

The Curious Case Of Portugal's Santa Casa: How The Portuguese Lottery Found Itself In Debt To A Brazilian Cartel

Local media discovered the debt this summer

**An audit on the organisation failed to find the
discrepance**

Details remain murky but a parliamentary inquiry looms

A former catholic charity owes money to a drug cartel.

Portugal's national lottery operator, Santa Casa da Misericórdia found itself in hot water after an investigation by local papers discovered that it owed R\$200,000 (US\$35,000) to the Primeiro Comando da Capital (PCC), Brazil's largest criminal organisation.

It all unravelled with a misplaced question by a new hire at a meeting. In November 2023, a manager at Rio de Janeiro-based gaming company MCE, which was acquired by Santa Casa, asked to settle the debt. The new SGC employee present asked for the request to be put in a formal email to be forwarded to Lisbon, to which the MCE manager replied "it is not possible to register that, is it?".

The investment with the PCC was ultimately discovered in a joint investigation by Portuguese media outlet Expresso and Brazilian outlet Piauí in June of this year after they found a single document from Rio de Janeiro to Lisbon detailing the exchange at the meeting.

The story of how Santa Casa ended in such a meeting begins a few years ago when, in a bid to fix its concerning bank balance, Santa Casa da Misericórdia (SCML) began an international expansion under the moniker Santa Casa Global (SCG).

Since February 2021, Santa Casa has tried to win a tender to operate the lottery of São Paulo state, which failed when the government cancelled the tender (a move it would pull multiple times). According to [Pedro Cortés](#), a gambling lawyer and law professor, "I remember them being

in Brazil saying, 'we are going to run this lottery, that lottery'. But in the end, it was a disaster in terms of investment”.

With the wisdom of hindsight, everyone seems to agree that it was doomed. In March of 2024, Ana Jorge, the ousted ombudsman of Santa Casa called that expansion a “disaster” in a local interview. “At this point, what we have is enough to say that it was a disaster. In fact, there is a report from the previous Santa Casa Global management stating that the operation in Rio de Janeiro did not make money, nor would it have — and, even so, they continued.”

When Jorge took the helm of SCML in May of 2023, it already had dismal books: between 2020 and 2023, it had lost €105m. The expansion, and the tactic to turn its finances around, failed.

In April of 2024, three months before the investigation was published, Ana Jorge was sacked along with the board of directors for failing to complete her mandate to fix its finances.

Luis Montenegro, the Portuguese Prime Minister, called everyone involved guilty of “seriously negligent behaviour.”

But Jorge recognized during her tenure that something was amiss. It was Jorge herself who called for a forensic audit of her organisation in August of 2023, after she detected what she termed “a series of irregularities,” and ended all business in Brazil.

However, that audit, conducted by consulting firm BDO, did not uncover the suspect funds or ties to the PCC. BDO did discover 80 “non-conformities”, which it said Ana Jorge’s predecessor Edmundo Martinho was responsible for along with the managers of SGC in Brazil, Peru, Mozambique and the United Kingdom.

The PCC is barred from using legal financial systems — meaning an audit was unlikely to have been successful.

The gang was the target of an Executive Order signed by US President Joe Biden in December of 2021 taking aim at drug trafficking. The PCC was one of 25 “actors” named by the Department of the Treasury’s Office of Foreign Assets Control (OFAC) pursuant to the executive order, putting sanctions on its ability to make use of US financial systems.

In a press release in light of the news, the US Embassy in Brazil called the PCC “the most powerful organised crime group in Brazil and among the most powerful in the world.” PCC arose in Sao Paulo in the 1990s and has forged a bloody path to dominance through drug trafficking, as well as money laundering, extortion, murder-for-hire and drug debt collection.”

The Economist estimated in 2023 that the PCC has 1000 associates in Lisbon but other estimates

put the figure at much higher.

Founded in 1993, the PCC has long used local gambling enterprises to launder money. In 2019, 42 illegal casinos in São Paulo and five in Fortaleza were shut down by the police and public prosecutor.

The trail goes quiet after the initial explosion following the reveal, suggesting none were willing to poke further into the forensic money trail of the world's largest cocaine supplier. Now, the matter awaits a parliamentary investigation into the management and strategic decision making of Santa Casa, which was meant to begin on September 18 in the National Assembly but was postponed until next year amid budget negotiations.

Cortés opined, “You know when people have money that is not theirs, they are putting money from companies or from the state, they get greedy. I would say that’s probably what happened.”

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