avoid the “law of the jungle” of predatory bullying; a mentality of how “crime” should behave; and of course, a business organization, although its collective business ventures appear to be

67 This implementation of “equality” is most clearly described by Biondi (2016).
68 Paiva, op. cit.
69 Manso and Dias, op. cit.; Feltran (2018), op. cit.
71 O Estado de São Paulo, “Aqui não tem gangue, tem facção; pesquisador relata tranformação de grupos criminosos em Fortaleza,” 19 June 2019.
Brazil has the world’s third largest prison population. The population behind bars has been growing at a rate of about 8 percent per year: in 1990, one in every 1,666 Brazilians were in jail; by 2019, the figure was one in every 292.72 Most prisoners are young — about 75 percent are 18 to 29 years old. A majority are poor, Afro-Brazilian, and uneducated: a 2016 survey showed that 14 percent were illiterate, and 51 percent had not completed elementary school.73

A significant number of prisoners are in preventive detention, with about one-third jailed awaiting trial. They are offered few services, such as education or vocational training, and as a consequence prisoners often cycle through the prison system multiple times. Estimates suggest that recidivism rates are between 40 and 70 percent.

The conditions of imprisonment are advantageous for the expansion of prison gangs like the PCC.74 Prisons nationwide hold 720,000 prisoners in spaces designed to hold 368,000. Voter prejudice means that prisons are often the first place to see budget cuts during Brazil’s all-too-frequent fiscal crises, meaning that capacity is stretched, and services are very low-quality. Prison life is dull and dangerous, with overcrowding, poor hygiene, and rotten food. Rates of HIV and tuberculosis infection are multiple times that of the general population.

Meanwhile, “getting locked up is expensive,” as one scholar told us. Given the socio-economic origins of many prisoners, their families may not have the money to take a bus to visit prison, to deliver regular food or medicine to the prisoner, or to forego the prisoner’s income.

Prisons are often merely a location to “deposit” prisoners, where they are essentially dropped behind the walls, within which the inmates run the show. Corruption and intimidation of prison guards are commonplace, and behind prison walls many prisoners have access to weapons, cell phones, and other tools of criminality.75 Until the 1990s, descriptions of the prisons suggest that the law of the jungle prevailed. With the evolution of prison gangs like the PCC, conditions improved: violence was regulated, and abuses were curtailed. The PCC made it possible for families to take a bus to the prisons and guaranteed family members’ safety during visits.

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75 Ibid.
Of course, collective violence and riots were possible and not infrequent, raising the possibility both of criminal against criminal violence as well as law enforcement violence against prisoners. In 2019, for example, violence between criminal organizations in Manaus and Altamira prisons killed 117 prisoners; the subsequent law enforcement crackdowns, including intervention by a standing federal penitentiary task force, allegedly led to brutal treatment of prisoners, including torture.\(^76\)

quite limited. Attempting to understand the group without reference to this rhetorical narrative yields a stilted and analytically imprecise vision of the PCC. One song by a former convict describes the PCC’s pretensions:

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\begin{align*}
Nào adianta ocultar nem tentar & \quad \text{There’s no point in hiding or trying to oppress} \\
Nós tem gente espalhada em todo canto por aí & \quad \text{We has (sic) people scattered everywhere} \\
Assim, assim se liga aí você que tá no mundão & \quad \text{So, so wake up, you who are out there in the big world} \\
Esse é o salve da nossa facção & \quad \text{That’s the command from our organization}
\end{align*}
\]

–Djalma Oliveira Rios Júnior, alias Kaskão, ex-convict

As the song suggests, coercion is part of the PCC playbook. There is strict discipline within the PCC, with a 45-article disciplinary rulebook that includes regulations prohibiting informants, blackmail or extortion, insult or calumny, homosexuality or pederasty, incompetence or weakness, and the use of crack or meth. Members can be expelled by a “criminal court” for these and other crimes.\(^77\) All members are vetted before they are baptized into the organization;\(^78\) once baptized as a member of the PCC, a member may leave the organization voluntarily, provided they have paid all their debts, but the rules for departure are not entirely clear even to members of the PCC itself.

\section*{Regulation of Crime and Violence}

One of the most significant and esoteric effects of the PCC’s emergence has been the reduction of homicidal violence. While the PCC has engaged in ferocious acts of violence against its perceived enemies in law enforcement and rival groups, once it has achieved dominance in a particular prison or territory it typically acts to impose order and reduce criminal violence. As Graphic 3 illustrates, in states that the PCC clearly dominates homicide rates are significantly below the national average. A similar trend holds at the neighborhood and municipal levels.

\(^{76}\) Lucas Silva and José C. Júnior, “2019, o aprofundamento do Sistema carcerário como máquina de morte,” \textit{Ponte}, 31 December 2019. Melo and Amarante (2019) also note the practice of physical and mental torture is considered a “natural procedure” to keep control of prisons.


\(^{78}\) Millard and Hundleby, op. cit.
The strength of the PCC as a regulator of crime, including its use of debates (criminal courts) to punish those who trespass against its rules, has contributed to calming epidemic levels of violence in the south and southeast of Brazil. At the turn of the century, the PCC eliminated rivals who threatened its control of drug sale points in São Paulo neighborhoods (biqueiras or bocas de fumo). These markets were controlled by the so-called disciplinas, the PCC’s enforcers, who keep tabs on both their own members and other criminals.

The PCC used both the threat of violence, as well as informing police on their competitors activities, to bring these sales points under its control; rival drug vendors knew that if they went to jail, they would be subject to PCC authority. It also killed and otherwise scared off so-called pés de pato, contract killers who often worked on behalf of small businesses in the favelas and shantytowns of São Paulo.

Like it had in the prisons, it imposed a strict code of conduct against rapists and pedophiles, earning the support of significant portions of the population who were unprotected by substandard police services.

79 Christino and Tognolli, op. cit.
Analytic Note 4: How the PCC Mitigates Violence

São Paulo state’s homicide rates fell from a peak of 44 per 100,000 in 1999 to 10 in 2017. There may be many motives for this decline, including increasing numbers of police officers, increasing incarceration, and a variety of policy initiatives. But a number of scholars point as well to the pacifying effect of the PCC as a regulator of criminal markets.

Gabriel Feltran, a professor of sociology at the Federal University of São Carlos, notes that about 75-80 percent of the murders committed in Brazil in 2018 could be attributed to violence between criminal groups, and another 11.45 percent to violence between police and criminal groups. So fully 85-90 percent of murders in Brazil can be attributed to criminal organizations, of which the PCC is the largest and most important.80

As this report has shown, areas in which a single criminal organization dominates tend to have lower levels of violence. But Feltran notes that if the dominant organization is the PCC, criminal violence is even lower than in territories controlled by other gangs, such as the CV or FDN. He argues that the PCC is more effective than other gangs in controlling violence for two reasons. The first is that the PCC eschews the use of weapons in local criminal markets. PCC members are often unarmed, and while they may employ violence, the decision to neither carry weapons regularly nor to react violently to territorial incursions by police and other criminals means that there are fewer deaths in the areas they control.

Secondly, the PCC’s use of criminal courts helps to reduce violence. The PCC’s trials eliminate the all-too-common cycle of revenge killings by establishing rules for damages and compensation, and by providing a definitive resolution of those crimes that cannot be contested by any of the parties.81 The irony, of course, is that the PCC has emerged to provide a service that the state itself is incapable of providing: efficient and authoritative dispute resolution.

Having eliminated its rivals both within the prison system and in its principal markets, and established a code of ethics that bought it support from local populations, the PCC turned to regulating and reducing violence that might draw unwanted attention to its business operations.82

81 For illustrative descriptions of the PCC’s tribunals, see: Feltran (2018), op. cit.
82 Luiz Felipe Barbieri, “CNJ registra pelo menos 812 mil presos no país; 41,5% não têm condenação,” G1, 17 July 2019.
84 See, inter alia, Feltran (2018), op. cit.
Members of the PCC are active in almost all criminal markets. But its traditional strength has been in the drug market, where its activities are facilitated by the strength of longstanding contraband and arms smuggling routes.

**Criminal Economy**

Members of the PCC are active in almost all criminal markets. But its traditional strength has been in the drug market, where its activities are facilitated by the strength of longstanding contraband and arms smuggling routes.

**Drugs**

Brazil has a vibrant drug market, serving as both a consumer market as well as a transit route from and to much of South America, as well as to the U.S. and European markets. As much as 80 percent of PCC members’ income is believed to come from drug trafficking. This includes local drug peddling and servicing the international drug trafficking market. The international market in Brazil has risen substantially in recent years. Both the United Nations Office on Drugs and Crime (UNODC) and the European Union consider Brazil an important hub for the cocaine and cannabis that is smuggled to Europe and Africa. The increasing use of Brazil as a transit point is a consequence of its position east of Bolivia and Peru, which are key sources of the cocaine shipped further east to Europe.

The importance of Brazil as a transit country is demonstrated by seizures data: Brazil had the fifth largest cocaine seizures and the fifth largest marijuana seizures by volume worldwide in 2017, according to UNODC data. Drug seizures have been on the rise across most categories of drugs since 2012, which may reflect increasing law enforcement capacity, prioritization of the anti-drug agenda, and/or rising drug flows. According to the latest UNODC data, cocaine seizures in 2017 were four percent of global seizures and 6.4 percent of South American seizures. Marijuana seizures accounted for 7 percent of total global seizures and 18 percent of South American seizures. The seizures continue to increase; in 2019, cocaine seizures totaled 105 tons, more than double 2018’s 47 tons.

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88 Data was provided by the Brazilian highway and port authorities to InSight Crime. Improvements in Federal Police procedures and technologies are credited with the rising number of seizures in airports, which doubled from 2016 to 2017, and on the highways, which grew significantly in the same period. See: Gabriela Caesar, “Número de apreensões de drogas em aeroportos do Brasil dobra em 2017,” *G1*, 8 February 2018.; Isabela Leite and Leo Arcoverde, “Apreensão de drogas nas rodovias federais cresce 63% no 1 bimestre de 2018,” *G1*, 11 April 2018. Port seizures have also increased, and in March 2018 the Federal Police apprehended the largest shipment of cocaine ever: 2,052 kilos in the port of Santos. A 2017 report found there was 100 times more cocaine in the water of the Bay of Santos, off the São Paulo coast, than there was in the water off US coasts. The traces of cocaine found in the water have two main sources, sewers and ships. See: Christopher Woody, “Latin America’s Biggest Port Just Made Its Largest Cocaine Seizure Ever — the Latest Bust in a Thriving Drug-Trafficking Corridor,” *Business Insider*, 24 March 2018.
The PCC is taking advantage of this boom. Its increasing presence along the Paraguay border, especially in the states of Mato Grosso do Sul and Paraná, has given it control over the country’s principal cocaine corridor (see Graphic 5 for trafficking routes). The PCC also controls traffic through the Santos port, where authorities seized more than a quarter of all cocaine captured in 2019. Based on the price of cocaine on the Paraguay-Brazil border and the price of cocaine at dispatch points such as Santos, the market for transporting cocaine through Brazil could easily top $2 billion annually. If the PCC is selling portions of this cocaine in Europe, the revenues would be substantially higher still.

The PCC is also a major drug peddling organization. Brazil is the second largest consumer market of cocaine in the world, and the relatively low prevalence of cocaine use suggests that there is room for consumption to grow significantly. Marijuana is widely available in Brazil, and the country is a major consumer, but consumption prevalence is also significantly below that found in other major markets, similarly suggesting room for growth. Crack is a serious problem, and although most prevalence statistics do not distinguish crack from powdered cocaine, most Brazilian cities report significant crack-related problems.

The PCC sells marijuana, cocaine, and cocaine derivatives in the country’s major cities and serves as a wholesaler for other criminal organizations. The so-called biquieras remain principal income sources for a larger subset of the group, while proceeds from international drug trafficking appears to benefit a more limited group of leaders. Still, access to international drugs closer to the source makes drug sales more lucrative for the entire organization. The PCC can, for instance, draw supplies from Latin America’s largest marijuana producer, Paraguay. There is some overlap with

89 Annual prevalence is defined as the total number of people of a given age range who have used a given drug at least once in the past year, divided by the number of people of the given age range, and expressed as a percentage. See: Central Intelligence Agency, “Illicit Drugs — The World Factbook,” n.d.; United Nations Office on Drugs, and Crime (UNODC), “World Drug Report 2018,” June 2018.
90 UNODC (2018), op. cit.
91 For many years, the PCC banned crack in the prisons and even in neighborhoods it controlled, due to its low profit margins and destructive potential. Yet throughout the 2000s, the PCC supplied the Comando Vermelho (CV) and began to provide shipments of cocaine to the CV only if they included crack in the transaction. Crack has been present in São Paulo since the mid-1990s, and “[a]ccording to the 2012 Second National Survey of Alcohol and Drugs by Brazil’s National Institute for Public Policy Research on Alcohol and Other Drugs, Brazil is the world’s leading consumer of crack and accounts for 20 percent of the world’s market for the drug. Compared to other drugs, crack is cheap, readily available, very addictive, and highly marketable.” Fully 86 percent of Brazilian cities in a 2018 study by the National Confederation of Cities (CNM) reported problems associated with crack consumption (overdoses, homelessness, petty thefts, etc.), and 20 percent of those cities reported more serious crack-related problems such as murder and kidnapping. The CNM’s Observatorio do Crack mapped crack problems across the country, showing that the problem is geographically widespread across the country, albeit with higher self-reported problems in the southeastern region. See: Manso and Dias, op. cit.; Paula Miraglia, “Drugs and drug trafficking in Brazil: trends and policies,” Improving Global Drug Policy: Comparative Perspectives and UNGASS 2016, Brookings Institution, 2016, pp. 1-16; Carlos Madeiro, “Crack causa problemas em 86% dos municípios e leva violência ao interior do Brasil,” UOL, 9 November 2018.
other criminal activities as well, which help to maximize margins. Authorities along the border, for example, said the PCC trades stolen goods for marijuana, most notably passenger vehicles and cargo trucks.

**Contraband**

The PCC is also active in the movement and sale of contraband and counterfeit cigarettes. This market was long a principal earner for the group inside the prisons where it has a monopoly over the sale of such contraband items. The business has since moved to the streets, where contraband cigarettes make up as much as half of the cigarettes sold in markets such as São Paulo and Rio de Janeiro. Again, the group’s presence along the Paraguayan border and inside Paraguay is a crucial part of maximizing the profits from this business, since Paraguay is one of the main producers of contraband cigarettes in the world, and most of that production is destined for Brazil.

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The PCC smuggles other contraband as well. A 2016 analysis by the Federation of Industries in the State of São Paulo (Federação das Indústrias do Estado de São Paulo-FIESP) suggested that the illicit market in the sectors of the food, drinks, toys, automotive, electronics and computers, hygiene, medicine, chemicals, clothing, and tobacco was worth R$15 billion (around US$4 billion). It is estimated that the federal government loses R$115 billion (around US$30 billion) nationwide per year in foregone tax revenue due to these illicit markets.

Smuggling markets move in both directions across borders. Paraguay has long been a recipient country for stolen Brazilian vehicles and vehicle parts. Cargo theft in Brazilian cities and on Brazilian highways has fueled smuggling trade from Brazil to Paraguay, and sometimes back again, as stolen Brazilian goods are repackaged in Paraguay and sold back into Brazilian markets. This may be a large market, as approximately 0.1 percent by value of all cargo transported by trucks in Brazil is stolen, according to an industry estimate.

Arms

Brazil has traditionally had tough arms control laws. However, enforcement has been weak and arms trafficking is significant, contributing to the propagation of illegal firearms. Although Brazil’s rate of civilian firearm possession is low by comparison to most large countries in the Western Hemisphere, one high estimate suggests that there are more than 17.5 million firearms in private hands, and legal firearms make up only 46.1 percent of these. A more conservative estimate, by NGOs Viva Rio and Viva Comunidade, suggests that between 7.6 million and 10.7 million illegal firearms are in circulation. Deaths by gun have quintupled since 1980, to 45,000 in 2014, of which 42,755 were gun homicides. This is a very high absolute number, especially by comparison to other large countries in the hemisphere.

In a 2018 report, the Brazilian Federal Police noted that most small caliber arms enter Brazil from Paraguay. Many of those arms may have been produced in Brazil and smuggled back across the border (Brazil has a globally competitive small arms industry, led by Taurus). However, many guns, especially higher caliber weapons, originate in the U.S., where they are sold legally in stores and fairs but then smuggled illegally into Paraguay or Brazil. In 2018, the U.S. government took the rare
In July 2018, prosecutors in the Mato Grosso do Sul state in eastern Brazil in 2018, charged 30 people with PCC membership. Their crimes ranged from arms trafficking and drug peddling to money laundering and the use of minors to commit criminal acts. The group operated a series of small networks, or what prosecutors described in various instances as the PCC “nucleus.” In reality, a nucleus could be members of the PCC or a combination of members, associates and relatives.

Among the most prominent of crimes listed was drug peddling. Police and prosecutors displayed for the court numerous wiretaps in which several accused talked about selling drugs. In something that typified the PCC in this case, the members also managed stolen vehicles, and they maintained contact with a female prisoner who got the group weapons. The female prisoner’s daughter, in turn, set up bank accounts for the group.

In fact, each of the group’s nuclei seem to work in a variety of criminal enterprises. As opposed to many transnational criminal groups, which keep to a small number of business ventures or parcel out ventures to specialists, the PCC seemed to be stretched thin. The first of these nuclei described in the case had a motorcycle taxi driver who was the father of a jailed PCC member that brought drugs to the prison for his son. Another part of this first nucleus was captured in an apartment where the group was storing high-caliber weapons.

The owner of that apartment, prosecutors said, was a prisoner who, in addition to managing the weapons depot, was also the “general administrator of the state and the country” (geral de cadastro do Estado e do País), which meant he was responsible for cataloguing the membership of the PCC. But while there are illustrations of vertical power structures who exert strict control over the PCC’s operators, the case more often shows an organization that is loosely knit and willing to use extended networks to do business whose inexperience cost them. Of the 30 members indicted, 23 were found guilty.

step of halting commercial arms exports to Paraguay in light of data showing a tripling of exports — to nearly 35 million weapons and rounds of ammunition.\(^{100}\)

In addition to the traditional routes via Paraguay and shipping routes, recent wiretapping evidence from the Federal Police suggests that the PCC is operating a new route of importation of drugs and heavy weaponry from Venezuela. Weapons and drugs have been ordered from prisons in the state of Roraima via WhatsApp; Venezuelan suppliers send them to Brazil using the emigration routes, and payment may be made using stolen cars.\(^{101}\)

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Other Revenue Streams

In addition to drug revenues, the PCC earns income from membership dues, spread across a number of prisons, states and countries. Increasingly, too, the PCC is moving into other illicit markets such as illegal gambling, ATM thefts, and stolen cargo. Several members have developed an expertise in high-risk crimes such as bank thefts and armored robberies that put them at the top of the hierarchy. Between late 2015 and early 2016, for example, PCC members reportedly stole more than R$140 million (US$35 million) from armored bank trucks in the interior of São Paulo state.\(^\text{102}\)

Smuggling Routes

Brazil has 16,886 kilometers of land border and 7,367 kilometers of coast. As the PCC has moved both to dominate Brazilian markets and to profit from drug smuggling beyond Brazil, it is increasingly moving into these “wet” and “dry” border areas. Given the size of the vast border, the most significant impediment to trafficking is usually not law enforcement, but rather the logistical difficulty of moving from the border to major highways or overcoming powerful local trafficking bosses. As a consequence, many trafficking routes follow established highways. In addition, border towns have become increasingly dangerous as rival groups fight for dominance, with homicide rates that are often multiple times the national rate.

As noted earlier, the PCC has members reported in at least 11 Latin American countries beyond Brazil. Although there are scattered and credible reports of contacts between the PCC and Peruvian and Colombian traffickers, the key source locations for drugs supplied to the PCC remain Paraguay and Bolivia.

The routes from those two countries on Brazil’s western borders are used heavily enough that they have been given names by Brazilian law enforcement authorities. The Rota do Milho (corn route) travels south from Paraguay to Santa Catarina. The Rota Caipira (hick route) crosses from Bolivia into Mato Grosso do Sul and from there through the interior of São Paulo state, serving as a significant trafficking conduit for both cocaine and marijuana. In the upper northwest of the country, where Brazil meets Peru and Colombia, the Solimões route allows traffickers to move cocaine down the Solimões River into the Amazon and from there up into the north and northeast of Brazil.

Once in Brazil, drugs may be sold for local consumption. Alternately, they may go to ports and airports for transport to Caribbean or European markets, sometimes via Africa. Trafficking is believed to be especially active through the Guarulhos International Airport and the port of Santos, both located in São Paulo state. Guarulhos is South America’s largest airport, in numbers of flights and passengers as

\(^\text{102}\) Alexandre Hisayasu and José Maria Tomazela, “PCC avança fronteira e explode empresa no maior roubo da história do Paraguai,” O Estado de S. Paulo, 24 April 2017.
well as cargo, and while most of the trafficking at Guarulhos appears to be carried by “mules” unaffiliated to the PCC, the drugs they carry almost certainly are from routes controlled by the PCC.¹⁰³

¹⁰³ The total traffic through Guarulhos, though, is probably only a fraction of that trafficked through Santos. Seizures data from 2018, suggest about only 8 percent as much volume is moving through the airport.
The port of Santos may be responsible for as much as 80 percent of the cocaine seized heading from Brazil to Europe (largely to Antwerp and Rotterdam).\textsuperscript{104} There have been indications in recent years of increasing PCC interest in developing trafficking routes from Bolivia to Santos, and the PCC is believed to be a major player in the outbound Santos traffic, a task that is facilitated by the group’s dominance of criminal markets in the port city. The PCC is widely believed to have been responsible for the disappearance of Roberto Duarte Barosoti Freitas, aka Naldinho, a former stevedore who controlled much of the traffic through Santos in the 2000s.\textsuperscript{105}

In the north of the country, Ceará state is believed to be a major transit hub for drugs heading to Africa and Europe and into the Caribbean, with two significant ports and an international airport that serve as a conduit for drugs trafficked across Brazil’s northernmost states, from Suriname through Pará to various northeastern ports.\textsuperscript{106} Further west, the port city of Natal, in Rio Grande do Norte, has become a significant outbound hub, given both its relative proximity to Europe (a six hour flight to Lisbon) and shipping traffic.

**Southern Routes: Paraguay**

The most significant origin country for all forms of contraband flowing into Brazil is Paraguay, which has 1,365 kilometers of border with Brazil. As the world’s leading marijuana producer, Paraguay is a key supplier to the Brazilian market. It also serves as a transit point for Bolivian cocaine. Foreign authorities suggest that 40 percent of all cocaine seized in EU member states transits through Paraguay. It is also believed that as much as 90 percent of cocaine consumed in Brazil is Bolivian, most of which is trafficked through Paraguay.

The longstanding smuggling trade from Paraguay provides fertile ground for the PCC’s trafficking, which benefits from established routes, infrastructure, and local smugglers. The 800-kilometer land border between Paraguay and Mato Grosso do Sul is essentially an open frontier with few obstacles that might prevent a smuggler from crossing over. Yet there are few major highways, so while there is evidence of trafficking of Bolivian cocaine, northern Paraguayan marijuana, and contraband, much of this traffic is either relatively small scale, either airborne or by mochileiros (backpackers).

The Paraguayan border departments of Amambay, Canindeyú, Concepción, and Alto Paraná have been the most affected by aerial cocaine trafficking from Bolivia.

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\textsuperscript{104} Santos’ federal police chief told Bloomberg smugglers active in the port continue to innovate. A recent method has been pulling up alongside ships leaving the port and using lines dropped by cooperating crew members to hoist drug shipments aboard. See: Christopher Woody, “Latin America’s Biggest Port Just Made Its Largest Cocaine Seizure Ever — the Latest Bust in a Thriving Drug-Trafficking Corridor,” Business Insider, 24 March 2018.\textsuperscript{105} Tony Chastinet and Marcos Guedes, “Porto do Pó: PCC conquistou docas e acabou com trabalho ‘artesanal,’” RecordTV, 16 August 2018.\textsuperscript{106} Maria T. Cruz, “Solucionar problema das facções exige mais do que discursos belicosos,” El País, 5 January 2019; Feltran (2018), op. cit.
Upon landing, the drugs are offloaded and smuggled into Brazil by land. Seizures in the vast and sparsely populated Boquerón and Alto Paraguay departments bordering Bolivia have spiked in recent years. Clandestine airstrips in these two departments serve a dual purpose. In some cases, Boquerón and Alto Paraguay serve as transshipment points where cocaine is loaded onto trucks towards Amambay. Cocaine is also moved by land from Bolivia directly on national highways, although seemingly in lesser quantities. In other instances, traffickers refuel the planes and take off once again in the direction of the departments bordering Brazil. Law enforcement authorities in Brazil and Bolivia track these flights and claimed in interviews with our team that the Brazilian air force is able to intercept about one trafficking plane each month.

Further south in Paraguay, the central smuggling hub is Ciudad del Este, the hub of the Tri-Border Area (TBA). The TBA is extraordinarily convenient for smugglers due to its proximity to poorly monitored international borders. Large river systems and international airports allow for people to pass through easily and often undetected. 107 Many routes out of southern Paraguay and into Brazil take advantage of existing waterways and highways. The three most important trafficking points (listed from north to south) have been Ponta Porã, Guaíra, and Foz do Iguaçu, which are tied to major highways that crisscross the south of Brazil. Crossing the border at these points is relatively easy. Several highways depart Ponta Porã heading north into Mato Grosso do Sul, as well as south toward Paraná. There are dozens of clandestine ports along the Rio Paraná between Foz do Iguaçu and Guaíra. On the Brazilian side of the border, it is a straight shot from the border to all of the major southern cities. One-third of Brazilian contraband seizures occur in the region of Foz de Iguaçu, especially along highway BR-277, which runs eastward toward Curitiba, the capital of Paraná state, and straight into the port of Paranaguá.

Corruption is widespread in this region, and the corruption costs of smuggling along the highways around the southern Paraguayan border region are believed to be about 10 percent of the cost of the smuggled contraband, according to IDESF. 108 Paraguayan law enforcement capacity is quite limited, and there is not always the political will to increase oversight of contraband flows, which often serve to camouflage drug trafficking. Institutionalized corruption, both of national and local authorities, recurrently undercuts efforts to combat criminal organizations and trafficking.

But law enforcement is not the only hurdle, and the PCC has worked to eliminate other impediments to cross-border flows. The earliest signs of the PCC in Paraguay date to the turn of the century, when PCC joined forces with the CV to wrest control of marijuana distribution from some local family clans. By 2006, the PCC had a

107 See: Organización Internacional para las Migraciones, n.d.
strong presence in Pedro Juan Caballero, along Paraguay’s border with Mato Grosso do Sul. With the killing of Jorge Rafaat in Pedro Juan Caballero in 2016, the city became a Paraguayan stronghold for the PCC, and one of the CV’s most important flows of cocaine was largely blocked. Rafaat’s assassination has been followed by a series of murders of men believed to have been responding to Rafaat’s rival and successor as border king, Jarvis Pavão.109

Further south, however, the PCC does not have a complete monopoly. The PCC is increasingly dominant from Bela Vista to Capitán Bado, passing through Pedro Juan Caballero, but the CV is still active as a buyer between Capitán Bado to Salto del Guairá. The resulting contestation between criminal groups remains exceedingly violent, as in the towns of Coronel Sapucaia and Capitán Bado, which have homicide rates that top 100 per 100,000. In addition to the big TCOs such as the PCC and CV, the longstanding smuggling culture also means that there is also considerable small-scale trafficking by locals.

The increasing presence of the PCC, especially in border towns in Paraguay, has ensured that all of Paraguay’s prisons now hold a significant number of PCC members. Weak local institutions also mean that some PCC leaders have used Paraguay as a safe haven from Brazilian law enforcement. But the PCC’s presence and effect on local criminal markets has been quite different than it is in Brazil. The PCC’s control over Paraguayan prisons remains contested for a variety of reasons, including the existence of homegrown criminal groups behind bars, such as Clan Rotela (a Paraguayan gang that may have as many as 5,000 members nationwide, according to Paraguayan penitentiary officials), as well as the continuous efforts of the Paraguayan government to extradite and expel PCC members.

As a consequence, the PCC’s control over Paraguayan streets has remained limited. Although a few poorer neighborhoods in some border towns are said to be controlled by the PCC, this is far from commonplace. Meanwhile, although some PCC members appear to have “retired” into the life of marijuana farmers, the organization appears to have no interest in becoming deeply involved in local marijuana production, which tends to be the product of diffuse small producers selling to medium-sized Paraguayan intermediaries. The effort involved, low margins, and strong community connections between local producers and their trusted patrones (bosses) may dissuade the PCC from active participation in marijuana production, especially as the group becomes stronger in infinitely more lucrative cross-border distribution. The PCC also seems to rely on local cocaine traffickers who bring the drug into Paraguay, and sources suggest that its relationship with these local traffickers is “symbiotic,” with each side mutually relying on the other. Until the late 2010s, as a consequence, the PCC’s foray into Paraguay seemed largely limited to the border region.

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109 Pavão was once a PCC ally, but he was extradited to Brazil in 2017, and during 2018 and 2019, a number of his closest allies, including two nephews, an uncle, and his lawyer, were murdered.
That said, there are signs of a potential shift in the Paraguayan equilibrium. For nearly a decade, the PCC's operations were limited to the border region and heavily concentrated in the Amambay department (in which Pedro Juan Caballero is located), traditionally the country's top marijuana producing region. However, middle- and even high-ranking PCC members are increasingly operating beyond border areas, and sources in Asunción expressed palpable concern over signs that the PCC might be eliminating intermediaries in the drug trade. This geographical expansion is likely connected to the group's heavy involvement in the cocaine trade, which has become apparent with the dismantling of clandestine airstrips in Concepción and Alto Paraguay. The PCC also has built a significant presence in marijuana smuggling, cigarette smuggling, weapons smuggling, bank robberies, and a variety of other criminal enterprises, including in the sister cities of Ciudad del Este-Foz de Iguaçu.

The gruesome murders of 10 prisoners — five of whom were decapitated and three burnt to death — at the San Pedro penitentiary in Paraguay in June 2019 suggested that the PCC does seek to increase its control of prison populations and eliminate rivals (nine of the 10 dead were members of the Rotela Clan). The PCC is believed to have 400 to 500 members, with some suggesting that the figure could be as high as 1,600. Prison officials informed us that PCC members are distributed across at least 12 of the country's 18 prisons, and as now seems more likely, all of them. Paraguayan prisons suffer from many of the same problems of overcrowding and abysmal conditions that serve as recruitment tools for the PCC in Brazil, with the prison population having exploded from 3,200 in 2000 to as many as 16,000 in 2019, in part because of new laws on drug offenses and alternative detention. Whatever the PCC's actual size, its growth within the Paraguayan system has enabled it to engage in dramatic efforts, such as the January 2020 breakout of 75 members from the Pedro Juan Caballero prison, which proved scandalous for the government of Paraguayan President Mario Abdo Benítez.

Authorities estimate that only 10–50 percent of jailed PCC members in Paraguay are actually Brazilian citizens, so extradition is unlikely to limit the PCC's expansion within Paraguay. In other words, the PCC is now a Paraguayan organization, too, with worrisome implications for the control of organized crime in that country, and for the potential spread of the PCC into Spanish-speaking Latin America.

Northern Routes: Bolivia and Peru

The PCC’s presence in Bolivia is less significant than in Paraguay. However, media reports and interviews with regional law enforcement officials suggest the PCC has dealt directly with producers in Bolivia (and Peru) to supply Brazilian markets, and that PCC members circulate freely in Santa Cruz.\textsuperscript{112}

Gilberto Aparecido dos Santos, alias Fuminho, was for many years reputed to be living in Bolivia, where he was the key source of coca paste trafficked from Bolivia into Brazil. Although Fuminho is not a PCC member, he was influential in the group’s trafficking and was Marcola’s longtime friend. Fuminho may have also been one of the sources of weapons used in the Rafaat assassination, and he is believed to have orchestrated the murder of Gegê. In addition, he is alleged to have been involved in

\textsuperscript{112} Jonathan Franklin, “Can Anyone Stop Brazil’s PCC?” \textit{Americas Quarterly}, 16 January 2018; Christino and Tognolli, op. cit.
plans to spring Marcola from the São Paulo prison where he was being held before his transfer to the federal penitentiary system. Fuminho was arrested in Mozambique in April 2020.

Other PCC associates are believed to be increasingly active in border trafficking at various points along the Bolivian border. In the north, the Solimões River is an important trafficking destination at the intersection of Peru, Colombia, and Brazil. However, as of this writing, most evidence suggests that this route is dominated by northeastern groups such as Família do Norte, which at times has been allied with the CV.

Perhaps more significant to the PCC is airborne trafficking between the indigenous reserves that dot both sides of the Brazil-Bolivia border. The PCC is believed to charter multiple aircraft, including helicopters and small fixed wing aircraft. As previously noted, the Brazilian government runs active interdiction efforts, but controlling these cross-border flights is a difficult challenge for authorities, given both the plethora of potential landing strips in Brazil and the sparsely populated terrain on both sides of the border.

When air traffic is not a possibility, there are a plethora of potential crossing points along the Bolivian border. Law enforcement authorities note particularly heavy traffic in the north at Epitaciolândia and Guajará-Mirim, in the central region along the Guaporé river, and in the south near San Matias and Corumbá. Once they have crossed the border, drugs trafficked to Corumbá are likely to travel along BR-262, a federal highway that runs eastward as far as Espírito Santo on the Atlantic coast.

**Finances and Money Laundering**

Any accounting of the PCC’s finances is complicated by the amorphous structure described above, which means that it is not always certain whether the PCC’s proceeds from crime accrue to the organization or instead to individual members. In addition, at given points in its history, and in different prisons and neighborhoods, the PCC’s finances have been more structured than at others, and practices are often in flux in the face of law enforcement pressure. For example, the PCC’s financial accounts appear to have become more decentralized since the arrests of PCC “accountants” after the 2006 Mother’s Day attacks, making it difficult to obtain hard figures for the entire organization. Further, law enforcement authorities have incentives to ascribe concrete financial results to the organization that may not always add up to realistic totals. The bottom line is that any financial data about the PCC is likely to be only a rough approximation, as the simple threat of law enforcement disruption means that the PCC cannot maintain a central “bank account” or consolidated “accounting ledgers” that could easily be tracked for the entire organization.

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These caveats aside, anecdotal evidence provides some idea of the financial windfall from the PCC’s activities.

- Theft, robbery, and kidnapping: a Congressional Committee of Inquiry in 2015 reported an accounting ledger seized by São Paulo police that showed that in 2008 the PCC earned about R$4.8 million (US$2 million) per month from robberies, bank heists, and kidnappings, among other crimes. This value increased to R$8 million (US$3.4 million) per month between the years 2010 and 2013, and has risen to more than R$16 million (US$4 million) per month today.

- Drug revenue: Older estimates of the annual drug revenues of the PCC by the congressional panel suggested that in 2005, when the PCC was still a largely state-level outfit, the PCC was earning R$8 million a month from drug sales, equivalent to about US$3.5 million monthly (at the contemporary exchange rate), or about US$42 million annually. More recent estimates by Brazilian journalists suggest an annual figure between R$200\(^{114}\) and R$300 million\(^{115}\) (US$50–US$80 million). A 2016 estimate by a prominent crime reporter suggested that the PCC controls as much as three-fifths of the Brazilian cocaine market, valued at US$8 billion a year.\(^{116}\) If taken at face value and assuming that this is the true street value of all cocaine sold by the PCC, that would imply an operational revenue stream from cocaine of US$4.8 billion a year, or about US$150,000 per PCC member per year, before expenses.

With so much potential revenue circulating, money laundering is the natural next step. Brazilian prosecutors note that to date, the PCC’s money laundering operations have been relatively low-tech, with many of the profits simply invested in fixed assets, such as homes, cars, and boats, rather than reinvested into criminal activities directly. The financial strength of the organization derives from the overall success of its networked members, with different members and different locales providing each other with mutual financial assistance when needed. However, a number of estimates suggest that the volume of cash collected by the group is significant:

- Prosecutors working with the federal financial intelligence body (Conselho de Controle de Atividades Financeiras – COAF) tracked financial movements by 600 top PCC members between 2006 and 2012 and found that they engaged in transactions of around R$700,000 each, for an aggregate total of R$400 million a year, or more than US$105 million.\(^{117}\)

- A 2019 operation by the Federal Police, known as Operation Cravada, investigated PCC financial managers in seven states and found that they circulated

\(^{114}\) Manso and Dias, op. cit.
\(^{116}\) Berg, op. cit.
\(^{117}\) Manso and Dias, op. cit.
relatively small amounts of cash totaling around R$1 million (US$250,000) a month through more than 400 bank accounts, perhaps to avoid detection. Between 2010–2019, the Federal Police estimated that it seized R$2.68 billion (US$670 million) in assets from organized criminal groups, including the PCC, with the totals increasing continuously to around R$1 billion (US$250 million) in 2019.

• Most recently, in 2020 the Federal Police together with Brazil’s financial intelligence unit COAF have undertaken a variety of anti-money laundering operations against the PCC, tracking more than R$30 billion (US$5.4 billion at current exchange rates) in ill-gotten assets, including vehicles, homes, boats, and a variety of legitimate businesses, such as gas stations and convenience stores. Between July and September 2020, the Federal Police blocked nearly R$730 million in bank accounts and intervened in 70 companies believed to be connected to the PCC.

All indications suggest that PCC members seek to move illicit funds into legitimate assets in places as far away as the United States and China. Still, to date, there is little indication that the PCC is engaging in sophisticated money laundering. The 2015 congressional inquiry alleged that the PCC had created a network of “minerais” ("minerals" or buried deposits) as a reserve for times of difficulty, each filled with R$1 million. Wiretaps by the prosecutors point to the existence of at least seven minerais hidden on properties purchased by the group, but their locations are unknown. This is certainly a low-tech, unsophisticated solution to too much cash.

But the PCC is sniffing around other possibilities. During the most recent investigations by Federal Police, the group was found to be using a variety of techniques to launder money, ranging from doleiros (money changers) to a single instance of the attempted use of crypto-currency. The PCC appears to have grasped the value of moving crooked money into legitimate enterprise: for example, the head of the gas station industry group Fecombustiveis estimates that PCC members control around

119 Including Operation Rei do Crime and Operation Caixa Forte 2.
121 Adorno, op. cit.
3 percent of São Paulo state’s approximately 9,000 gas stations, where they launder illicit money, adulterate fuel, and sell unregulated ethanol.125

While any increasing sophistication in money laundering is problematic, the use of doleiros is a particularly worrisome development because some of the doleiros have been associated with corruption and white collar crime in the massive Lava Jato (Car Wash) investigation into a widespread corruption and kickback scheme, suggesting the possibility of greater approximation between the criminal underworld and corrupt political elites. Famed doleiro Dario Messer was convicted for his role in the Lava Jato case and may spend time behind bars with organized crime members who have until recently had little contact with white collar criminals.

Enemies and Allies

The PCC has sought hegemony in most of the areas where it operates. As a consequence, conflict with rival groups while it establishes this hegemony has become common, especially in the last few years. By contrast, it has approached its relations with the state in a more pragmatic fashion, especially in recent years.

PCC Relations with the State

Although the PCC has assassinated judges and murdered police officers, in its day-to-day operations the organization typically avoids confrontation with law enforcement.126 Here again, comparison with the Comando Vermelho is illustrative. In Rio, the CV regularly targets police. It is perhaps not surprising, therefore, that police incursions into the favelas are often military-style assaults, complete with armored vehicles, helicopter overflights, heavy police and army contingents, and machine gun fire.

By contrast, police officers are able to routinely enter low-income neighborhoods in São Paulo and Paraná in uniformed small groups with little overt resistance.127 Partly in consequence of the PCC’s loose local structures and its reticence to use ostensive weaponry, there are no pitched gun battles, and any PCC members present when the police arrive tend to temporarily fade away into the hustle and bustle of daily

126 Among its most notorious actions, in the early 2000s, the PCC kidnapped the daughter of a prison director; a few years later, they killed the same prison director. As noted earlier, the PCC has also killed judges overseeing individual prisons, such as Antonio José Machado Dias. In 2002, the group planted a car bomb outside the Barra Funda courthouse in São Paulo, which for unknown reasons never exploded. Other courthouses, in Itaquera, Osasco and São Vicente, have been attacked with machine guns, pistols and grenades. The João Mendes courthouse in central São Paulo was hit by a smaller bomb, and the police broke up an effort to attack the São Paulo stock market. See: Christino and Tognolli, op. cit.; Feltran (2018), op. cit.
127 PCC usually does not carry weapons; in this, it is quite distinct from CV in Rio. See: Feltran (2018), op. cit.
life. What’s more, assaults on prison guards and other penitentiary authorities have to be green-lit by the torres or transgressors can face severe consequences.\textsuperscript{128}

Yet the PCC is notorious — and indeed, initially came to public attention — precisely because of its ability to mobilize the underworld into waves of murderous violence against symbols of government power and state officials. The Mother’s Day attacks of 2006 were the first such mobilization, but they were followed in 2012 by similar coordinated efforts in São Paulo state, and in January 2019, by attacks across fifty towns and cities in Ceará state.\textsuperscript{129} In each case, the PCC leadership sent out salves from behind prison bars with orders to create chaos. Buses were burned, subway stations bombed, police stations hit by grenades, and individual police officers murdered. PCC members were probably directly responsible for many of the targeted murders but “alongside these coordinated killings came a series of acephalous, opportunistic attacks by sympathizers and so-called ‘Bin Ladins’ who owed the PCC tribute.”\textsuperscript{130}

It is this capacity to mobilize and direct violence, in fact, that provides the PCC with much of its power against authorities in the licit world and legitimacy among the inhabitants of the illicit world (as well as of the vast majority of poor Brazilians who inhabit the informal middle ground that spans them). The Mother’s Day attacks reportedly led the São Paulo state government to send a delegation to Marcola’s prison to negotiate a ceasefire. While the terms of the agreement are not known, the subsequent reversal of some hardline prison policies and the abrupt decline in criminal violence suggest a deal was indeed struck.\textsuperscript{131}

In subsequent cases of confrontation, there may have been no direct communication between authorities and the underworld but instead an exchange of implicit signals. This is apparent in the state government’s approach to the PCC. Indeed, for many years the São Paulo government resisted pressures to transfer PCC leaders to the federal prison system created in 2006. While other states moved their most dangerous criminal leaders into the federal penitentiaries, São Paulo resisted, presumably for fear that such a move might trigger a massive reaction. It was only in 2019, when authorities uncovered plans to kill a number of state prison officials and break senior PCC leaders out of jail, that the top PCC leadership were moved en masse to the federal penitentiaries, where they were incarcerated under strict new rules limiting external communication, including through the banning of personal contact and the monitoring of client-lawyer conversations.

The use of collective violence is one of the most powerful tactics in the PCC’s toolkit. We have described massive acts of collective violence like the Mother’s Day

\textsuperscript{128} Biondi (2016), op. cit.
\textsuperscript{129} In the latter case, both the PCC and the CV were involved in the attacks.
\textsuperscript{130} The PCC may have been able to mobilize criminals outside the prison system to participate in the attacks by forgiving their debts. See: Bailey and Taylor, op. cit.
\textsuperscript{131} Christino and Tognolli, op. cit.; and Manso and Dias, op. cit.
attacks. At other times, the PCC turns to slightly more targeted confrontation. The PCC shut down the mid-sized city of Bauru in 2017 in a successful effort to break its members and others out of the local penitentiary. It has murdered scores of police officers and killed prison directors, such as the aforementioned Machado Dias in 2003 and Ismael Pedrosa in 2005. In 2014, the PCC had a plan to kill two penal officers in each national penitentiary and managed to kill one in Rio Grande do Norte and another in Paraná before police broke up the plot.

But violence — whether collective or targeted — is costly in terms of lost lives and the danger of police repression. It is dangerous and expensive to try to replicate actions like the Mothers’ Day attacks regularly. As a consequence, it is far more common for the PCC to turn to simple corruption when it will have an effect. The PCC has been actively involved in corrupting law enforcement authorities everywhere it is present. A 2018 São Paulo Civil Police report indicated that high ranking PCC members recurrently bribe police officers to avoid being arrested and to ensure that drug sales points remain active.

Of course, intimidation and demands for corruption may be a two-way street, and there are multiple reports of PCC members being kidnapped and brazenly extorted by corrupt civil and military police.132 But the PCC is widely involved in corruption and capable of paying the costs. A sting operation in 2018 led to the arrest of 54 military police officers in the southern zone of São Paulo — nearly 10 percent of the local police contingent — for facilitating cocaine trafficking in that region.133 That same year, another 52 police officers were arrested in operations in Mato Grosso do Sul for facilitating highway contraband coming across the border from Paraguay.134

PCC and the Political-Criminal Nexus

High-level, grand corruption of political authorities is a significant problem in Brazil. Much of the focus of recent scandals such as the Lava Jato investigation has been on the corruption of state-owned enterprises such as Petrobras for the purpose of illegally funding politicians running for office in Brazil’s extraordinarily expensive electoral system. Other scandals have pointed to the corruptibility of individual judges, including in the highest courts in the nation. In São Paulo state, the home territory of the PCC, high level officials in state government have been implicated in massive corruption during the construction of the local subway and a beltway road project.

132 Luís Adorno and Flavio Costa, “Policiais de SP recebem até R$ 50 mil do PCC, aponta investigação,” Folha de S. Paulo, 16 August 2018; Roger Franchini, Toupeira: a história do assalto ao Banco Central (São Paulo, 2011).
To date, however, there has been little evidence of corruption and collusion between high-ranking political elites and the PCC, and PCC corruption of government officials appears to be limited to the grassroots level of prison officials and police officers. Efforts by the PCC to expand into the political arena appear to have been relatively minor. There have been reports that a corrupt network involved in building São Paulo’s beltway may have made payments to local PCC members to help push through land expropriations and perhaps even to intimidate witnesses.\footnote{135 Aiuri Rebello, “MP: Paulo Preto deu R$740 mil a grupo ligado ao PCC por obra no Rodoanel,” UOL, 19 June 2019.} There are allegations that the spouses of PCC members have sought to participate in public procurement. There is a well-publicized case of a mayor, Ney Santos, in the São Paulo municipality of Embu whose first campaign was allegedly financed in part by the PCC. But these appear, so far at least, to be somewhat happenstance forays into politics, rather than a strategically calculated effort to corrupt or penetrate the state or federal political system. The PCC’s interest in participating in politics is clearly limited to tactical rather than strategic aims: buying protection, easing the burdens of prison life, and perhaps encouraging prison officials to turn a blind eye, rather than obtaining high-level protection.

That said, the case of Rio de Janeiro offers a worrisome precedent.\footnote{136 Militias are not unique to Rio; similar organizations are present in Pará, according to Ayala Couto of the State University of Pará, and there was a similar group at work in Espírito Santo in the 1990s.} There, close ties have emerged between so-called “militias” operating illegally in many low-income neighborhoods and the political world. Rather than corrupting public officials, the militias operate hand-in-glove with state politicians, often in close proximity and with the shared objective of removing rivals, dominating local procurement, and controlling illicit markets. The possibility of the PCC emulating the Rio militias by moving systematically into politics seems unlikely at present because of the anti-system rhetoric of the PCC, its resentment against state violence, and the strong socio-economic divide between most PCC members and the political elite. However, the generalized impunity with which corruption is treated by the Brazilian judicial system suggests that any movement toward greater integration between the PCC and political elites would meet few legal barriers.

**PCC Relationship with Other TCOs**

The past three years have been marked by the most serious and massive destabilization of relations between criminal organizations in living memory. The PCC’s increasing hegemony in the states of São Paulo, Paraná, and Mato Grosso do Sul — and as a consequence, its increasing control over trafficking routes from Paraguay and Bolivia toward the wealthy southeastern coast of Brazil — has pushed the battle for dominance of trafficking routes northward. This conflict has been exacerbated by the expansion of the northeastern Brazilian market for drugs in the 2010s and the creation of a northern trafficking route from Ceará into the global market.
Ceará has become a hub for trafficking through the Caribbean and is considered a strategic hub for criminal organizations because of the control it provides over two ports and the local airport. Simultaneously, a variety of different gangs have been fighting over routes from Peru and Bolivia. The border area between Peru, Bolivia, and the Brazilian state of Acre has been one area of conflict. A second is where the Solimões River flows from the triple border between Peru, Colombia, and the Brazilian state of Amazonas. The municipality of Tabatinga, on the Brazilian side of this border, has been an important smuggling site. Further downriver, about 360 kilometers upstream of the state capital Manaus, the PCC is reported to have established a foothold in the municipality of Coari, to control cocaine flows down the river from Peru and Colombia.

The Família do Norte led the development of the Amazonian routes through the states of Amazonas and Acre. At various moments in time, the FDN has signed “statutes” with both the CV and the PCC to lessen conflict in this region. However, these agreements — especially with the PCC — largely broke down in 2016, driving horrific violence in prisons across Amazonas, Acre, Ceará, and Rio Grande do Norte between 2016 and 2018. Efforts by state officials to crack down on prison violence were met by salves issued from the torres that led to immense bloodshed on the streets of many cities. One consequence was a 68 percent growth in homicides in the North and Northeast region of Brazil between 2007 and 2017, against a 24 percent increase nationally. As the homicide map shows, many of these states reached homicide rates exceeding 40 and even 50 per 100,000, after years during which they were relatively peaceful oases by comparison to the large urban southern states.

The spate of violence in the north and northeast subsided somewhat in 2019 and 2020, in part because of a sustained clampdown by state authorities and an apparent equilibrium reached between the PCC and its northern rival, the Família do Norte. Yet violence continues to percolate and remains at a level significantly higher than the southern region.

138 Miraglia, op. cit.
139 Manso and Dias, op. cit.
140 Miraglia, op. cit.
141 There may be an additional smuggling route forming between Venezuela and Roraima state, to take advantage of arms and drugs trafficked alongside Venezuela emigrants making their way to Boa Vista. However, there is an enhanced military presence along this route, and there are not yet reports of significant flows here. See: Mateus Coutinho, “O crime na rota da migração,” O Globo, 18 February 2018.
The 2016–18 conflict between criminal organizations, led to a nationalization of alliances between criminal groups. Although the lines between them may vary by state, and some groups cooperate more deeply than others, in rough terms, they can be grouped according to their degree of cooperation with the PCC (see Graphic 7).

Criminal organizations have chosen sides for a variety of reasons. Some were facing the threat of an expanding PCC, as for example, the Sindicato do Crime which sought to maintain its control over Rio Grande do Norte’s prisons. Others, such as the Primeiro Grupo Catarinense (PGC), were old allies of the PCC but had grown disaffected by business disputes and had split from the group. Some regional gangs had more leaders in federal prisons than others, and the relative strength of the CV in federal installations facilitated alliances with the CV, rather than the PCC (at least until 2018, after which many PCC leaders were transferred to federal penitentiaries). Finally, the tension between the PCC and homegrown northeastern gangs is a classic insider-outsider dispute between old local gangs and the newly arrived upstarts; in many cases, local gangs came together to fight against the alien PCC.
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many cases, local gangs came together to fight against the alien PCC.\textsuperscript{143}

**Comando Vermelho**

As already noted, the CV was Brazil’s first large criminal organization. It has long
been Rio de Janeiro-based, focused on the retail drug trade in favelas and poor
neighborhoods. The CV emerged in the late 1970s and rose to dominance in Rio
de Janeiro by the early 1990s. The CV is hierarchical and vertically structured but
organized in individual neighborhood commands. At its height, the CV was thought
to control as many as 90 percent of Rio’s poor neighborhoods. In its heyday, Luiz
Fernando da Costa, known as Fernandinho Beira-Mar, established direct connec-
tions to the FARC and Colombian cocaine, but he was arrested in 2002 and is
currently in federal prison.\textsuperscript{144} The CV at one time may have had as many as 24,000
members, of whom more than a third were in Rio de Janeiro state.\textsuperscript{145} However, the
CV has been under considerable pressure from rival gangs, militias, and police, and
may control fewer than a third of Rio’s neighborhoods today.\textsuperscript{146} Authorities believe
that the CV is increasingly isolated and unable to control drug routes or expand be-
yond Rio de Janeiro; one authority speculated that the CV will either need to reach
an agreement with rival TCOs or it will fade into irrelevance.

**Família do Norte**

Created in 2006, the FDN is believed to have spread in response to rising resent-
ment of the PCC in northern prisons. Today it may be the second largest criminal
organization in Brazil, with as many as 13,000 members.\textsuperscript{147} The FDN pioneered
the Solimões drug route and is still believed to dominate trafficking at the Peruvian-
Colombian-Brazilian border.\textsuperscript{148} Its top leader is José Roberto Fernandes Barbosa,
alias Compensa (Reward), who is believed to have ties to traffickers in both Peru and
Colombia.\textsuperscript{149} This access to alternative sources and routes — rather than Bolivian or
Paraguayan-sourced drugs that have dominated so much of the southern Brazilian
trade — make the FDN a powerful potential rival for the PCC.

The FDN is also particularly threatening to the PCC because its structure emulates
that of the PCC — less focused than the CV on controlling territory, and intent
instead on controlling prisons and obtaining access to trafficking routes.\textsuperscript{150} Like the

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\textsuperscript{143} Paiva, op. cit.
\textsuperscript{144} Beira Mar confessed to the Colombian authorities that he purchased as much as 200 tons of
cocaine from the FARC, in exchange for cash and arms; that amount of cocaine was sufficient to meet
70 percent of Brazilian demand. The cocaine was flown from Colombia, Peru, Bolivia and Paraguay
to Mato Grosso, Mato Grosso do Sul and São Paulo states. See: Manso and Dias, op. cit.
\textsuperscript{146} Eduardo Migowski, “As origens do Comando Vermelho explicam por que o Brasil é tão violento,”
Voyager, 15 January 2018.
\textsuperscript{147} There are reports of as many as 200,000 members, but these seem unlikely, given that the total
prison population in the northern region is considerably smaller. See: Manso and Dias, op. cit.
\textsuperscript{149} Ibid.
\textsuperscript{150} O Estado de S. Paulo, “Aqui não tem gangue, tem facção; pesquisador relata tranformação de
PCC, the FDN pays special attention to commanding prisoners. The FDN rose to prominence in the 2017 prison riots in the northern region and is believed to have led the execution of 56 prisoners associated with the PCC in the Compaj prison complex in Manaus.151

In 2017, the FDN and the CV were allies in a pitched battle across much of the state of Ceará against the PCC and its local allies in the Guardiões do Estado. When the state government began to crack down and reduce criminal violence, all of these criminal groups found common ground and engaged in more than 200 attacks on public institutions and public transportation.152 However, this uneasy truce fell apart, and in the process, the alliance between the FDN and the CV broke down in mid-2018.153 One consequence was that the “dike” or “containment wall” that had been holding the PCC back — the CV-FDN alliance — was suddenly loosened, offering the PCC the possibility of once again pressing a claim on the Solimões route.

There is currently an uneasy truce between the PCC and the FDN, but as previously noted, the PCC has been engaged in a massive recruitment push in the northeastern region, lowering dues and allowing minors to join the organization. The damn may break again.

Secondary Gangs

More than 80 gangs are believed to be operating in Brazilian prisons, according to records seized by Brazilian intelligence agencies. The CV and the PCC are the most traditional criminal organizations, and they have spawned a number of imitators. Not surprisingly, many Rio-based gangs initially imitated the CV’s hierarchical structure and local objectives, even when competing directly with the CV, including the Amigos dos Amigos (ADA) and the aforementioned militias. As noted above, the FDN and others more recently have begun to concentrate their efforts less on territorial control or control over retail drug operations than on moderating conflict between criminals and offering a united protective front against rival criminal organizations and the state.

Foreign DTOs

While the PCC’s strength in prisons often leads to violence against other gangs, its prison dominance also helps it to build links to other criminal groups, particularly drug trafficking organizations (DTOs). Law enforcement authorities in both Paraguay and Brazil noted that when a new prisoner with a particular skill — in accounting or explosives, for example — is introduced into the prison population, the PCC often actively recruits them.
friendships to build links to Fernandinho Beira-Mar and through him to Colombian traffickers, as well as to multiple Paraguayan traffickers. Partly in consequence, federal prison officials take care to isolate prisoners according to their criminal affiliations, both to avoid unnecessary violence and to avoid spawning new networks. At the level of state prisons, however, there is less concern and capacity, and many such networks have evolved from prisoner contact.

There are scattered reports of PCC ties to foreign TCOs such as the Clan del Golfo or the ‘Ndrangheta, two senior members of which were arrested in São Paulo state in 2019. It would be surprising if there were no contact between foreign TCOs and Brazil’s leading TCO, of course. On the other hand, it is important to keep in mind that so far, these contacts follow a market logic, rather than being signs of a global criminal conspiracy and a budding criminal alliance between the distinct organizations. There are only minimal indications of direct PCC involvement in European, Mexican, or Colombian markets, perhaps as a consequence of manpower constraints, language and cultural barriers, or the opportunity cost of foregoing the vast and lucrative Brazilian market.

Policy Responses

Law enforcement authorities in Brazil speculate that the PCC is likely to change significantly in coming years. With the transfer of top leaders to federal prisons far from São Paulo, and the increasing expansion of the PCC beyond São Paulo state, it is very likely that there will be leadership turnover. The removal of Marcola to federal prisons in Rondônia and then Brasília led some authorities to speculate that the PCC leadership might fragment in the absence of his strong command. What’s more, as noted, the expansion of the PCC has led to rifts in the upper echelons.

Several authorities also suggested that a new generation of leadership might be emerging, and that the new leaders would likely originate from outside the prison system, which has become too easy of a target for law enforcement surveillance. The combination of fragmentation and a harder to surveil leadership are likely to significantly alter the PCC’s behaviors in coming years, and could contribute to more criminal violence, as well as less effective law enforcement. Much will depend on who controls the key transit points and traffic from suppliers in Paraguay and Bolivia.

Since the turn of the century, and perhaps before, the Brazilian response to rising crime, and especially organized crime, has been slow, weak, and in many ways, self-defeating. The data to support this affirmation is devastating. Over 550,000

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Brazilians have been murdered in the past decade, more deaths than in the wars in Iraq or Syria. Brazil’s homicide rate of 29.5 homicides per 100,000 population is the highest of the large developing nations and 30 times the European rate. A 2017 report by the Inter-American Development Bank estimated that crime and efforts to combat it cost Brazil US$120 billion a year, three times more than Mexico. Meanwhile, the number of members of organized crime groups has exploded, and the geographical reach of those groups has expanded across the entire country, as well as into neighboring states.

What is going wrong? There are several overlapping explanations.

First, coordination among various state agencies is weak. Brazilian federalism fragments the law enforcement response vertically between the federal government, the 26 states and the federal district, and an additional 5,570 municipal governments. There is also great horizontal fragmentation between different police forces and other law enforcement authorities within each territorial jurisdiction: for example, between civil and military police at the state level, and between penitentiary officials and police within each state.

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158 Brazil has more than three dozen security forces. At the federal level, the Federal Police are the key law enforcement body, responsible for border security, protecting high level officials, and addressing crimes against the federal government. Brazil also has a Federal Highway Police (Polícia Rodoviária Federal - PRF), which is responsible for overseeing the nation’s extensive highway system as well as policing crime on the highways. The federal government has also employed the Força Nacional de Segurança Pública, a collection of state police officers that are organized under the supervision of the Justice Ministry and can be dispatched at state governors’ request to deal with momentary hotspots. In early 2019, for example, the Bolsonaro government dispatched the Força Nacional to help Ceará authorities contain gang attacks that followed tougher prison laws. On rare occasions, under the terms of the 1988 Constitution, the federal government may also “intervene” in states, using the armed forces to combat excessive crime. However, such military interventions have been rare, in part because under the terms of the Constitution, any such intervention halts high-profile legislative proceedings, such as deliberation on constitutional amendments.

The federal government also has a number of other ancillary bodies involved in functions that overlap with public security, such as financial oversight, tax auditing, and regulation of markets. The result is a veritable alphabet soup of agencies. Among the federal agencies, a few stand out: the Federal Police; the Council for Financial Activities Control (COAF), Brazil’s financial intelligence unit; the Central Bank, which regulates the financial industry; the Comptroller General’s Office (CGU), which oversees and audits transfers from the federal government to subnational governments; and the Receita Federal, Brazil’s internal revenue service. See: Escritório de Ligação e Parceria no Brasil, “Combate à Lavagem de Dinheiro no Brasil,” UNODC, 2019; Coordenação-Geral de Pesquisa e Investigação, “A Receita Federal do Brasil no Sistema de Prevenção e Combate à Lavagem de Dinheiro,” Receita Federal, 7 May 2018; Rodrigo Amaral, “How Brazil Is Battling Money Laundering,” LatinFinance, 6 November 2017.

At the state level, all states have two police forces, the military police and the civil police. Military police, despite the name, are not members of the national military (except in exceptional circumstances that have never occurred since the return to democracy in 1985), but are instead responsible for street-level enforcement of the law: preserving law and order, arresting criminals, and ensuring the safety of citizens.
This vertical and horizontal fragmentation has greatly complicated the elaboration of a strategic national response to crime, and lessened authorities’ ability to react to evolving threats that cross jurisdictional boundaries. For example, the federal government is responsible for border security and keeping out drugs and weapons, but if smuggling takes place, investigation of that crime is usually the responsibility of state police.159

Recent years have brought moves to improve coordination, especially in federal efforts against money laundering and corruption.160 There are numerous task force and fusion center initiatives at the Paraguayan border, and collaboration with both Paraguayan and Bolivian authorities. Yet such efforts have not yet trickled down to the fight against organized crime, especially in the subnational units of the federation. The federal government is constrained in organizing the fight against organized crime, in part because of constitutional restrictions that give the lion’s share of law enforcement powers to subnational authorities. Weak coordination, evolving law enforcement capacity, and a very long border (at 11,600 kilometers, Brazil’s western border from Colombia to Uruguay is nearly four times longer than the 3,100-kilometer border between the U.S. and Mexico) mean that halting flows is an uphill battle.

Second, the only uniform public policy response to rising crime has been increased imprisonment. Increased imprisonment, in turn, has contributed to the increasing virulence of criminal organizations. The number of prisoners nationwide has been rising at 8 percent per year, growing eightfold from 1990 to 2016 (the last publicly available year of data), from 90,000 to 726,700.161 Brazil imprisons more of its

Civil police are the detective force, and many members of the civil police are lawyers by training. Their role is investigatory, preparing cases for presentation to state prosecutors (MPE) for prosecution. Historically, the relationship between military police, civil police, and prosecutors has been marked by mutual suspicion and weak cooperation. However, in recent years, several states have adopted a task force model, aimed at bringing together competing agencies, especially in the fight against organized crime. Such task forces, known in some states as Special Groups against Organized Crime (GAECOs), have been at the forefront of the fight against both state-level corruption rackets and organized criminal groups like the PCC.

At the municipal level, governments are constitutionally prohibited from creating police forces, but many municipalities have created special “municipal guard” units. These municipal guards patrol neighborhoods and provide assistance, but are not active against organized crime and are not permitted to carry firearms.

160 For example, in the field of money laundering, the National Strategy Against Corruption and Money Laundering (ENCCLA), a working group of federal agencies tasked with planning improvements in the anti-money laundering field, brings together more than 70 agencies from across the federal government, as well as state and even municipal bodies. In the past decade, the federal government has also directed some big interagency operations at the border, such as Operation Ágata and Operation Sentinel. See: Gordon Laforge, “The Sum of Its Parts: Coordinating Brazil’s Fight Against Corruption, 2003-2016,” Innovations for Successful Societies, Global Challenges Corruption, February 2017; and Sérgio Praça and Matthew M. Taylor, “Inching Toward Accountability: The Evolution of Brazil’s Anticorruption Institutions, 1985–2010,” Latin American Politics and Society, 56 (2), (2014), p. 27–48.
161 Departamento Penitenciário Nacional, “ Levantamento Nacional de Informações Penitenciárias:
population per capita than any other country in South America and now has the third largest prison population in the world, after the United States and China.\textsuperscript{162}

Although there has been a prison-building spree, these institutions are dangerously underfunded and overcrowded, with populations typically double capacity or higher. In most cases, overwhelmed prison officials have tacitly turned over prison management to organized criminal groups. Although there have been efforts to extend social services to prisoners and their families, these have not yet had the desired effect in terms of reducing recidivism and improving family outcomes. The consequence is that prisoners and their families — a total population that could account for as much as 2–3 percent of the Brazilian population — are placed in an extraordinarily vulnerable economic situation in which they become easy targets for criminal organizations able to provide protection, economic support, and fraternal comfort. Prisons, meanwhile, have essentially become “training centers” and “logistical hubs” for illicit actors.\textsuperscript{163}

Third, efforts to control prison gangs have had the unintended side effect of spreading these criminal organizations to other prisons and other jurisdictions. Prison gangs have spread across the state and federal penitentiary systems, and from prison back into the streets, enabling criminal organizations to spread within states, across states, and now, with the rising PCC population in Paraguayan prisons, across national boundaries.

Faced with public demands to curtail prison violence and organized crime, authorities have frequently transferred criminal leaders between prisons, enabling criminal organizations to metastasize. Notably, in São Paulo state many PCC leaders were moved from lower-security prisons to the Presidente Bernardes high-security prison, where they were able to confabulate and collaborate. In the wake of prison violence during the early 2000s, São Paulo also ‘exported’ leading PCC members to Paraná state, which now has the second largest PCC population.

Since the creation of the federal penitentiary system in 2006, many organized crime leaders have also been moved into the federal prisons. For years, the São Paulo state government preferred not to send PCC leaders to federal prison. However, in February 2019 the top leaders were transferred into the higher security federal system in response to threats against law enforcement authorities. Although prison officials are conscious of this risk, there is a fear that federal imprisonment could enhance already existing ties or create new ones between the leaders of organized crime groups from around Brazil.\textsuperscript{164}

\textsuperscript{163} Berg, op. cit. 
\textsuperscript{164} Manso and Dias, op. cit.

INFOPEN,” June 2017; André Shalders, “Sistema prisional: quais são os planos de Sergio Moro e sua equipe para os presos sem ‘colarinho branco’?” BBC, 3 February 2019. Among the causes of the rising prison population are harder laws such as the Lei de Crimes Hediondos (Heinous Crimes Law), and the judges’ harsh application of the 2006 anti-drug law.
Fourth, a significant share of prisoners nationwide are in jail as a consequence of drug laws. Nearly one-third of prisoners nationwide are in jail on drug trafficking charges.\textsuperscript{165} Forty percent of prisoners are in jail “provisionally” while awaiting judgement, many of these on drug charges: under Brazilian law, anyone found with a minimal volume of drugs can be arrested \textit{em flagrante} and jailed provisionally until judgement. These rules and the arrests they permit ensure a steady flow of vulnerable prisoners whose need for prison protection may encourage them to either become gang members or at least tacitly support criminal organizations.

Changes to the law since the turn of the century have done little to improve matters. Brazil’s 2006 drug law was a progressive piece of legislation, with an emphasis on preventive measures against drug use. The law revised the penalties for drug possession, replacing policies heavy on imprisonment with measures that focused on user education and treatment.\textsuperscript{166} Simultaneously, punishments for trafficking were increased, with the mandatory minimum rising from three to five years (and a maximum of 15). Judges were given sentencing flexibility, depending on the drug seized and the defendant’s prior record.

The progressive bent of the bill and the substantial discretion it provided to authorities has had unintended consequences. The Supreme Court has not made any determination about the distinction between drug use and drug trafficking, and in the absence of a clear definition, trial court judges often err on the side of heavier sentences, especially for Afro-Brazilians. Sentencing discretion has led to more drug users behind bars: between 2007 and 2016, the number of people incarcerated for drug trafficking increased by nearly 150 percent, from 63,200 to 156,600.\textsuperscript{167} One study concluded that if Brazil adopted Portugal’s criterion for drug trafficking — 25 grams of drugs — the population of prisoners jailed for trafficking would fall by 60 percent.\textsuperscript{168}

Fifth, the racial and class tinge to the criminal justice system generates support for anti-system criminal organizations. The justice system is highly unequal. As one former high-ranking justice official noted, the discretion given to authorities in enforcing drug laws has a discriminatory edge, with the practical consequence that in the eyes of the law, “whites are users, blacks are traffickers.”\textsuperscript{169}

Nor is this disparity restricted to drug crimes: high profile cases of white-collar crimes, including those associated with organized crime, such as money laundering and corruption, are seldom punished by the Brazilian courts. One consequence of


this disparity is that the prison population is 21 percent more Afro-Brazilian than the general population.\textsuperscript{170} Most prisoners are also drawn from the poorest members of society. Such inequity increases support for criminal organizations that both protect vulnerable prison populations and offer a narrative against state-imposed injustice, something to which the PCC pays special lip service.

Sixth, tough on crime politics and the demonization of human rights contribute to bad policy and bad policing. Outside the prison system, policing is often more about the repression of poorer sectors of society than about effective law enforcement. Many state officials are elected on the basis of tough-on-crime policies. Once in office, they frequently push for more police repression and violent anti-crime policies that are often informed more by hunches about who “looks” like a criminal than actual information about who is in fact committing crimes. Murderous “ostensible” policing policies draw resources and prestige away from potentially more effective policy responses, such as investments in better police intelligence and more comprehensive investigations of criminal organizations aimed at diminishing their organizational capacity and disrupting their financial structures.\textsuperscript{171}

The consequence is that the poorer neighborhoods of many cities are patrolled by police using a highly militaristic and antagonistic posture toward poorer (and darker-skinned) citizens. Police forces nationwide use logos and badges emblazoned with skulls. It is common for police to drive through poorer neighborhoods with their weapons menacingly displayed out the windows, and to shoot first and ask questions later. As noted earlier, the extrajudicial use of force is significant, with official police homicides accounting for nearly 10 percent of all homicides, a rate that is substantially higher than elsewhere in the world. The authorities’ truculence toward poorer and marginalized communities breeds sympathy and tolerance towards, and even collaboration with, organized crime groups that are seen as champions of the marginalized against belligerent and abusive police forces.

In recent years, strikes by state police and increasing violence have increasingly led state and national officials to resort to the national armed forces to provide emergency public security services. Although the military has been far less murderous than the police during these episodes, such interventions have had dubious long-term effectiveness. They may also have unintentionally exacerbated some of the challenges of weak local law enforcement capacity, including by promoting the view that all that is needed to effectively confront crime is powerful intervention by well-armed and well-equipped fighting forces.

\textsuperscript{170} Fifty-three percent of the population is Afro-Brazilian, while 64 percent of prisoners are Afro-Brazilian. See: Departamento Penitenciário Nacional, “Levantamento Nacional de Informações Penitenciárias: INFOPEN,” June 2017.
\textsuperscript{171} Manso and Dias, op. cit.
Current Policy Initiatives

Since coming to office in January 2019, the Bolsonaro administration has undertaken a variety of anti-crime initiatives. It has taken direct actions against organized crime, for example by sending a special federal intervention force, the Força Nacional, to Ceará to quell violence, permitting the use of the military to protect federal penitentiaries in Mossoró (RN) and Porto Velho (RO), and most importantly, by transferring PCC leaders from São Paulo to federal prisons. During Bolsonaro’s first year in office, the Justice Ministry created a multi-agency border task force against trafficking and began a pilot program of anti-crime policy experiments in six cities nationwide.

The government has also been active on the legislative front. The government lived up to its hardline reputation and early on issued a decree facilitating arms ownership. Perhaps more productively, the government also pushed through Congress a new “anti-crime” package that is targeted at criminal organizations like the PCC. It includes new laws that increase maximum jail terms to 40 years, facilitate the isolation of crime bosses in prison, and clarify the rules and streamline the process for asset forfeiture. The 2019 National Drug Policy prioritizes the repression of organized crime. While all of these policies signal a willingness to tackle the effects of transnational organized crime, and perhaps adopt a harder approach, they do not directly address the six policy drivers detailed above.

The Future of the PCC

What does the future hold for the PCC? As the previous section suggests, the drivers that create the structural incentives for the emergence of a criminal organization like the PCC do not appear to have changed dramatically. But enforcement actions against the PCC have been significantly strengthened. This suggests two distinct scenarios.

If the PCC cannot recover from the crackdown on its senior leadership, it is very likely that it will begin to splinter into smaller and possibly less cohesive criminal organizations, perhaps breaking into groups at the state and even international levels. A breakdown of this sort would fracture the criminal peace in criminal markets and trafficking routes that the PCC dominates, especially as new rivalries emerge. However, the PCC model seems likely to endure, with successor organizations arising in its place and emulating its organizational structure, ideas, and tactics.

An equally likely scenario, in our view, is that the PCC will recover, perhaps reduced in scope for a short period while it recovers capacity and strength. After this recovery, it seems likely that it would once take up the expansion that accelerated beginning in 2015. In this case, as law enforcement authorities speculated in conversations with the authors of this report, it seems very likely that the next cadre of leaders will emerge from outside the prison system, and perhaps also from a younger generation.
of leaders. This would have important effects on the structure of the PCC, but it would also alter the dynamic between the PCC and law enforcement authorities, who have become increasingly dependent on intelligence gleaned from their control over the prison system. A second likely outcome of this scenario is that the PCC will continue to contest both northern trafficking routes and Paraguayan prisons. This will not be a centrally directed push, but instead a rational response to the incentives of PCC members in these locales as they seek both protection and profit.
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