



USP



MULTIDIMENSIONAL SECURITY AT THE BORDERS

MINISTÉRIO DA
JUSTIÇA E
SEGURANÇA PÚBLICA



Mackenzie





USP



Logistics Chains and Illicit Markets Part 2

João Henrique Martins

MINISTÉRIO DA
JUSTIÇA E
SEGURANÇA PÚBLICA



Mackenzie



Logistics Chains and Illicit Markets



The digitalization of money and accessibility to markets provided by economic globalization have made the trade of illicit products the most rational option for most criminals, regardless of their intellectual capacity. Surprisingly, around 85% of economically motivated crimes are for the purpose of acquiring, producing, transporting, possessing, distributing or selling illicit products. **These activities are interconnected in several supply chains of illicit markets, forming criminal networks that support the illicit economy.**

Logistics Chains and Illicit Markets



Illicit markets can be composed of products originating in two categories of supply chains: fully illicit and partially illicit.

In the first one, the entire production chain and entry of the product into the country is illegal, as is the case with drugs and the smuggling of cigarettes, cell phones, beverages and others.

In the second, products were originally manufactured or imported legally, but were stolen from their owners. At some point, these two types of products meet, usually in logistics or sale chains, both highly profitable and contributing significantly to the criminal violence faced by police forces.

Logistics Chains and Illicit Markets



One of the most effective strategies to control groups operating in illicit markets is to deny them access to the country's quality logistics infrastructure. This can be achieved by preventing access to major roads, ports and airports, which significantly increases transaction costs and risks for criminal operators. Reducing the number of illicit operations at the Triple Border, for example, means preventing illicit products from using the logistics infrastructure to reach São Paulo, a strategic center with an excellent product flow network for internal and external consumption centers, where illicit products can mix with others to reduce the risk of seizure.

Logistics Chains and Illicit Markets



The distribution chain, which links wholesalers to retail outlets, generally located in the regions or cities where illicit products are consumed. This may involve local distribution gangs or even retailers themselves. Furthermore, there is international distribution, which uses ports and airports, especially in São Paulo, to transport illicit products, such as cocaine that passes through the country towards Europe.

Logistics Chains and Illicit Markets



Direct-to-consumer sales points are the last stage of the distribution chain and may include street vendors, irregular stores, legal stores, stands in shopping malls, home sales, gas stations and others. It is important to note that e-commerce, especially during the pandemic, enabled a significant expansion of the logistics chain and a reduction in costs and risks associated with criminal operations.

Logistics Chains and Illicit Markets



To effectively address this problem, it is essential to adopt a multidimensional approach that combines the analysis of markets, supply chains and criminal networks. This allows the formulation of focused policies and the implementation of specific actions to control and fight the illicit economy. Furthermore, it is important to prioritize illicit markets, vectors and services, especially those related to state corruption.



ESEM

ESCOLA DE SEGURANÇA
MULTIDIMENSIONAL-USP