

TUSSLE FOR THE AMAZON

NEW FRONTIERS IN BRAZIL'S
ORGANIZED CRIME LANDSCAPE

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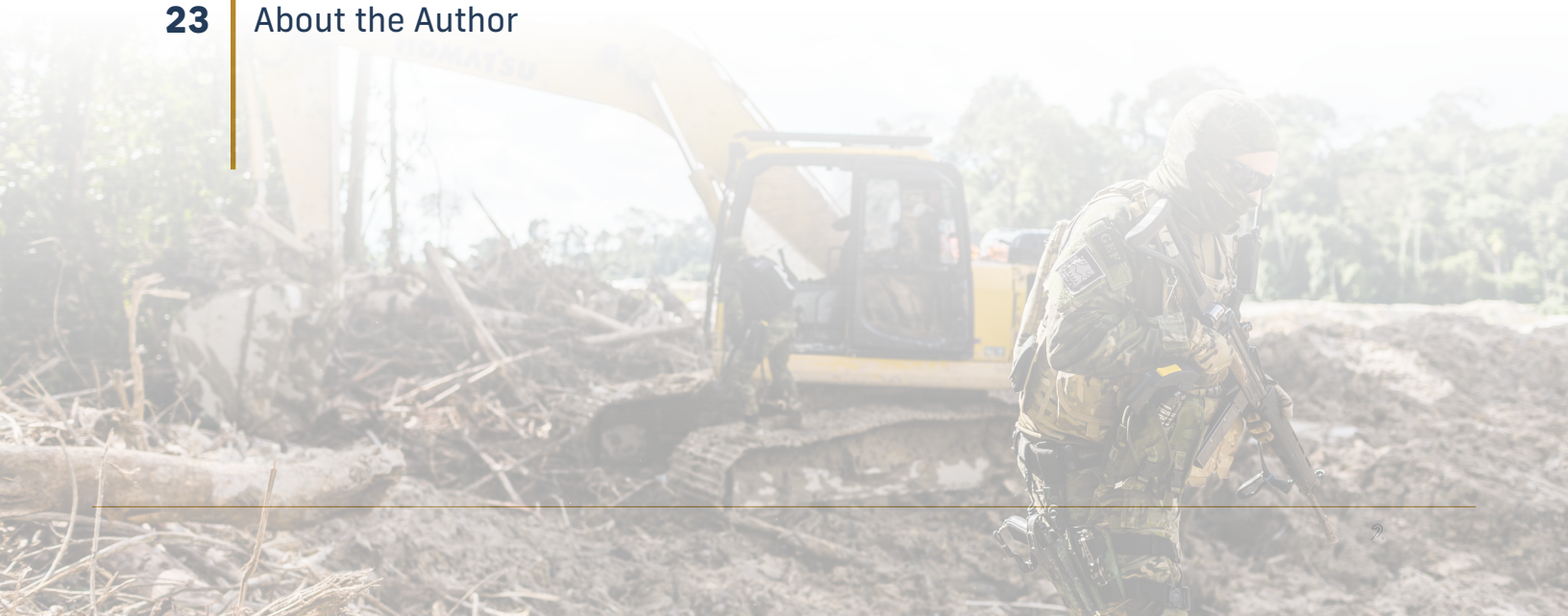
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EXECUTIVE SUMMARY

Brazil is witnessing a “tussle for the Amazon”—a new and deadly phase in the history of its organized crime groups and their operations. While the country is no stranger to violent criminal organizations, recent years have seen groups building increasingly sophisticated networks, both within and beyond Brazil’s borders. In the strategic state of Amazonas, these developments have sparked a power struggle between several of the country’s largest criminal organizations that has concerning implications for the stability of Brazil as a whole.

Three major groups currently vie for power. The most known is the First Capital Command (*Primeiro Comando da Capital* or PCC), which has experienced rapid growth and claims an estimated 30,000 members nationwide. The PCC’s rise has provoked anxiety among the leadership of the second most important player, Brazil’s Red Command (*Comando Vermelho* or CV). One of Brazil’s oldest and most entrenched criminal organizations, the CV has waged war on the PCC throughout the country, contributing to several notable upticks in homicide rates. A third group, the Northern Family (*Família Do Norte* or FDN), has asserted itself in its traditional sphere of influence, i.e., controlling illicit activity in Amazonas state as an ally of the CV. With its erstwhile alliance in tatters, the FDN is squeezed between the CV and the PCC as they battle for control of Amazonas state. The contest between rising and established criminal organizations—and the many local proxy groups they spawn—lies at the root of the transformation of Brazil’s organized crime landscape.

While this shift has been localized in Amazonas state, its effects have not been confined to that particular geographic area. Facing intense pressure to grow and compete, Brazilian criminal groups have expanded their operations throughout Latin America and beyond, especially in Lusophone Africa and Western Europe, where lucrative drug markets help fund the groups’ competition back home.

Five main attributes contribute to the Amazon’s strategic importance for criminal groups in Brazil, and all five also relate to the aforementioned “internationalization” of Brazilian organized crime groups.

1) The lucrative Solimões route to the Atlantic

The Solimões network of rivers provides drug traffickers with an easy and poorly policed transport system between neighboring countries as well as an outlet for cross-continental distribution via the Atlantic Ocean.

2) Access to the triple border with Colombia and Peru: The largest coca producers in the world

While Brazil produces neither cocaine nor its precursors, Brazilian criminal organizations are intimately involved in the movement of illicit narcotics, making access to coca suppliers essential.

3) The “Rota Caipira” of the south is increasingly consolidated and dominated by the PCC

From the PCC’s fortified home base in São Paulo, it has developed transnational aspirations. As part of this strategy, the group has increased its cross-border presence in Bolivia and Paraguay, where it has embedded itself in the supply chains of various illicit economies and recruited new members within foreign prison systems. This has led competing groups to look for similar trafficking routes to dominate.

4) Ungoverned spaces abound in the Amazon

The physical features of the Amazon region, coupled with Brazil’s current capabilities, frustrate any state efforts to assert control. Thus, in several locations, criminal groups compete to supplant the state as a guarantor of security and governance.

5) Market diversification: From drugs to illegal mining, deforestation, and wildlife trafficking

The abundance of natural resources in the Amazon region affords criminal groups valuable and diverse new sources of revenue, incentivizing Brazil’s criminal organizations to fight for the ability to monopolize these illicit markets.

The “tussle for the Amazon” is more than a mere clash between Brazil’s transnational organized crime groups. It is a threat to regional stability and imperils neighboring Latin American countries. Appreciating the Amazon region’s current role in the dynamics of Brazil’s criminal underworld is the first step toward deliberate, informed action by the United States and Brazil against a shifting criminal environment.

INTRODUCTION

The growth and internationalization of Brazil’s organized crime groups are among the most important developments in Latin America’s security and governance challenges of the past decade. The emergence and dominance of Brazilian groups that operate well beyond the country’s borders present a major cause for concern in the region. This paper examines tectonic shifts in Brazil’s criminal underworld starting in 2016. That year represents a watershed moment in Brazil’s criminal landscape because it saw the breakdown of a nearly 20-year, nationwide truce between the warring criminal factions First Capital Command (*Primeiro Comando da Capital* or PCC) and Red Command (*Comando Vermelho* or CV). The resulting territorial disputes between the PCC and CV contributed to the most murderous year on record in 2017, skyrocketing Brazil’s homicide figures to more than 63,000 that year.¹

As Brazil’s criminal organizations continue to expand their operations domestically and internationally, violence has increased in many affected regions of the country—even amid the COVID-19 pandemic in 2020.² In particular, the state of Amazonas is witnessing high levels of contestation between rival factions and has become the latest frontier in Brazil’s organized crime landscape. The necessity to expand and compete for territory, the geography of the region, shifting alliances between criminal organizations, and unique opportunities for market diversification make the region the epicenter of Brazil’s criminal contestation.

While Amazonas state was previously dominated by Brazil’s third-largest criminal organization, the Northern Family (*Família Do Norte* or FDN), the faction has been severely weakened by the arrival of the CV, and now the PCC.

In May 2018, an agreement with the FDN’s erstwhile ally, the CV, broke down, and in July 2019, the FDN suffered further fractures with an offshoot group and a chain of grisly prison massacres. In the vacuum left by the FDN’s rapid retreat, Brazil’s main criminal organizations have been fiercely contesting control of Amazonas state in a “tussle for the Amazon.” While Brazil’s criminal organizations have long operated in that region, the current moment of expansion is unique owing to the intensity of the conflict and shifting criminal dynamics between groups across Brazil.

Amazonas state is an attractive territory for Brazil’s criminal organizations because its unique characteristics lend themselves to criminal expansion and access to important segments of the illicit market. The region’s remoteness, combined with a lack of robust state institutions, presents an attractive milieu for criminal activity. Further, the geography of Amazonas state offers a major advantage. A sizeable network of unguarded rivers and tributaries in the Amazon River Basin provides unfettered opportunities to transport cocaine produced in Colombia and Peru—the two largest coca producers in the world—to ports on the Atlantic Ocean. In particular, the Solimões River flows through the Brazil-Colombia-Peru tri-border area, connecting with the mouth of the Atlantic Ocean in one uninterrupted stretch of several thousand miles.

Moreover, Amazonas state represents the opportunity for increased market diversification because criminal organizations can take advantage of illicit activities beyond drug trafficking, such as illegal mining, illegal logging, and the illegal wildlife trade, to expand their illicit revenue streams. In addition to the FDN’s implosion, the manifold opportunities in Amazonas state have pulled first the CV and now the PCC like a magnet to the region, violently contesting control and convulsing the criminal underworld.

Two main prongs of research emerge in the context of these developments. First, what is the present status of criminal contestation in Amazonas state? Second, given the intensity of past contestation, what possible scenarios might Brazil expect to experience in the coming years? The burgeoning capabilities of Brazil’s principal organized crime groups and the concomitant internationalization of their operations

make understanding the “tussle for the Amazon” urgent for Brazil and the entire Western Hemisphere.

The paper will proceed in four parts. First, it offers a synopsis of the main criminal organizations involved in the “tussle for the Amazon” and explains their nexus to Brazil’s prison system. Second, the paper outlines the current criminal landscape, including recent trends in criminal expansion since the breakdown of the truce between the CV and the PCC. Third, the paper focuses on the particulars of the “tussle for the Amazon.” Fourth, the report concludes by offering several policy recommendations for the United States and Brazil to stymie this breakneck criminal expansion.

BRAZILIAN ORGANIZED CRIME GROUPS

With the exception of the CV, most of Brazil’s organized crime groups were born in the country’s post-dictatorship period, when the government aimed to reform and modernize prisons but ultimately lacked the political support to do so. Consequently, Brazil’s prison system relied on antiquated practices throughout the 1980s and 1990s that included solitary confinement coupled with violent prison guards subject to little accountability.³ Brazilian organized crime groups have increased their appeal by positioning themselves against the state and purporting to place the fight for better prison conditions at the center of their operating ideologies.

From the 1980s to the present, three groups have distinguished themselves as some of the largest, most organized, and most ambitious organized crime groups in Brazil today: the PCC, CV, and FDN. Militia groups whose ranks are filled partly by former police officers (and members of dismantled criminal organizations) often contest the power of Brazil’s organized crime groups by extorting locals and controlling territory. This paper, however, will focus its analysis on the PCC, CV, and FDN.

Brazil’s criminal organizations have always maintained an important nexus with the country’s prisons and its criminal justice system, with more than 80 prison-based groups known to operate throughout the country.⁴ With nearly

800,000 prisoners, Brazil has the third-highest prison population in the world.⁵ In a region known for poorly run prison systems, Brazil’s stands out for its mismanagement, violence, overcrowded facilities, corruption, and lack of health services. It should not be surprising, therefore, that Brazil’s criminal groups are prison-based by nature, meaning that prisons and the prison experience remain central to the groups’ identities, and most of their top leaders are incarcerated—even as they maintain an impressive level of control over street-level members. Brazil’s criminal groups manage to command street-level soldiers operating beyond the prison gate because they have accrued enough power within the country’s prisons to impact the daily lives of prisoners; showing loyalty on the outside could be critical to receiving favorable treatment on the inside. Prisons are thus an important node in Brazil’s organized crime landscape. It is where the three most powerful criminal groups began, matured, and continue to operate their headquarters.⁶ The fight against transnational organized crime in Brazil does not end with the act of incarceration. It only begins there.

In this context, Brazil’s criminal groups have capitalized on the vulnerabilities of the country’s prisons and leveraged them into critical assets.⁷ Prisoners often rely on friends and family to provide essentials, but criminal groups can step into the void and offer material goods with the profits from illicit activity.⁸ They also permit families the opportunity to visit incarcerated members in far-away prisons and often pay members’ legal fees. As Graham Denyer Willis explains, in the neighborhoods where they operate, these groups also provide rudimentary forms of security and governance that are not provided by the formal institutions of the state. He contends, “Police, forever seen as unreliable, unaccountable, violent, and/or corrupt, have been replaced by a social order complete with its own norms, notions of justice, and modes of punishment.”⁹

The power of Brazil’s organized crime groups is thus considerable and only growing. The three best articulated criminal groups—the PCC, the CV, and the FDN—have long histories in Brazil. Their current capabilities and areas of operation spring partly from these histories. What follows is a thumbnail sketch of each group and an estimation of its current capacity and area of operation.

Primeiro Comando da Capital (PCC)

Originating in São Paulo, the PCC was established in the early 1990s, a product of eight inmates in Taubaté prison. The group arose in the aftermath of prison riots to offer internal protection for inmates who suffered violence at the hands of prison guards.¹⁰ By 2002, the PCC's long-time leader, Marcos Willians Herbas Camacho (alias "Marcola"), took over leadership, despite having been imprisoned since 1999. Marcola, a skilled bank robber in his day, brought his criminal acumen to the group and quickly turned it toward organized crime.

The PCC maintains the ability to operate from inside and outside Brazil's prisons, which it has demonstrated time and again. For instance, in May 2006, after Marcola and other PCC leaders were transferred to maximum-security facilities, inmates rebelled in more than 70 state prisons and coordinated attacks by street-level operatives on police stations and urban infrastructure, resulting in over 50 assassinations of police officers.¹¹

The rapid expansion of the PCC has caused tectonic shifts in South America's organized crime scene. By 2017, the PCC had a country-wide presence in Brazil—nearly all 26 states and the Federal District—and a burgeoning international position. Further, the PCC has perhaps the most extensive reach of any criminal group in South America, and its considerable scope means its drug trafficking operations stretch from Paraguay and Bolivia in the south to Peru and Colombia in the north. This position has afforded the PCC the role of top cocaine exporter from South America to Africa and Europe.

With the help of its estimated 30,000 members, the PCC exercises significant control over Brazil's porous borders. In rural, lightly-guarded areas, it controls the flow of drugs and weapons. After contraband enters Brazil, the PCC ferries goods to one of the many ports it controls, such as Fortaleza, Santos, or Suape. From there, drugs and weapons head to Africa or Europe.¹² This expansive network operates in a decentralized fashion, in which it can maximize profits from its drug trafficking network by driving down overall cost through a process of competitive bidding for individual street-level groups to gain the right to sell PCC products.¹³ The PCC

has benefitted from being the most organized and efficient of Brazil's criminal organizations in terms of its internal governance.¹⁴

Comando Vermelho (CV)

The CV is the oldest and, by most accounts, the largest criminal group in Rio de Janeiro state. Like the PCC, it began from behind bars. The group traces its origins back to 1979 in the maximum-security prison on Ilha Grande, Candido Mendes, off the southern coast of Rio de Janeiro. Outside of the prison walls, the CV operates mostly out of several large favelas in Rio de Janeiro, such as the Alemão complex in the northern zone of the city. Its membership spread to favelas across Rio de Janeiro state after the fall of Brazil's dictatorship in 1985, when the country released many CV prisoners.¹⁵ Since then, the CV has been involved in transnational drug trafficking, importing cocaine from Colombia and exporting it to Europe and Africa. The group was the target of a police pacification program in Rio de Janeiro, but following the cessation of pacification efforts, it expanded throughout Brazil and beyond. The CV's main leaders, including the late Marcinho VP, command the group from prison.¹⁶

Even though the CV may count fewer members than the PCC across Brazil, the group had nearly 24,000 members as of 2017, with between 3,000 and 8,000 in Rio de Janeiro state and an additional 16,000 in the rest of Brazil.¹⁷ Its growing presence across the country is due, in part, to its increasingly consolidated position in Amazonas state in the last few years. The CV's alliance with the FDN from 2015 to 2018 helped solidify its presence in Amazonas state. The CV's presence was bolstered further by several key defections, most importantly that of Gelson Carnaúba (alias "Mano G"), one of the founders of the FDN, who switched sides and now heads the CV in Amazonas state.¹⁸

By 2020, police estimates indicated that the CV controlled more than 80 percent of the neighborhoods in Manaus, the capital of Amazonas state.¹⁹ Current government reports estimate that the CV has grown exponentially in numbers in both Amazonas state and neighboring Acre state.²⁰ In contrast to the decentralized structure of the PCC, the CV employs a much more rigid, hierarchical model of territorial control.²¹

Família do Norte (FDN)

The FDN was created by José Roberto Fernandes Barbosa (alias “Zé Roberto da Compensa”), and Carnaúba. Unlike the PCC and CV, created in highly urban contexts after prison riots in the 1980s and 1990s, the FDN was established in Amazonas state in 2007 with the objective of controlling the major tributaries of the Amazon River. Despite its regional focus, the FDN gained countrywide notoriety after the Brazilian Federal Police and Public Ministry discovered through Operation La Muralla, launched in 2015, that the FDN had built similar organizational structures as the PCC and the CV. After constructing an internal bureaucracy capable of governing the group’s activities both inside and outside of prisons, Operation La Muralla found that the FDN had consolidated near-absolute control over the prison system in Amazonas state.²²

In three weeks of intense violence, the FDN catapulted into the Brazilian public consciousness in 2017 with a spate of gruesome prison massacres in Amazonas state that left nearly 100 prisoners dead.²³ The FDN, together with its former ally, the CV, carried out murders of PCC leaders when efforts by the state to broker a truce failed.²⁴ Beginning in 2015, with the PCC’s advancement into the FDN’s stronghold in Amazonas state, the FDN’s objectives were amplified to include containment of the PCC’s advances in the region. To bolster its effort against the PCC in Amazonas state, the FDN enlisted the partnership of the CV in an official alliance from 2015 to 2018, which broke down after internal disagreements between the groups’ founders.²⁵

Following the dissolution of the FDN’s alliance with the CV, the group suffered internal fractures. João Branco, a former senior member of FDN, founded the Pure Northern Family (*Família Do Norte Pura* or FDNP) after the FDN lost influence within prisons and competition from rivals diminished its revenue from drug sales. The FDNP became a splinter group with the sole aim of eliminating the remnants of the FDN. From a federal prison in Paraná, southern Brazil, Branco corralled FDN members loyal to him in Amazonas state and urged them to eliminate the group’s leadership. This sparked an intense internecine conflict between the FDN and the FDNP after the command leaked, leading to the death of more than 55 prisoners.²⁶

Attrition, internal fissures, and competition from outside groups have eroded the FDN’s former potency. While it is less relevant than it once was, at its height, the FDN was possibly the second largest criminal organization in Brazil, with as many as 13,000 members.²⁷ The remnants of the group seek to expand and consolidate control of drug-trafficking routes in Amazonas state; however, since February 2020, its stronghold in the state of Amazonas has mostly been taken over by the CV. The most concerning clash in Amazonas state is now between the PCC and the CV. As this rivalry between old foes intensifies, the FDN is likely to be permanently vanquished.²⁸

CRIMINAL EXPANSION

Since the unraveling of the two-decade, nationwide truce between the PCC and the CV in 2016, Brazil’s criminal organizations have accelerated their criminal expansion throughout the country, the rest of South America, and even beyond the Western Hemisphere. As the largest criminal organization in Brazil, the PCC has been at the forefront of Brazil’s international criminal expansion. The PCC possesses the largest market for drug trafficking operations in South America, extending well beyond the region into the United States, Africa, and Western Europe. However, the PCC is not the only criminal organization expanding its global reach. Its main rival, the CV, has mobilized its efforts toward controlling Amazonas state and has expanded its drug trafficking operations to include a major drug route connecting Brazil to Colombia and Peru, and eventually, the Atlantic Ocean.²⁹

Brazil’s criminal organizations continue to seek control over drug routes that facilitate the illicit trafficking of cocaine and marijuana, among other illicit goods, both within Brazil and internationally. The expansion of these drug trafficking operations and the ensuing turf wars have contributed to a large increase in armed conflict in Brazil. In their efforts to establish control over territory, rival criminal factions ensconced in a complex ecosystem of shifting alliances contribute to an increase in violent confrontations between groups. Due to the highly profitable nature of these drug routes, Brazil’s criminal organizations continue to strengthen their power in the country.³⁰

While Brazil does not produce cocaine or grow its precursors, it has evolved into one of the most important players in trafficking cocaine internationally from the epicenter of coca cultivation in Colombia, Peru, and Bolivia. Brazil now serves as the principal thoroughfare for the transit of cocaine and other drugs in South America to markets in Africa and Western Europe.³¹ According to data from the United Nations Office on Drugs and Crime, in 2017, Brazil had the fifth-largest cocaine and marijuana seizures in the world by volume.³²

Since the termination of the 2016 truce, Brazil's criminal organizations have continued to expand their drug trafficking operations through increased recruitment efforts and violent tactics that cross the borders of neighboring countries. The expansion of these criminal organizations into other countries presents a notable transformation in the criminal landscape of the region, with Brazil's criminal factions disrupting governance and security in much of the continent, stretching from Colombia to Paraguay. Through both corruption and coercion, criminal organizations such as the PCC and CV can penetrate weak state institutions, even in foreign prison and criminal justice systems.³³ Even the coronavirus pandemic has been unable to impede criminal expansion in Brazil; in fact, in many ways, the pandemic accelerated the current expansionary trends.³⁴

The 2020 apprehension of Marcola's top lieutenant, Gilberto Aparecido dos Santos (alias "Fuminho")—a man on Brazil's "Most Wanted" list who ran international drug trafficking operations for the PCC—by the Brazilian Federal Police and U.S. Drug Enforcement Administration in Mozambique is further evidence of the PCC's international expansion efforts.³⁵ Fuminho's presence in Lusophone Africa, 5,000 miles away from the PCC's stronghold, demonstrates that the group has turned its attention to markets on other continents, given that it has already established itself as the most prominent criminal organization in South America with a burgeoning presence in nearly every country.³⁶ However, Fuminho's arrest will make the PCC's international criminal expansion much more challenging moving forward, even though it has managed to maintain organizational cohesion. As the coordinator for drug trafficking operations in Bolivia and the PCC member with the most international experience, his expertise and

level of trust with Marcola will prove difficult to replace. Nevertheless, the PCC has consolidated its international operations in Paraguay and Bolivia and likely has plans to continue building on Fuminho's efforts for ambitious international expansion.

Similarly, the CV views international expansion as crucial to its long-term survival as an organization. Last year, the Brazilian government reported that the CV hired African and Eastern European mercenaries with military experience to come to Rio de Janeiro state and conduct training exercises as the organization expands its violent tactics within Brazil and internationally.³⁷ With international assistance, the CV aims to establish control over domestic territory and pursue expansion into international markets. For instance, increasing returns in the European cocaine market are fueling part of this desire³⁸ for criminal expansion on an international scale. Europe recently became the top destination for drug exports from Brazil, witnessing a 20 percent increase in seizures at European ports of entry in 2020.³⁸ Brazilian criminal groups have come to understand market dynamics and realize that Europe is a much more lucrative and less competitive market than the United States, as evidenced by the price of one kilogram of cocaine being worth US\$28,000 in the United States versus between US\$40,000 and US\$80,000 in the European market.³⁹

Much of the violence in Brazil over the last few years has been fueled by the clashes between Brazil's organized crime groups in their pursuit of criminal expansion, driven by the logic of survival as well as market dynamics. The breakdown of the longstanding, 20-year truce between the PCC and CV has intensified the conflict between Brazil's largest criminal factions as they compete to control the same lucrative stretches of territory. The major uptick in violence in Brazil that coincided with the end of this truce is related to renewed and reinvigorated conflict between these groups. While 2017 was the country's most murderous year on record, wherein Brazil registered more than 63,000 homicides, violence has continued at alarming rates as criminal expansion throughout Brazil continues unabated. Amazonas state represents only the latest frontier in this long-running conflict, providing criminal groups with the most opportunity for growth.

The Amazon is the New Frontier

Amazonas state has a tremendous potential for criminal expansion, and several timely factors will intensify competition for control of the region in the coming years. The increasing futility of former alliance structures between different criminal groups along with the implosion of the FDN in February 2020—historically the most dominant group in the Amazon—have transformed the region into one of the central hubs of criminal expansion in Brazil. After the termination of the 2016 truce between the PCC and the CV, the FDN formed an alliance with the CV in Amazonas state to contain the PCC's growing strength. However, after internal disputes within the FDN over its alliance structure and the best path forward for the organization's continued survival in Amazonas state, the alliance with the CV came to a roaring halt in May 2018.⁴⁰ Further, a weakened FDN also suffered from internal disputes and mutinies. FDN founder Carnaúba, who was behind the original alliance with the CV, switched allegiances from the FDN to the CV after the agreement he negotiated came to an end.⁴¹ These events have forced the FDN to retreat under highly inauspicious conditions.

The implosion of the FDN has left a vacuum of territory for other criminal organizations to vie for a stronghold in Amazonas state. Naturally, contention between the CV and the PCC has increased significantly over this tantalizing prospect. In addition to the futility of erstwhile alliance structures and the implosion of the FDN, the Amazon region is primed for intense competition because of its unique characteristics, which lend it considerable strategic importance. Amazonas state has access to important drug trafficking routes originating in Colombia and Peru via its extensive network of Amazon River tributaries. These areas present extremely challenging terrain for the Brazilian state to guard in a region already characterized by a paucity of resources. The combination of shifting dynamics between Brazil's criminal organizations and the strategic importance of the Amazon has contributed to a sizable increase in violence and contestation.

Between 2017 and 2019, the PCC appeared to have most of the momentum in the push to consolidate territorial control in Amazonas state. However, the CV has managed to catch up quickly and even surpass the PCC in many

areas. The gradual victories won by the CV in Amazonas state have come at the expense of the PCC and its local partners, in addition to the FDN. For instance, the CV has worked to displace *Bonde dos 13* (B13), a local criminal group and PCC ally, to secure control over drug routes from Peru.⁴²

Starting in mid-2019 and continuing into 2020—and even during the coronavirus pandemic—the CV's efforts to wrest back control made significant inroads in the region. Like the PCC's earlier gains, and in accordance with its prison-based nature, a series of grisly prison massacres presaged the CV's advances, not only in Amazonas but throughout Brazil's northern states. As the PCC advanced in January 2017, 101 prisoners were killed in a week of violent riots in three different prisons. The macabre history would repeat itself. As the CV advanced in late May 2019, around 57 inmates were killed at four different prison facilities in Amazonas state over three days, most of them in the capital of Manaus.⁴³ What followed was just as harrowing. In late July 2019, 57 prisoners were executed—with some beheaded—in the Altamira prison as the PCC and CV squared off again.⁴⁴

The CV's opening salvo in the Amazon also contributed to an uptick in brutal murders and executions outside prison walls. At the height of the CV's campaign in January 2020, murders in Manaus increased 54 percent over the same period the year before.⁴⁵ The CV transplanted its trademark ruthlessness in its strategy to displace local groups, often issuing an ultimatum—convert to the CV or join the clergy in the evangelical church. The CV has managed to directly confront the FDN on its territory in Amazonas state, practically relegating it to obscurity with its confrontational and violent tactics. The addition of Carnaúba to the CV's ranks has helped the group to take further control of Amazonas state, while the FDN has imploded.

In the city of Manaus, the largest urban area in the Amazon region, the base of the FDN, and an important holdout in the CV's concerted onslaught, entire neighborhoods have been violently wrested from the FDN's control.⁴⁶ Fireworks displays often mark the end of raucous gun battles and, thus, the acquisition of new territory by the CV. The most recent example of the CV's violence occurred in June 2021, with

dozens of explosive attacks on government buildings and vehicles in Manaus. Because one of the CV's leaders in the Amazon region, Erick Batista (alias "Dadinho"), was killed by police on June 5, the group is thought to have been behind the attack as retribution.⁴⁷ As a consequence of the CV's concerted efforts, the FDN lost approximately 80 percent of its territory in Manaus. By the end of 2020, the CV had become the dominant criminal organization in the Amazon region.⁴⁸

Competition between Brazil's most prominent criminal organizations has also bred lucrative options for smaller groups to ally themselves and contract their services. Ambitious groups such as the B13 have prospered in the region as a proxy operating on behalf of the PCC.⁴⁹ Local and proxy groups have demonstrated a nascent capacity to project power into Amazonas state, and more importantly, have served to replicate and amplify the rivalries of larger Brazilian groups in hitherto untouched corners of the region.

In the topsy-turvy environment that is the criminal underworld in Amazonas state, Zé Roberto da Compensa, the leader of the FDN, proposed forming an alliance with the PCC in 2020 to save his faltering organization and rebuff the CV's territorial gains more effectively. Owing to their historical rivalry, the PCC's leadership is reportedly divided over the offer, and any agreement would require the FDN to eliminate the remaining leaders involved in an earlier massacre of PCC members in the Compaj prison in 2017.⁵⁰ If an alliance does come to fruition, it could presage another major uptick in criminal violence.

When the PCC's setbacks are put into broader context, the current trends appear to present a turning point for the CV's criminal empire and indeed the broader criminal landscape in Brazil. However, the PCC's setbacks in Amazonas state have been partly offset by gains in corruption networks throughout the country and more effective money-laundering strategies.⁵¹ Competition in Amazonas state for control of the broader Amazon region will remain intense amid the shifting dynamics of Brazil's criminal groups. In January 2020, there were 106 homicides in Manaus, the capital of Amazonas, a 54 percent increase over the same period the year before, according to official figures from the Brazilian Ministry of Justice and Public Se-

curity.⁵² The broader Amazon region will remain the key battleground between rival factions in Brazil's complex criminal landscape.

THE TUSSLE FOR THE AMAZON

Complexity arises when competing criminal organizations in a defined social space look to create illicit governance and operate in an illegal economic market. In the case of Brazil's Amazon region, it is increasingly clear that the clash between factions owes to an overlapping set of economic and social interests for the control of a highly profitable drug trafficking route.⁵³ Brazil's leading criminal organizations in Amazonas state have tailored their governance strategies in a region where the state has difficulty maintaining authority because of its size, geography, remoteness, and even outright negligence. As the PCC and CV expand their domestic and international operations, the "tussle for the Amazon" will continue to be an intense conflict for lasting control. While the timing of this conflict owes mostly to the shifting dynamics between Brazil's criminal organizations, the strategic importance of Amazonas state further explains the intense clashes for control over this territory. Specifically, the following five reasons explain why Amazonas state is such a coveted territory in the realm of Brazil's criminal underworld:

- 1) The lucrative Solimões route to the Atlantic
- 2) Access to the triple border with Colombia and Peru: The largest coca producers in the world
- 3) The "Rota Caipira" of the south is increasingly consolidated and dominated by the PCC
- 4) Ungoverned spaces abound in the Amazon
- 5) Market diversification: From drugs to illegal mining, deforestation, and wildlife trafficking

1) The Lucrative Solimões Route to the Atlantic

In the last five years, Brazilian criminal organizations have dedicated themselves to controlling the Solimões Route (*Rota Solimões*), a section of the Amazon River that forms an ideal transportation network stemming from Peru and Colombia to the Atlantic Ocean. This cocaine trafficking route, composed of a series of largely unguarded rivers originating in the Amazon, is one of the most important in the world for the illicit drug market. The Solimões Route consists of thousands of small rivers and canals that wind their way through remote stretches of the Amazon region that are practically undetectable by the Brazilian state, providing a golden route for illicit drug shipment. The Solimões Route provides drug trafficking organizations a nearly uninterrupted path from the Pacific to the Atlantic—akin to a “Latin American Silk Road” for drug trafficking.

Nearly 90 percent of the cocaine cultivated and manufactured worldwide originates in Colombia, Peru, and Bolivia and subsequently passes through the Solimões and Amazon rivers.⁵⁴ The Solimões provides criminal organizations not only direct access to the Atlantic but also links the Amazon region with the important port cities of Brazil’s northeast region, such as Belém in Pará state and Fortaleza in Ceará state, from which drugs can continue to their final destination hidden aboard containers on large cargo ships. Thus, by virtue of several tributary rivers, the Solimões serves as an essential drug trafficking route for Brazil’s criminal groups seeking to exploit this lucrative channel in the global market.

The remote and unguarded nature of the Solimões River is particularly attractive, as it allows for increased and mixed methods of illicit drug trafficking in the Amazon. Criminal organizations use unique methods to evade police detection, although minimal law enforcement is present in the Amazon. For instance, cocaine traffickers moving product from Colombia and Peru to Brazil (and eventually to the Atlantic Ocean) can use slower and larger boats at times to avoid being caught by the police, rather than relying on rapid motorboats to navigate the rivers.⁵⁵ In addition to a lack of state security presence, contestation between criminal groups on the Solimões River has resulted in many local

companies hiring armed security to protect their boats.

In this context, criminal organizations such as the PCC, CV, and FDN have been violently contesting control of the route. Although the PCC and the CV maintained a presence in the Brazilian Amazon before 2016, both groups have now set their sights on the region because of its critical role in the illicit cocaine market via the Solimões Route. Due to the necessity of controlling territory in an environment with shifting alliances, the Solimões Route has intensified clashes between these rival factions in the Amazon. As domestic expansion becomes more difficult, Brazilian criminal groups seek to expand their operations internationally, an objective that can be met with greater control of this lucrative riverine. With an outlet to the Atlantic Ocean, the Amazon region provides a unique location for drugs to pass on their way to Africa and eventually to Europe.

Law enforcement attempts to patrol the illicit drug market on the Solimões Route have been met by difficulties in tracking Brazil’s sundry criminal organizations. Even though controlling the vast network of rivers along the Solimões is a challenging endeavor, the Brazilian government has noted the supply of illicit drug trafficking on the route and, in response, mobilized the expansion of Program VIGIA (*Programa Nacional de Segurança nas Fronteiras e Divisas*). Program VIGIA is a 2019 initiative launched by the Ministry of Justice and Public Security to tackle illicit business activities on Brazil’s borders by increasing collaboration between federal and state law enforcement agencies. After growing awareness of the Solimões Route, the program established a floating operational base in the Solimões River in August 2020 with communication towers and water vehicles that work to disrupt drug trafficking routes throughout the Amazon.⁵⁶ Despite these efforts by the Brazilian state, the Solimões will continue to retain its importance and serve as a flashpoint in the increasing conflict between criminal organizations in the Amazon region.

2) Access to the Triple Border with Colombia and Peru: The Largest Coca Producers in the World

Illicit market dynamics and local geographies rather than individual leaders have driven much

of the expansionary push affecting the daily lives of millions of people living in the Amazon region, as evidenced by the triple border with Colombia and Peru (as well as the lawlessness in Venezuela, which is an important transshipment country with ready access to Caribbean trafficking routes). While the Solimões Route in and of itself is a lucrative aspect of the Amazon, one of the main implications of control in this region is access to the triple border between Brazil in the east, Colombia in the north, and Peru in the west. Colombia and Peru are the two largest coca-cultivating countries in the world.⁵⁷ Moreover, the coca produced in Colombia and Peru is of higher quality than that produced in Bolivia, the third-largest cultivator in the world. As such, Brazilian criminal groups are increasingly seeking to capitalize on the attractive market that control of the triple border would furnish. This region consists of highly porous borders and poorly governed spaces that facilitate transnational trafficking flows. These features inherent to the region's geography increase the intensity of the competition for ultimate control of a trafficking route that allows criminal groups to serve a much broader clientele, which includes Europe, Africa, and the Middle East.

The PCC's early control of a position near the triple border of Brazil, Colombia, and Peru served as a crucial step in its expansion plan in 2017. After the 2016 peace deal between the Colombian state and the guerrilla group *Fuerzas Armadas Revolucionarias de Colombia* (FARC), the PCC collaborated with dissident FARC groups to better understand local trafficking routes and to integrate into supply chains for coca production in this northern region of Amazonas state.⁵⁸ This alliance with FARC dissidents gave the PCC a competitive advantage in the "tussle for the Amazon" over both the CV and the FDN. Further, the FARC's demobilization, together with the explosion of Colombia's coca production following the cessation of aerial fumigation efforts, allowed the PCC to benefit immensely from the increasing amounts of cocaine pouring across Brazil's northern border.⁵⁹ There are also possibilities for Brazilian criminal groups to collaborate with Colombian BACRIM (*Bandas Criminales*), another generation of drug trafficking organizations, which highlights the increasing competition for drug trafficking routes on multiple sides of the triple border.⁶⁰

The triple border is hotly contested because other border areas with similar geographic features and the potential for illicit economic activity have been consolidated. Brazil's other tri-border area, the southern portion of the country that meets Argentina and Paraguay, has been soundly in the PCC's possession for years. Combined with its robust operations in Paraguay and Bolivia—the "Rota Caipira" (Caipira Route) for drug trafficking—the PCC's establishment of stable, consolidated operations in the Amazon's triple border area would be a potentially fatal blow to the CV's ambitions.⁶¹ A northern route for drug export would increase the PCC's monopoly on drug trafficking operations throughout Brazil and decrease the risk of enhanced law enforcement operations against its southern route by providing it with a viable and lucrative alternative.

Thus, it is no surprise that the CV has also demonstrated its aspirations for gaining control over the Amazonian triple border. For instance, the CV's objective in taking over the stronghold in Acre state was to seize a drug route through Peru from the PCC and its local ally in the region, B13.⁶² Additionally, under Carnaúba, the FDN was introduced by a former FARC member to a leader of the Los Pelusos criminal group in Colombia. With Carnaúba now serving as the CV's leader in Amazonas state, the CV may be able to capitalize on the pre-existing cross-border relationships developed by Carnaúba with his former organization. Even during the coronavirus pandemic, this intense turf battle continues to play out, with each side using alliances with local factions. Both the PCC and the CV continue to make advances to consolidate control over the triple border, a conflict that shows no signs of abating.

3) The "Rota Caipira" of the South is Increasingly Consolidated and Dominated by the PCC

While the triple border with Colombia and Peru is becoming increasingly more competitive for control of the Solimões Route and its nearly unfettered access to the largest cocaine producers in the world, the "Rota Caipira" has been consolidated as a PCC stronghold in the south of Brazil with established connections for the cocaine produced in Bolivia and the drug trafficking routes in Paraguay. This route crosses from Bolivia and Paraguay into the Brazilian state of Mato Grosso do Sul and ultimately into the state

of São Paulo, where it can be trafficked across the Atlantic from the port of Santos, the largest in South America.⁶³ The PCC's dominance in this southern region, which abuts its home state of São Paulo, has forced the CV to focus its efforts increasingly on the Solimões Route in the northern stretches of Amazonas state as one of the best remaining domestic opportunities to continue the criminal expansion of its drug trafficking enterprise.⁶⁴ The consolidated nature of the PCC's criminal empire in Bolivia and Paraguay has significant transnational security implications for the entire region, as it pushes Brazilian criminal groups away from the south to continue to vie for illicit markets in the northern Amazonas state instead.

Bolivia has served as one of the main expansion points for the PCC's international campaign along the "Rota Caipira" due to its status as a cocaine production hub. The PCC has invested considerable resources in the country, including members of its leadership team that have assisted in spearheading efforts on the ground. With an established presence in the country, the PCC has used Bolivian equipment and explosives to perform hundreds of bank heists and ATM lootings in Brazil and Bolivia. Expansion efforts in Bolivia have been successful, as evidenced by the PCC's control over the local supply chain of coca production in Bolivia's Chapare region. Moreover, the PCC also operates cocaine-processing laboratories near the border with Brazil and continues to send operatives to Bolivia to protect the cultivation of the coca crop. Its presence in Bolivia is unrivaled by any other criminal organization, and all signs point to further dominance of the PCC in the country, which would be complemented by establishing control of the lucrative drug trafficking routes in the Amazon.

The PCC's stronghold in Paraguay has also been consolidated along the "Rota Caipira" and provides the group with access to Latin America's largest marijuana producer and a consolidated route for the transit of Bolivian cocaine through its territory and into Brazil.⁶⁵ Paraguay alone provides Brazil with at least 80 percent of its marijuana consumption, a market in which the PCC has well-established control.⁶⁶ This market was first sought out by the CV in the 1980s, led by Luiz Fernando da Costa, alias Fernandinho Beira-Mar, but since his arrest in 2002, the PCC slowly began to wrest control of the region.⁶⁷

Since the assassination of Jorge Rafaat in June 2016, the PCC has stepped in to further consolidate the power vacuum left by the former "King of the Border."⁶⁸ Similar to its operations in Bolivia, the PCC has sent many of its members to lead a PCC contingency in Paraguay, leading to the arrest and replacement of many in that country. Even though Paraguayan police recently arrested a top PCC leader, Giovanni Barbosa da Silva (alias "Bonitão") on January 9, 2021 in Pedro Juan Caballero, the PCC continues to operate across the Paraguayan border without much difficulty and has converted the country into one of its primary bases for the supply of marijuana.⁶⁹ In both Bolivia and Paraguay, the PCC has become the dominant criminal organization by establishing dominance over the "Rota Caipira" and asserting its presence both inside and outside of prisons.

4) Ungoverned Spaces Abound in the Amazon

The São Paulo-based PCC and Rio de Janeiro-based CV have found the ungoverned spaces in Amazonas state much easier to navigate given the weakness of state institutions and the lack of police forces along the region's drug trafficking routes. Amazonas state's ungoverned spaces allow Brazil's criminal groups to exert authority over rural areas and provide an ideal location for criminal operations to go largely unseen in the depths of the Amazon rainforest. Groups are permitted to operate seamlessly without significant interference from Brazilian law enforcement. While the Brazilian government has attempted to ramp up its presence along the Solimões by standing up Program VIGIA, the river's length at over 1,000 miles and the sheer scale of Amazonas state of more than 600,000 square miles are sufficient to frustrate even the best efforts.

Because Amazonas and Acre states are more rural than the rest of Brazil, political and security institutions are typically weaker and less consolidated throughout these less inhabited states. Brazil's criminal organizations prosper in these spaces and leverage the ability to play a governing role by providing goods and services. For instance, local citizens may equate the CV with the state when the group exercises three main forms of institutional authority: a monopoly on violence, socioeconomic security in the form of providing goods and services, and sociological legitimacy.⁷⁰ In largely uninhabited

stretches of the Amazon, these three forms of authority are likely easier to implement since institutional fragility in the region provides an ideal platform for these groups to wrest authority from the state.

Furthermore, in ungoverned areas like Amazonas state, Brazil's criminal organizations have exercised what one writer describes as the concept of "strategic magnanimity."⁷¹ Lacking daily interaction with the state, citizens in these areas recognize that criminal organizations act as a governing body by providing strategic goods and services to the community, developing a nascent form of tacit cooperation.⁷² In this arrangement, communities desire an organized form of governance that criminal organizations often furnish, and in exchange, citizens turn a blind eye to the group's illicit drug trafficking operations. Besides facilitating their operations, the proliferation of ungoverned spaces allows Brazilian criminal groups to establish themselves as central arbiters over these rural regions, yielding a social legitimacy that complements the income derived from illicit economic activity.

5) Market Diversification: From Drugs to Illegal Mining, Deforestation, and Wildlife Trafficking

Another reason competition in Amazonas state has intensified is the opportunity for additional criminal expansion due to the potential market diversification the Amazon offers. While the "Rota Caipira" is a route used almost exclusively to ferry drugs, Amazonas state presents opportunities for market diversification as the region naturally possesses a variety of illicit markets for criminal organizations. In addition to drug trafficking, other unlawful activities include illegal mining, illegal deforestation and the market for timber, and illegal wildlife trafficking. Together with the ungoverned nature of the region, the resources for illicit economies encourage Brazil's criminal groups to expand their operations.

Illegal mining continues to grow significantly in the Amazon region. It has been reported that the PCC has been suspected of being hired to protect mining fields through violent attacks on Indigenous populations occurring as late as June 2021.⁷³ Specifically, in the northern state of Roraima, violence has risen between illegal miners and Indigenous Amazonian tribes, such

as the Yanomami. Furthermore, the Bolsonaro administration continues to accelerate illegal mining as an illicit market for Brazilian criminal expansion as it eases mining regulations. But even with greater political will to combat this illicit market, the Brazilian state simply does not have the capacity to regulate it. Brazil's National Mining Agency (*Agência Nacional de Mineração* or ANM) employs a mere 250 inspectors to monitor more than 35,000 mining sites in the country.⁷⁴ The ANM is under-resourced and indicates a poor state capacity to regulate, even at some of Brazil's most prominent and commercial mining sites.⁷⁵

In a similar fashion to illegal mining, the illegal deforestation in Amazonas state presents another valuable opportunity for criminal expansion. The deforestation rate in the Brazilian region of the Amazon hit a 12-year high in 2020, with an estimated 11,088 km², which is 182 percent higher than the 3,935 km² target.⁷⁶ Brazil's criminal organizations contribute significantly to rising deforestation because the logistical capacity these groups possess in the region can be easily transferred to new markets such as the illegal sale and export of timber.⁷⁷ Moreover, the Bolsonaro administration's lack of support for legislation to protect the Amazon rainforest facilitates the opportunities available for criminal groups to continue expanding into the illicit timber market.

Additionally, illegal wildlife trafficking in the Amazon has accelerated as another illicit market in the latest moment of criminal expansion. Given that the Amazon possesses over 13 percent of the world's biodiversity, Brazil has become an important hub of wildlife trafficking.⁷⁸ Criminal organizations take advantage of the Solimões route used for drug trafficking to smuggle wildlife in the region, including turtles, fish, jaguars, bushmeat, and parrots. Along the triple border, illegal wildlife trafficking has seen a significant increase in the border towns of Tabatinga, Brazil and Leticia, Colombia, specifically on the Purus, Negro, and Madeira Rivers.⁷⁹ Official figures for illegal wildlife trafficking in Amazonas state are difficult to assess with certainty; however, illegal trading of parrots and other animals continues to increase without meaningful pushback because of the ungoverned nature of the Amazon rainforest.⁸⁰ While Indigenous populations have long hunted for bushmeat in Amazonas state for the purpose of subsistence—a legal form of

hunting—criminal organizations have stepped in to expand wildlife trafficking, leveraging existing smuggling routes for illicit narcotics.⁸¹

POLICY RECOMMENDATIONS

Given the strength of Brazil's criminal organizations and the ungoverned spaces in the Amazon region, it seems unlikely the Bolsonaro administration can eliminate further violence and criminal expansion in the short term. Further, Bolsonaro's poor handling of the COVID-19 pandemic has strengthened the appeal of the PCC, CV, and other prison-based criminal organizations across the country.

Criminal expansion in the heart of the Amazon region should be alarming for the U.S. government as well. The Biden administration could use this as an opportunity to strengthen its engagement with Latin America's largest country and highlight the nexus between the activity of criminal organizations and the issues of climate change and deforestation.⁸² As such, American and Brazilian policymakers in the Biden and Bolsonaro administrations should work together to counter the "tussle for the Amazon" and bolster Brazilian efforts to reduce violence and unwind criminal networks in the Americas.

The following policy options do not form a comprehensive plan, but their pursuit would benefit efforts to counter criminal expansion across the Americas and increase U.S.-Brazil engagement. While most of the recommendations feature U.S.-Brazil cooperation, some imply Brazilian domestic reform. In these cases, the United States can still play a major role in shaping policy through encouragement and providing high-level assistance.

Recommendation 1: Counter Criminal Expansion Jointly in the Americas.

American and Brazilian policymakers should work together to mitigate the expansion of criminal activity in the Americas, which is in both country's interests, irrespective of political leadership. This alliance must aim to corral powerful Latin American states, such as Colombia or Peru, to place a proper focus on transnational organized crime in our hemisphere. By promoting strong leaders and strengthening

regional fora like the Organization of American States and its many organs, including its new Department Against Transnational Organized Crime, the United States and Brazil could begin to stand up a group of countries willing to push back against the existential threat posed by criminal groups in the region. Countering criminal expansion in the Amazon would also provide the Biden administration with an opportunity to emphasize the overlap in its efforts, highlighted in a recent Executive Order to combat corruption and build stronger democratic institutions as a core concern of national security and combat climate change in a strategically important context in the Western Hemisphere.⁸³

Recommendation 2: Leverage Brazil's Major Non-NATO Ally Status to Engage in Relevant Forms of Security Cooperation, Military Exercises, and Equipment Transfers.

During President Jair Bolsonaro's visit to Washington in March 2019, then-President Donald J. Trump designated Brazil a "major non-NATO ally" (MNNA).⁸⁴ Brazil seeks closer ties to the United States beyond the unique Trump-Bolsonaro moment, and a closer relationship between the country's armed forces is one potential avenue to deepen it. Besides serving as a powerful symbol of a close relationship, MNNA status confers several important benefits, including possible coordination on military missions, expedited access to sensitive technology, and the opportunity to conduct joint training exercises. While some of the privileges accorded to Brazil through MNNA status are likely non-starters owing to historical sensitivities, the United States can play a prominent role in relevant equipment transfers and assisting Brazil in modernizing its forces to combat criminal organizations operating on its territory. Access to sensitive intelligence-sharing could also bolster Brazil's operational capacity in rural areas where the PCC and CV operate. Stitching together a complete picture of Brazil's criminal organizations and their international operations is an important component of reversing the gains they have made in recent years.

Recommendation 3: Counter Illicit Finance.

While Brazil's criminal organizations continue to expand operations throughout Latin America and the world, one key inhibiting factor that separates them from the drug cartels in Mexi-

co or Colombia is a lack of financial savvy. The CV, and especially the PCC, have demonstrated impressive levels of internal organization; however, they have yet to develop the financial management strategies necessary to leverage all the resources at their disposal for criminal expansion. Counter-threat finance activities will be critical in preventing Brazil's criminal groups from advancing and consolidating the financial component of their operations. At the end of 2019, the Bolsonaro administration successfully pushed for the passage of a sweeping anti-crime bill, which included, among other tools, enhanced authorities to combat money laundering.⁸⁵

First, the 3+1 Group on Tri-Border Security established in 2002 among Argentina, Brazil, and Paraguay (with the United States being the "+1"), should become a key forum to discuss financial security in the region. Because the tri-border area between Brazil, Argentina, and Paraguay is of paramount importance for the PCC, the United States should work to revive the 3+1 group as a method for ensuring financial systems remain vigilant in their supervision of illicit finance.

Another crucial tool for preventing Brazil's criminal groups from consolidating illicit financial know-how is the Egmont Group of Financial Intelligence Units. Groups such as Brazil's PCC are transitioning from first-generation money laundering strategies to more sophisticated efforts.⁸⁶ Front companies with a patina of legitimacy represent the latest strategies, especially those involving the ability to rapidly convert currencies and send money to overseas bank accounts.

Recommendation 4: Increase Enforcement of Environmental Law Violations in the Amazon.

At the domestic level, the Brazilian government can pursue the dual objective of protecting the Amazon rainforest and reducing opportunities for market diversification, which drives much of Brazil's "tussle for the Amazon." Violence in the Amazon has increased during the tenure of Bolsonaro, partly due to a lack of enforcement of environmental law and the corruption and impunity bred from an inability to punish clear violations. To reduce criminal expansion in the Amazon, the Brazilian government should reform legislation that would legalize mining in

many territories of the Amazon, including indigenous territories.⁸⁷ Without stronger enforcement mechanisms, an expansion of legal mining in the region would likely be a windfall for Brazil's criminal groups, which already exploit the ANM's poor state capacity to regulate.

The United States must continue to encourage Brazil and work alongside it wherever possible to deliver on its climate goals and ensure that the country does not lose sight of the nexus between the operations of criminal organizations and environmental crime. By protecting the environment in this manner, Brazil could protect the Amazon rainforest from deforestation and simultaneously close off opportunities for criminal expansion that are currently permitted by Brazil's policies on the Amazon.

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