Brazilian governor suspended for COVID-19 emergency contracts fraud

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On August 28, the governor of Rio de Janeiro, Wilson Witzel, was suspended from office for 180 days by Justice Benedito Gonçalves of the Brazilian high court in connection with alleged kickbacks on contracts between the state government and private service providers.

On the same day as Justice Gonçalves' decision, Justice Alexandre de Moraes of the Supreme Court (STF) authorized Rio de Janeiro's State Parliament to proceed with Witzel's impeachment trial. The trial had begun in early June, with a 69–1 authorization vote, and was later suspended by STF President Dias Toffoli during Moraes' recess period. The impeachment trial is now expected to proceed swiftly, and permanently remove Witzel from office next week.

At the center of the investigations are payments to several private service providers to build and operate field hospitals and other health infrastructure to treat COVID-19 patients in the state.

Brazil currently has the second highest number of COVID-19 cases and deaths in the world, trailing only the United States, with more than 4 million cases and 126,000 deaths, and an average of more than 40,000 new cases and roughly a thousand deaths every day.

These figures are a direct result of the long-standing social abyss that defines every aspect of life in Brazil and Rio de Janeiro in particular, where 22 percent of the population live in so-called *favelas* or slums.

The payments under investigation were made under emergency legislation enacted in March to allow the fast-tracking of public bids. The most prominent contract, worth almost a billion reais (US$125 million), was granted to a so-called "Social Organization," *Iabas*, which also runs a field hospital and other health facilities in São Paulo. *Iabas* was hired to build seven field hospitals in Rio de Janeiro, but only one was opened before the state government terminated the company's contract in early June, after an investigation that implicated Governor Witzel had begun.

"Social Organizations" are companies constituted in Brazil with the goal of managing privatized public infrastructure and are ubiquitous across cities and states. The investigations now implicating Witzel started with schemes that dated from his predecessor, Sergio Cabral, currently serving a 282-year sentence after 13 guilty verdicts for corruption.

Witzel has been charged with being part of a scheme coordinated by well known businessman Mario Peixoto, suspected of funneling 500 million reais (US$70 million) out of fraudulent contracts since 2012, and one of the controllers of *Iabas*. Witzel's ties with Peixoto were initially raised during the 2018 election campaign. Prosecutors suspected that payments made by Peixoto to Witzel's wife, a lawyer, were in fact a cover for kickbacks.

While the high court initially denied prosecutors' request for Witzel's arrest, it did authorize the arrest of the president of Witzel's Social Christian Party, Minister Everaldo, as a key player in the scheme.

Minister Everaldo came to national prominence in 2016 for baptizing then-congressman and now President Jair Bolsonaro in the Jordan River, a fashion for moneyed Evangelicals in Brazil.

Witzel's suspension from office and the impeachment trial underscore the deep crisis gripping the Brazilian ruling class, massively intensified by the COVID-19 pandemic, which has exposed the bankruptcy of the whole ruling establishment.

While Congress, including the Workers Party (PT)-led opposition, voted to bail out the financial markets with an unprecedented injection of 17 percent of the country's GDP, a bare 15 percent of that money

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was directed to the so-called emergency relief of US$ 100, the only income standing between tens of millions of Brazilians and poverty. That relief has now been cut in half, as governors and mayors of every party push for a homicidal return to schools, and the ruling class piles pressure upon the unemployed to accept a return to work under conditions of a full-blown spread of the pandemic.

Witzel is one of a number of governors and officials facing similar charges. Four of his last five predecessors as governor of Rio have been convicted and sentenced on corruption charges.

The state of Rio de Janeiro became, from the beginning of the 21st century and the rise to national power of the Workers Party (PT), the center of a series of federally-sponsored infrastructure projects and poverty and violence-reduction schemes. The PT allied itself with the Democratic Movement Party (PMDB) and other old bourgeois-nationalist forces which retained their strength in Rio de Janeiro from the period when it was Brazil's capital, promising to reverse the city's decades-long social decay.

The city hosted the 2007 Pan-American games, and then was chosen to host the 2016 Summer Olympics. In 2014, it hosted several games, including the final match, of the Soccer World Cup in the iconic Maracanã stadium—turned into a field hospital during the initial months of the spread of the pandemic in Brazil.

The state also became a center of the industry that developed around the exploitation of newly-discovered "pre-salt" deep-sea oil fields, and suffered the worst crisis of any Brazilian state with the end of the China-fueled commodity boom in the middle of the decade.

The state is also the political base of the fascist Jair Bolsonaro, from which he was elected seven times to the House, serving 28 years as a representative before the 2018 elections.

Witzel was initially elected as one of his key allies, along with São Paulo governor João Doria. Both promoted the same ultra-right law and order policies, giving the most fascistic elements within the murderous state police forces a blank check to carry out mass killings. In Rio de Janeiro, this resulted in a 14 percent rise in deaths caused by the police, to 881 last year alone. These police killings now account for 30 percent of the total number of homicides in the state.

Witzel's Social Christian Party had been one of the foremost supporters of a Bolsonaro presidency, which motivated stunts like the Bolsonaro's baptism by Minister Everaldo in 2016.

With the beginning of the pandemic, however, both Doria and Witzel distanced themselves from Bolsonaro's blanket denial that COVID-19 posed any threat. They feigned concern for the spread of the disease, imposing partial quarantines in Sao Paulo and Rio that have now been almost totally lifted. Doria's and Witzel's distancing themselves from Bolsonaro in March came as the Brazilian president faced mounting opposition to his far-right policies, and also as corruption scandals began to engulf the president himself, with Rio state prosecutors charging that his son, Flávio, took part in corruption schemes as a Rio state legislator.

The investigation into Flávio's corruption schemes uncovered links between Bolsonaro's family and far-right Rio vigilante groups known as militias, and especially the "Crime Office" gang, suspected of murdering Rio de Janeiro city councilor Marielle Franco of the Socialism and Liberty Party (PSOL) in 2018.

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