



12-2012

## October to December 2012

Follow this and additional works at: <http://digitalcommons.osgoode.yorku.ca/summaries>

---

### Recommended Citation

"October to December 2012" (2012). *All Summaries*. 17.  
<http://digitalcommons.osgoode.yorku.ca/summaries/17>

This Article is brought to you for free and open access by the Quarterly Summaries of Recent Events: Organized Crime in Canada at Osgoode Digital Commons. It has been accepted for inclusion in All Summaries by an authorized administrator of Osgoode Digital Commons.

# Organized Crime in Canada: A Quarterly Summary October to December 2012

## ORGANIZED CRIME ACTIVITIES

- [Counterfeiting](#)
- [Gambling/Bookmaking](#)
- [Drug Trafficking](#)
  - [Poly Drug Trafficking](#)
  - [Cocaine](#)
  - [Heroin](#)
  - [Khat](#)
  - [Marijuana](#)
  - [Synthetic Drugs](#)
- [Human Smuggling](#)

## ORGANIZED CRIME GENRES

- [Asian](#)
- [Caucasian-Canadian](#)
- [Indo-Canadian](#)
- [Italian](#)
- [Calabrian Mafia \('Ndrangheta\)](#)
- [Sicilian Mafia](#)
- [Outlaw Motorcycle Gangs](#)

## ENFORCEMENT

---

### Organized Crime Activities

#### Counterfeiting

In October, the *Canadian Press* reported that Canadians are not immune from the worldwide deluge of counterfeit prescription drugs. The risk of purchasing counterfeit drugs instead of the legitimate products is particularly high when attempting to order the latter online.

Canada Border Service Agency officials held a news conference in Vancouver where they presented samples of some of the thousands of pills sent by the mail that were confiscated by the CBSA as counterfeit. The presentation followed the culminated of Operation Pangea V, an international investigation, coordinated by Interpol, which included 100 countries and ran between September 25 and October 2. According to Interpol's web site, "Operation Pangea is an

international week of action tackling the online sale of counterfeit and illicit medicines and highlighting the dangers of buying medicines online.”

An RCMP spokesperson told the media that as part of this international operation, enforcement officials in Canada inspected almost 4,000 packages containing prescription drugs mailed into the country. In total, they seized 2,000 of these packages on suspicion they contained fake drugs. The packages contained approximately 140,000 bogus pills worth an estimated \$1 million. Many of the parcels contained thousands of dosages; the largest one intercepted contained 8,000 doses.

The international enforcement results from Operation Pangea V, according to Interpol’s web site, include the following:

- 3.75 million illicit and counterfeit pills confiscated;
- Estimated value: (US) \$10.5 million;
- More than 18,000 websites shut down;
- Some 133,000 packages inspected by regulators and customs authorities, of which around 6,700 were confiscated;
- Some 80 individuals are currently under investigation or under arrest for a range of offences, including operating a clandestine laboratory producing counterfeit medicines; membership of a criminal group selling illicit medicine online; and operating websites selling illicit medicine

According to the RCMP, the fake medications seized included those marketed as anti-depressants, sedatives, prescription weight-loss products, heart medications, hormone-replacement therapies, and erectile dysfunction drugs. These fake drugs can endanger lives, because ingredients in many of the products include undisclosed pharmaceutical medicines and dangerous chemicals.

Purchasing medications online also increases the chance of customers becoming victims of identity theft and credit card fraud. This is because the suppliers are often connected to organized crime groups that also operate identity theft and credit card counterfeiting operations. China is the primary source of the fake medications, which is not surprising given its reputation as the counterfeit capital of the world.

An in-depth article on counterfeit drugs in the October 7, 2011 online edition of the USA Today states that international organized crime groups are heavily involved in the production, smuggling, and trafficking of counterfeit prescription drugs:

Groups that have been associated with counterfeit drugs or online pharmacies include the Russian Mafia, the Chinese triads, the Japanese Yakuza, and the Neapolitan Camorra, among others, who also engage in a range of counterfeiting activities ... There have been numerous cases of counterfeit drug labs operating with complex international frameworks — experts often link the production of counterfeit pharmaceuticals to organized crime. In one case that led to an investigation and seizures, counterfeit drugs produced in China were transported by road to Hong Kong, sent by air to Dubai, passing through London Heathrow on the way to the Bahamas,

where the organization kept a warehouse fulfillment center. From there, the drugs were sent to another organization in the U.K., which eventually sent the packages to the U.S.”

**Sources:** [The Canadian Press, October 4, 2012, Organized crime behind counterfeit prescription drugs: RCMP](#); [Interpol web site](#); [USA Today, October 7, 2011, The dangerous world of counterfeit prescription drugs](#)

---

## **Gambling/Bookmaking**

In November, the RCMP in Ottawa publicly presented the results of an inter-agency police investigation called Project Amethyst, which culminated with the arrest of 21 people who were allegedly behind a sophisticated sports bookmaking operation in Ontario and Quebec. The RCMP said that sports bets of several million dollars were placed over a six-month period, mostly related to the NHL, NFL and the Olympics. Police say the group ran an illegal gambling website used to place bets on sport events. In six months, several million dollars’ worth of bets were placed, which provided the crime group with a “hefty profit,” according to the RCMP. Two small marijuana grow-ops were also seized as a result of the investigation.

The 21 people arrested range in age from 27 to 70 and face a total of 54 charges. The offences include illegal gaming and bookmaking, extortion, the production of marijuana, and offences related to participation in a criminal organization. Most of those arrested hail from the Ottawa-Gatineau area.

The two-year investigation was launched in September 2010 and involved the RCMP, the Ontario Provincial Police and Ottawa police. In July and September of 2012, police executed a series of search warrants in Ottawa and Gatineau.

Superintendent Sylvain Berthiaume, an officer with the RCMP’s organized crime and border integrity unit, said the group at the core of the illegal bookmaking operation constituted a criminal organization involved in multiple enterprises. “Most of the times they will have their hands in different pots, if you will,” Berthiaume said. “In this, we came across a couple of extortion cases, one fraud case, and a couple of marijuana grow-ops.” There were also threats of violence but he would not say if those threats were related to the collection of gambling debts. “The potential for violence in this case is evident,” Berthiaume said.

At least two of the men charged in Project Amethyst had been arrested along with more than 50 other people in 2001, following another joint police investigation targeting a high-tech illegal gambling ring believed to be tied to the Montreal-based Rizzuto crime group. Police estimated that this bookmaking operation, which spanned the Ottawa, Toronto and Montreal areas, generated annual revenue of \$200-million.

**Sources:** [Royal Canadian Mounted Police Press Release, November 9, 2012, Major RCMP investigation nets 21 individuals with ties to Organized Crime](#); [CBC News, November 9, 2012, Illegal gambling website busted in Ottawa](#); [Ottawa Citizen, November 9, 2012, 21 charged in](#)

[RCMP-led organized crime investigation; Ottawa Citizen, November 9, 2012, Police arrest six more suspects in RCMP-led mob gambling probe;](#) [Sun News, November 9, 2012, 21 arrests in organized crime investigation in Ontario, Quebec](#)

---

## **Drug Trafficking**

### **Poly Drug Trafficking**

At the beginning of November, over 1,000 officers, including those from the RCMP, the Sûreté du Québec, the Montreal police, took part in a series of dawn raids to crack down on a vast drug trafficking “consortium” across Quebec, Ontario and British Columbia that smuggled drugs from Mexico into Canada (and Quebec in particular). Police alleged the network involved members of well established organized crime groups – including the Hells Angels, the Italian mafia, and the West End Gang.

In total 103 people were arrested in different parts of Canada, according to police. This included two of the alleged ring leaders: 35-year-old Larry Amero, a full-patch member of the Hells Angels from B.C. who’d been living in Montreal in recent months, and Shane Maloney, also 35, who police allege is linked to Montreal’s West End Gang.

Code-named Operation Loquace, the police investigation targeted 128 people who together face a variety of charges including drug trafficking, conspiracy, and participation in a criminal organization. According to *CBC News*, as part of the investigation, police seized 158 kilos of cocaine, 46,100 units of methamphetamines, and 13 barrels of GBL (a solvent used to produce the so-called date rape drug). They also confiscated 161 guns, 291 other prohibited weapons, 1,486 explosives and 50 detonators. Thirty-five vehicles, five homes worth about \$1.5 million, and \$255,000 in cash were also seized as proceeds of crime.

Police said the network, which had been under investigation for about six months, managed to generate an estimated \$50 million in drug revenue in that short time. The group had the capacity to import and distribute about 75 kilograms of cocaine per week, according to police, and used a middleman to obtain the drugs from Mexican drug cartels. The cocaine was imported into Canada via the United States using trucks. A trucking firm was under investigation and police were working to freeze its assets.

Shane Maloney and Larry Amero were apprehended in the Verdun borough of Montreal and face charges of conspiracy to traffic drugs, drug trafficking, conspiracy to import drugs, drug importation and participation in a criminal organization.

Amero is a member of the Hells Angels Westpoint chapter, which is located in Surrey, and a former member of the White Rock chapter. Amero was shot in Kelowna, B.C., in 2011 as part of an attack that claimed the life of Jonathan Bacon, the leader of the notorious Red Scorpions gang. Amero moved to Quebec recently and was arrested in Montreal in July of 2011 for suspected impaired driving following an accident. In her blog, Kim Bolan of the *Vancouver Sun* wrote,

“Amero and his associates were identified as being part of a B.C. gang alliance dubbed the Wolf Pack that was locked in a bloody conflict with rivals from the Dhak-Duhre group. The threat of violence was so great a year ago that the CFSEU issued an extraordinary public warning that anyone near the Dhaks or Duhres could be at risk.”

Maloney faces charges stemming from an incident where an off-duty Montreal police officer was badly beaten in Playa del Carmen, a popular resort town in Mexico. He was out on bail for these charges when he was arrested again by police as part of this latest drug investigation.

Another of the alleged leaders of the drug trafficking network targeted by police is 25-year old Rabih Alkhalil. According to the *Vancouver Province*, “the organized crime group with which Alkhalil is associated is based in Eastern Canada; however he is allegedly involved in the current gang conflict in B.C.” In her blog, Bolan reported that two of Alkhalil’s brothers were murdered in B.C. in the last decade. “One was shot to death in Surrey. The other died in the infamous Loft Six nightclub shooting in downtown Vancouver. Another Alkhalil brother, Nabil, has been ordered deported because of a cocaine trafficking conviction in Ontario.”

Alkhalil, who was not apprehended by police and is wanted on a Canada-wide warrant, was also charged the same week in relation to another cocaine smuggling case. On November 2, Niagara Regional Police announced that Alkhalil and five other people were charged with smuggling cocaine into Ontario. Niagara Police described the group that orchestrated the smuggling as “a highly sophisticated international criminal organization with solid roots to traditional [Italian-Canadian] organized crime.”

Sûreté du Québec Inspector Michel Forget told the media that the group targeted was “an important drug cartel formed by six individuals [in Quebec] who had the capacity to import and distribute large quantities in Quebec and elsewhere in Canada.”

According to the *QMI Agency* the so-called consortium implicated in the first drug smuggling conspiracy involved individuals from different existing crime groups. This demonstrates “that the country’s criminal underworld is as interconnected as it is unstable. A criminal partnership that started in British Columbia migrated to Quebec last spring and developed ties with several criminal groups in order to distribute Mexican cocaine across the country....”

“Gang members continue to spread their tentacles from B.C. to other provinces,” Dan Malo, the Officer in Charge of the Combined Forces Special Enforcement Unit in British Columbia said in a statement.

“One of the key pieces we’re seeing here is the different organized crime families,” Forget said. “They’ve all converged ... to put their efforts and networks together in order to ensure a distribution network of that nature.”

Police say the organization managed to implant itself quickly in Quebec because of a void that had developed there due to successful police operations in that province against the Hells Angels, the Italian Mafia, and street gangs, all of which were large importers and wholesalers of cocaine in Quebec.

While much of the media attention has been riveted on the fall of the Rizzuto mafia family and how this has destabilized the criminal underworld in Montreal, similar power struggles are occurring in the criminal underground in other major cities in Canada, said Sgt. Lindsey Houghton, spokesman for BC's Combined Forces Special Enforcement Unit. "We're seeing a series of interrelated events, shifting gang alliances and new power blocks forming among gangsters here in British Columbia," he told QMI Agency via e-mail.

D'Arcy O'Connor, a Montreal journalist who authored a book on the Montreal's West End Gang, told QMI he's not surprised that the drug ring involved several different criminal networks. He said that the Hells Angels used to distribute cocaine bought by the Rizzuto family that came in through the West End Gang-controlled Port of Montreal. "Sometimes (criminal networks) are working together and sometimes they are killing each other," O'Connor said.

**Sources:** [The Canadian Press, November 1, 2012, Police arrest 103 from alleged crime "consortium" in cross-Canada operation](#); [The Vancouver Province, November 1, 2012, B.C. organized crime link: 1,000 officers bust nationwide drug ring Thursday](#); [CBC News \(Ottawa\), November 1, 2012, Quebec police dismantle massive drug network](#); [Kim Bolan, Vancouver Sun, November 1, 2012, Amero and friends charged in massive cocaine ring out of Montreal – UPDATE](#); [QMI Agency, November 2, 2012, Bust shows connections in criminal underworld in Canada](#); [Vancouver Sun, November 3, 2012, For second time this week, police break up major international drug network with Vancouver links](#)

\*\*\*

At the beginning of October, the Canada Border Services Agency (CBSA) announced that officers at the Pigeon River port of entry in Northern Ontario seized approximately 14 kilograms of cocaine and 1.24 kilos of heroin. The street-level value of the drugs is estimated at \$1,756,875 and \$496,000 respectively.

In an October 1 news release, the CBSA wrote, on "September 22, 2012, CBSA officers intercepted a truck suspected of being used to smuggle drugs into Canada. Based on a number of indicators, officers undertook a more in-depth examination of the vehicle. Officers discovered a section of the vehicle that housed a concealed compartment. Further investigation confirmed the presence of suspected cocaine and heroin inside the concealed compartment."

The driver, a resident of Windsor, Ontario has been charged with two counts of Possession of a Controlled Substance for the Purpose of Trafficking and two counts of Importation of a Controlled Substance.

**Source:** [Canada Border Services Agency News Release, October 1 2012, CBSA officers at the Pigeon River port of entry seize over \\$2 million worth of suspected cocaine and heroin](#)

---

## Cocaine

In November and December, the Canada Border Services Agency announced cocaine seizures in Ontario and B.C.

In a November 16 news release the CBSA provided details on “three significant seizures of suspected cocaine at Pearson International Airport in Toronto. The suspected narcotics were all discovered by border services officers over the course of four days.” Furthermore, according to the press release:

On November 9, 2012, border services officers identified a suspicious suitcase while monitoring a baggage offload of a flight returning from the Dominican Republic. The suitcase was excessively heavy and when opened was found to contain 15 bricks of suspected cocaine. The total approximate weight exceeded 21 kilograms, with an estimated value of over \$2.6 million.

On November 11, 2012, officers working at Air Cargo discovered 15.2 kilograms of suspected cocaine while conducting a search on a flight originating from Jamaica. The 15 bricks of suspected narcotics were found concealed in the aircraft. The estimated value of the seizure is \$1.9 million.

Finally, on November 12, 2012, a female traveller arriving from Trinidad was referred for a customs secondary examination. Border services officers interviewed the woman and inspected her baggage. Officers noted that her bag had an unusual bulge underneath the interior lining. The bottom of the suitcase was probed and a white powdery substance was discovered. Subsequent examination of the traveller’s second bag also revealed suspected cocaine in a false bottom. An approximate total of 18 kilograms of suspected cocaine was seized with an estimated value exceeding \$2.2 million.

The news release goes on to state, “in 2012, CBSA officers in the GTA Region’s airports, postal and cargo processing facilities have seized over 616 kilograms of cocaine with an estimated value of over \$77 million.”

In a December 7, news release, the CBSA announced that officers at the Abbotsford-Huntingdon port of entry in B.C. “seized approximately 23 kilograms of suspected cocaine hidden in the trailer of a commercial vehicle carrying produce. CBSA officers discovered the drugs on December 3, 2012, while searching a commercial truck and trailer. During the examination, anomalies were detected within the wall of the trailer. The load, produce from California, was fully offloaded, and after officers carefully inspected the truck and trailer, they made drill holes into the wall of the trailer. The drill bits hit a white powder and officers discovered 23 cellophane-wrapped bricks of suspected cocaine inside a void in the wall.”

The news release goes on to say, “In the last five years, CBSA officers in the Pacific Region have seized more than two tonnes of cocaine.”

**Sources:** [Canada Border Services Agency News Release, November 16, 2012, Canada Border Services Agency intercepts over 54 kilos of suspected cocaine at Pearson International Airport;](#)



## **Heroin**

In November and December, the Canada Border Services Agency issued press releases announcing seizures of heroin at official ports of entry in B.C., Ontario, and Quebec.

In a November 10 news release, the CBSA reported that on November 6, their Airside and Special Enforcement Operations unit intercepted a traveller at Vancouver International Airport carrying 51 pellets of suspected heroin which she had ingested. “The female traveller was questioned by CBSA officers upon her return to Canada. During examination, the officers determined that the traveller may have ingested narcotics as a means to smuggle them into the country. She was immediately arrested and escorted to the hospital, where it was discovered that she had both ingested and inserted pellets. Subsequent X-rays taken at the hospital revealed a blockage, and the traveller had to undergo emergency surgery. A total of 51 pellets – condoms containing suspected heroin – were expelled or recovered. Physicians said that without medical attention the traveller would have died.”

According to the CBSA, this was the third internal drug carrier intercepted at Vancouver International Airport in three days. “On November 4, two travellers were taken to hospital and had to undergo emergency surgery because pellets containing suspected methamphetamine had been poorly packaged and were leaking inside their bodies.”

In a November 5 news release, the CBSA announced that on October 30, 2012, border services officers at Toronto’s Pearson International Airport “identified a suspicious box offloaded from a flight from Pakistan. Upon examination, officers noted that the box showed visible tampering. The box was opened and officers found multiple solid packets inside that tested positive for heroin. Officers seized approximately 22 kilograms of heroin with an estimated value of \$8.8 million.”

The press release notes that in 2012 thus far, “CBSA officers working in the Greater Toronto Area (GTA) region’s airports, postal and cargo processing facilities have seized over 106 kilograms of suspected heroin with an estimated value of over \$42 million.”

On December 18, CBSA reported that its officers seized 2.3 kg of heroin, with an estimated street value of \$1 million, in a bonded warehouse in Montreal. “Border services officers from the cargo section at Montréal-Trudeau Airport discovered the drugs on December 6, 2012, in a bonded warehouse located in Dorval, in a shipment of six boxes that contained work gloves imported from Pakistan. When they examined the boxes, they discovered a suspicious brown substance concealed in the gloves’ fingers. Tests conducted with the Narcotics Identification Kit revealed that the substance was suspected heroin. Subsequent laboratory tests confirmed this.”

According to the press release, since the beginning of 2012, CBSA officers in Quebec have made 1563 seizures of drugs with an estimated street value of more than \$77 million.

**Sources:** [Canada Border Services Agency News Release, November 10, 2012, CBSA intercepts third internal drug smuggler this week](#); [Canada Border Services Agency News Release, November 5, 2012, CBSA finds 22 kilos of heroin at Pearson International Airport](#); [Canada Border Services Agency News Release, December 18, 2012, CBSA officers seize 2.3 kg of heroin in a bonded warehouse in Montréal](#)

---

## **Khat**

On December 20, Canada Border Services Agency reported that officers at the Montréal-Mirabel Airport “recently made a significant drug seizure when they discovered 64 kilos of Catha Edulis (khat) inside two parcels sent by a postal courier service. The examination of two parcels sent from a company based in London (United Kingdom) to another company in Montréal revealed the presence of two computer cases wrapped in carbon paper. The interior of the computer cases contained several bunches of Catha Edulis, with a total value of \$32,000.”

The press release notes that the CBSA has made 162 drug seizures at Montréal-Mirabel since the beginning of 2012.

**Source:** [Canada Border Services Agency News Release, December 20, 2012, CBSA officers at Montréal-Mirabel International Airport make a significant drug seizure](#)

---

## **Marijuana**

Law enforcement officials announced the dismantling of large marijuana grow operations in Manitoba, Alberta and B.C., during the fourth quarter of 2012.

In Winnipeg, two people were charged after Winnipeg police raided what they called “a large multi-stage marijuana grow operation” in the Maples, which is located in the northwestern corner of the city. Police seized 848 cannabis marijuana plants with an estimated street value of \$949,760, six pounds of packaged marijuana, worth an estimated \$15,000, as well as grow operation equipment valued at approximately \$15,000.

In Round Lake, Alberta, which is approximately 500 kilometres north of Edmonton, police raided a marijuana grow-op which reportedly housed 2,233 plants. Police estimated the street level value of the pot at \$2 million. The sophisticated grow operation had 81 high-intensity lights and 10 commercial forced-air furnaces with cooling units to regulate the temperature. Two industrial generators, fueled by a natural gas bypass that ran underground for hundreds of metres, generated power for the grow-op. The generators were concealed inside outbuildings framed with several walls of insulation and drywall to suppress the sound. Three people were charged.

In Prince George, B.C., police discovered a marijuana grow op with 1,569 plants following a complaint of electricity theft. The marijuana, along with the grow operation equipment and evidence related to the theft of the electricity used as its power source, were seized by police. The estimated street value of the marijuana seized was about \$1.5 million. Three people were charged.

Also in B.C., the Canada Border Services Agency reported in a November 28 press release that it had seized more than 33 kilos of marijuana at the Boundary Bay port of entry on November 24.

The drugs were intercepted when a border services officer (BSO) noticed a B.C.-plated pickup truck driving erratically at the port of entry in the preprimary inspection line (PIL). The PIL officer sounded the alarm and officers intercepted the vehicle. During the examination, the driver stated he became lost when approaching the border crossing and attempted to turn around to avoid examination. He was referred for further examination, where BSOs discovered 11 garbage bags filled with suspected marijuana in the bed of the pickup truck. Detector dog Timber and his handler assisted the officers in determining the bags contained suspected marijuana. Officers immediately arrested the 54-year-old Canadian male driver and seized his vehicle.

**Sources:** [Winnipeg Sun, October 6, 2012, Huge pot bust in Maples; December 4, 2012, \\$2M in marijuana seized in grow-op bust west of Edmonton;](#) [Vancouver Sun, December 27, 2012, Three men arrested in \\$1.5 million Prince George drug bust;](#) [Canada Border Services Agency News Release, November 28, 2012, CBSA officers seize over 33 kilos of marijuana at the Boundary Bay border crossing](#)

---

## **Synthetic Dugs**

On October 19, the Canada Border Services Agency announced the seizure of approximately 188 kilos of ketamine at the Port of Halifax. The ketamine was found in a shipment of rice during a secondary examination of a marine container from India. “CBSA officers detected anomalies within the shipment, and proceeded to carefully sift each of the 1,000 bags, to separate the loose ketamine crystals from the grains of rice.” Ketamine is a synthetic tranquilizer with hallucinogenic properties, dissolves in liquid and is odourless and tasteless, allowing it to be slipped into drinks. As its sedative effect has been used to prevent victims from resisting sexual assault, ketamine is referred to as a “date rape” drug.

**Source:** [Canada Border Services Agency, News Release, October 19, 2012, CBSA Makes a Significant Ketamine Seizure at the Port of Halifax](#)

\*\*\*

Also in October, the CBSA also announced the discovery and seizure of 14 tonnes of chemicals that could be used to make illegal synthetic drugs at the Prince Rupert Marine Container Examination Facility in B.C. According to a news release issued that month, “In early

September, CBSA officers examined a shipment originating from China, and declared as glycerin. Upon further examination of the 552 jugs, CBSA officers found them to contain four precursor chemicals used to make drugs like methamphetamine, MDMA (ecstasy), and gamma-butyrolactone (date-rape drug).” No arrests were made at the time of the seizure.

According to the CBSA, this is the third seizure of precursor chemicals at Prince Rupert Port in the last two years.

Police in Kelowna, B.C. also discovered what they are calling a “clandestine super lab” that is capable of producing hundreds of kilos of MDMA. At press conference in November, RCMP Insp. Rick Flewelling said, “Production methods at this level points directly to the involvement of organized crime groups motivated by profit.”

**Sources:** [Canada Border Services Agency News Release, October 24, 2012, CBSA seizes a record 14 tonnes of precursor chemicals in Prince Rupert](#); [Kelowna Capital News, November 27, 2012. Organized crime likely behind record MDMA bust in Kelowna](#)

\*\*\*

In November, police in the Eastern Townships of Quebec raided 18 different sites as part of an investigation targeting a drug ring said to be producing and trafficking the drug known as bath salts. Police say the network was producing some 20,000 tablets per week. Sixteen suspects were being sought by investigators. Officials told the media that the drug is in the early stages of entering Quebec.

Source: [CBC News \(Montreal\), November 8, 2012, Police bust Quebec drug ring for trafficking bath salts](#)

---

## Human Smuggling

In October, Canadian law enforcement authorities announced that they uncovered a human smuggling ring that has brought hundreds of Romanian refugee claimants to the Toronto area through Mexico.

The smugglers charged between \$10,000 and \$30,000 for passage to Canada through a route that runs from Mexico to Texas to the GTA. “Those using the pipeline are said to be arriving in Canada indebted to the smugglers and are made to repay them by applying for welfare benefits and engaging in low-level organized crime,” according to the National Post. The suspected smuggling operation is being blamed for a recent spike in Romanian refugee claims in Canada, which increased from 57 in 2007 to 258 in 2011, according to Immigration and Refugee Board figures. Most of the Romanian claimants contend that as ethnic Roma they face persecution in their home country. Despite these pleas, few Romanian refugee claims have been accepted.

The human smuggling ring was reportedly unearthed during police interviews with those who had used its services, most of whom had come from the same city in Romania. The Romanian informants were detained in 2012 after being caught in a van crossing the border in Quebec without stopping. In a December 5 newscast, CTV News reported, “five carloads of 85 Romanian nationals, including 35 minors, ran the border at Stanstead, Quebec earlier this year. Their journey began in the same village. They paid a small down payment, were flown to Mexico where travel visas aren’t required, smuggled across the US border and smuggled again into Canada.”

“Mexico is being used as a transit hub because it does not have a visa requirement for Romanians,” according to the National Post. “The smugglers advise their customers to bring passport-sized photos, which are placed in false documents used in the United States and Canada.”

Although the number of Romanian refugee claimants is small, police said the smuggling ring was sophisticated and has also been linked to [a “distraction” crime ring in Toronto that police had reportedly broken up in September](#). According to the National Post, “Thirty-four suspects were accused of involvement in a crime group that targeted convenience stores, jewelers and seniors. As one suspect distracted the victims, the others would steal goods, stuffing them into pockets sewn into their clothing.”

Another similar alleged “distraction” crime ring was uncovered by Toronto police in October. As the Toronto Sun reported,

The group typically uses two women in a car, often with a toddler in the backseat. They drive around residential neighbourhoods in search of elderly, Italian-looking women. The crooks pull up to the curb and asks if they speak Italian ... One women — described as 30 to 35 and eastern European — hops out and asks for directions to a doctor’s office or a pharmacy, he said. She may also offer to buy the victim’s jewelry or ask for help with a funeral or funds for a trip to the U.S. The woman then pretends to be extremely happy and kisses the victim’s hand or gives the victim a hug. During the hug, she swipes the victim’s earrings or necklace and replaces the stolen items with cheap jewelry.

The distraction crimes are most likely linked to the smuggling operation; those smuggled into the country are often forced into criminal activities to pay off their debts. This type of forced labour is a frequent aspect of human smuggling operations carried out by organized crime groups. In an interview with CTV news, Immigration Minister Justin Kenney said “This is a very sophisticated human smuggling operation like we haven’t seen before.”

**Sources:** [National Post, October 25, 2012, Alleged human smuggling ring brought Romanians to Canada via Mexico, police say](#); [Toronto Sun, October 10, 2012, Crime ring behind GTA distraction thefts](#); Police; CTV News, December 5, 2012, Human Smuggling

\*\*\*

Human smuggling became a criminal justice policy priority for the Conservative government after two ships arrived off the West Coast in 2009 and 2010 carrying almost 600 refugee claimants from Sri Lanka.

The Conservative government responded in 2012 with legislation entitled Protecting Canada's Immigration System Act. According to a Public Safety Canada press release dated December 5, the new law intends to crack down on human smuggling by the following measures:

- Enabling the Minister of Public Safety to designate the arrival of a group of persons into Canada as an irregular arrival, and make those involved subject to the Act's measures;
- Making it easier to prosecute human smugglers;
- Imposing mandatory minimum prison sentences on convicted smugglers; and
- Holding ship owners and operators to account for use of their ships in human smuggling operations.
- Establishing detention of participants in an irregular arrival. Detention reviews will occur within 14 days followed by another review every six months. Detention will continue until a final positive decision is made by the Immigration and Refugee Board of Canada (IRB) on the refugee claim or until release is ordered by the IRB or the Minister of Public Safety. This will allow for the investigation into identity, admissibility and illegal activity.
- Excluding from detention, those designated foreign nationals who are under the age of 16.
- Preventing those who come to Canada as part of a designated irregular arrival from applying for permanent resident status for a period of five years which would prevent them from sponsoring family members during that time; and
- Enhancing the ability to seek a review of the protected person status of those who return to their country of origin, and who demonstrate in other ways that they are not in legitimate need of Canada's protection or who misrepresented when they applied for refugee status.

In December, Vic Toews, Minister of Public Safety, and Jason Kenney, Minister of Citizenship, Immigration and Multiculturalism, announced the designation of five groups of foreign nationals as "irregular arrivals" under the new provisions introduced as part of the new law. This designation will facilitate the use of tougher penalties to be applied to those who participated in the smuggling operation.

**Sources:** [Public Safety Canada News Release, December 5, 2012](#), [Harper Government takes action against human smuggling](#); [Minister of Public Safety makes first designation of irregular arrival under Protecting Canada's Immigration System Act](#)

---

## Organized Crime Genres

### Asian

In November, police in Ontario announced the results of a seven-month, joint forces investigation called Project Lie-See, which targeted an Asian organized crime network that operated in Ontario and B.C.

Project Lie-See, which means commission in Cantonese, culminated with the execution of eight search warrants in the GTA and another three in the Greater Vancouver Area. Police in Ontario and B.C. arrested 10 people, charging them with drug trafficking and money laundering offences, and also seized almost 300 kilos of marijuana, eight cars, and \$660,000 in cash.

The alleged crime ring is accused of shipping marijuana from B.C. to Ontario to be sold on the streets of the GTA. The CBC reported, “Ten people are now facing charges, eight of whom were arrested in Toronto. Two of the accused were arrested in British Columbia. Eight of the accused are charged with trafficking in a controlled substance, laundering the proceeds of crime, conspiracy to commit an indictable offence, possession of the proceeds of crime and criminal organization offences. Two of those accused are further charged with directing a person to commit an offence for a criminal organization.”

The investigation was undertaken by the Asian Organized Crime Task Force (AOCTF), a joint force task force made up of the Toronto Police Service, Ontario Provincial Police, Royal Canadian Mounted Police, York Regional Police, Peel Regional Police and the Canada Border Services Agency.

**Sources:** [Toronto Sun, November 7, 2012, Crime ring trafficked drugs between B.C. and Ontario: Cops](#); [CBC News \(Toronto\), November 7, 2012, Cash, cars, nearly 300 kg of pot seized in B.C., Ontario](#); [Toronto Police Services News Release, November 5, 2012, Project Lie-See, 10 people arrested, quantity of drugs, cash and assets seized in seven-month investigation](#)

\*\*\*

In November, the Royal Newfoundland Constabulary seized approximately 39 kilos of marijuana in Paradise, Newfoundland, which is part of St. John’s Metropolitan area. The RNC estimated the street value of the marijuana at \$750,000.

The only person arrested was 22-year-old Louis Trung Huynh, but RNC Chief Robert Johnston says the suspect couldn’t have been acting alone. “Certainly we know that this is a result of organized criminal activity,” he told the media. Johnston says the amount of marijuana seized is proof of that. “My experience tells me that when we see the type of seizure we have before us, it’s organized,” Johnston said. Huynh is a Vietnamese-Canadian and police are investigating whether he is connected to Asian gangs on the mainland, which are known to control large scale marijuana grow-ops throughout Canada.

Source: [CBC News, November 22, 2012, Paradise pot bust linked to organized crime, say police](#)

---

## Caucasian-Canadian

Four members of the White Boy Posse have been charged in three separate murders in Alberta and Saskatchewan, including one in which a head was found in an alley in Edmonton. The head, which was found on October 25 by a woman who was out for a walk, belonged to Robert John Roth. His decapitated remains were discovered less than a week earlier and 100 kilometres away near the Alberta town of Ranfurly. He was 54 years old and lived in Lloydminster, Alberta.

Twenty-two-year-old Randy James Wayne O'Hagan of Lloydminster and thirty-two-year-old Nikolas Jon Nowytkyj of Wainwright, Alberta, have been charged with first-degree murder and offering an indignity to a human body.

O'Hagan along with Kyle Darren Halbauer, 22, of Lloydminster is also facing charges in the death of Bryan Gower, whose body was found on a rural road near Kitscoty, Alberta in September. Those two accused, along with twenty-nine-year-old Joshua Petrin of Edmonton also face charges in the death of Lorry Santos in Saskatoon in September. Police in Saskatoon said at the time that Santos, a 34-year-old mother who was shot and killed when she answered the door of her home to strangers, was an innocent victim; in search of drug trafficking rivals, the accused killers had targeted the wrong house.

The intent behind the other murders has not been made public by police, if in fact they know the motives. However, the White Boy Posse gang has been on police radar for a number of years. According to the *Edmonton Journal*, "The White Boy Posse first hit headlines in a 2004 scuffle with the Crazy Dragon Killers, when Posse members began ramming cars of rival dial-a-dopers to disrupt their cocaine-trafficking operation. The Killers retaliated that October by kidnapping and beating two Devon-area members and a high-ranking Posse member. Eight members of the Killers were later convicted in the case."

Mark Totten, an Ottawa-based sociologist and social worker who has interviewed numerous gang members in Canada, characterizes the White Boy Posse as "incredibly violent" and it stands out among criminal gangs because of its racist ideology. Yet, he argues there is no evidence they are linked to other white supremacy groups and their racist ideology may take a back seat to their revenue-generating goals. The *Edmonton Journal* noted that police in that city have linked the Alberta-based White Boy Posse to street-level drug dealing and is affiliated with the Hells Angels. With that said, given its chaotic leadership structure, Totten concedes that the gang may not fit the typical mold of an organized crime group.

In March 2008, as part of Project Goliath, 17 members of the White Boy Posse, between the ages of 17 and 33, were arrested by the RCMP's Organized Crime Unit in Alberta. The RCMP seized 28 firearms, \$500,000 in cocaine, over \$300,000 in cash, 3,000 ecstasy pills, as well as stolen goods, according to 2009 article in the *Edmonton Sun*. At that time, the RCMP said they had "crippled" the White Boy Posse.



In March of 2009, the *Edmonton Sun* reported that police “have charged a dozen Posse members with nearly 100 crimes ... police announced not only the arrest of 12 Posse members ‘near the top,’ according to [Edmonton Police Service] Insp. Kevin Galvin, but also the seizure of 28 firearms, about \$500,000 in cocaine, more than \$300,000 in cash, 3,000 ecstasy pills and a variety of stolen goods.”

“The group of individuals that we have arrested and charged, to this point in time, are pretty significant players in the organized crime gang community in Edmonton,” RCMP Insp. Bob Simmonds, the officer in charge of the Integrated Response to Organized Crime unit in Alberta told the *Edmonton Sun* at the time. The 2009 *Sun* article also alleges the White Boy Posse is a “Hells Angel affiliate group.”

This affiliation was reiterated by Mark Totten in a December 2012 CBC News interview in which he said, “They are white supremacists, they have had ties with the Hells Angels over the past number of years and they’re incredibly violent.”

Michael Chattleburgh, author of *Young Thugs: Inside the Dangerous World of Canadian Street Gangs*, agreed with this assessment. After interviewing him for an article on the gang posted on the web site, Vice.com, Patrick McGuire wrote,

The White Boy Posse are allegedly connected to the Hell’s Angels, as Michael has told other outlets, and he describes the whole network as a “pyramid”. As for the White Boy Posse’s own infrastructure, it appears to be on a lower chunk of the pyramid than the infamous biker gang: “The gangs across this country can be very flat in terms of structure, in other words you may have ten members, but they’re all the same level. There is no defined leadership. In the case of the White Boy Posse, my information suggests there is some hierarchy. There are some leaders and mid-level members, but the structure of the gang is very much a crew that I would call a puppet to the larger gangs which apparently have been handled by the Hells Angels.

According to McGuire, “It appears, then, that the White Boy Posse have positioned themselves in the branding umbrella of white supremacy simply to appear scary, and perhaps to directly reference the Indian Posse gang who Michael estimates to have ‘6,000 members’.”

**Sources:** *Moose Jaw Times-Herald*, December 5, 2012, Organized crime members charged in multiple murders in Alberta, Saskatchewan; [Edmonton Journal, December 9, 2012](#), [Money, drugs and violence: the evolution of White Boy Posse](#); [CBC News, December 5, 2012](#), [White Boy Posse ‘incredibly violent,’ expert says](#); *Edmonton Sun*, January 30, 2009, 12 charged in major gang bust; Vice.com, no date, The RCMP were horribly wrong about crippling the White Boy Posse

---

## Indo-Canadian

In October, eight Indo-Canadian men were arrested and face more than 100 criminal charges in relation to a Calgary-based drug trafficking ring with connections to B.C.’s Lower Mainland. As

part of the investigation, police seized 2.7 kilograms of cocaine, one kilogram of marijuana, guns, \$166,000 in cash, seven vehicles and jewellery worth more than \$18,000. In addition, a \$1.5-million-dollar home in Alberta was restrained under proceeds of crime laws.

That same month, the *Toronto Star* ran an in-depth piece on Indo-Canadian truck drivers from Ontario who had become “caught in web of North American drug trade.” According to the Star,

For years, Indo-Canadian gangs in B.C. have been involved in cross-border drug smuggling, infiltrating the trucking industry and fighting turf wars that have often been bloody and vicious ... But now, members of southern Ontario’s Indo-Canadian community, in particular from Brampton and Mississauga, are increasingly being lured into the North American drug trade, according to Crown attorneys, lawyers, police and community leaders on this side of the border ... It is not difficult to understand why. An estimated 60 per cent of Ontario’s long-haul truck drivers are Indo-Canadian, making them logical targets for drug traffickers. They will gladly do long-haul jobs shunned by others that can mean being on the road for weeks. They don’t mind sharing the close quarters of a cab with a co-driver, and the job requires little more than a commercial driver’s licence ... Of the 15 to 18 significant drug seizures at the Windsor-Detroit crossing each year, about 70 per cent involve Indo-Canadian transport drivers, many of them recent immigrants to Canada, said federal prosecutor Richard Pollock ... Until about a decade ago, cross-border smuggling was almost always by sea and air. As Mexican drug cartels replaced Colombian drug lords, cocaine smugglers started using land routes, specifically tractor-trailers to ship drugs from Mexico to the U.S. and Canada. For a while, Vancouver was where drugs were transported across Canada before hitting the Toronto area. ... In this mélange of drugs, Mexican cartels and Ontario border crossings, some Indo-Canadian truck drivers, as courts have witnessed, become willing or unwitting players in smuggling schemes.

**Sources:** [CBC News \(Calgary\), October 24, 2012, Police arrest 8 in organized crime bust near Calgary](#); [Toronto Star, October 14, 2012, Indo-Canadian truck drivers from GTA caught in web of North American drug trade](#)

---

## Italian

### Calabrian Mafia (‘Ndrangheta)

In October, the *Toronto Star* reported the accusations of “top Italian police authorities” who accused Ontario of becoming an international “penal colony” for alleged members of the Italian ‘Ndrangheta, who fled Italy for the sanctity of Canada.

“For 10 years, we have been telling Canadians to pay attention because the ‘Ndrangheta is very strong, especially in the Toronto region,” Nicola Gratteri, an anti-Mafia prosecutor in Calabria, is quoted as saying in the *Toronto Star*.

According to the *Star*, “Italian and Canadian authorities have identified seven to nine ‘locali’ in Ontario, close-knit ’Ndrangheta cells grouped around families and intermarriage and tied to their brethren in Italy.”

“The Canadian bosses talk with the Italian bosses,” said Gratteri. “In every village there is a locale and through our investigations we discovered the same thing in Canada.”

In the past two years alone, “Italian authorities have identified more than 30 Ontario men in thousands of pages of wiretap transcripts and prosecution reports who they claim have Mafia ties,” the *Star* noted. “At least 10 of those have been publicly named in Italian arrest warrants.” However, “only one has even been sought by Canadian law enforcement so far — on an immigration violation. And Canadian police have yet to find him.” Since 2005, federal officials in Canada have managed to “force at least six non-citizens suspected of Mafia-related crimes to return to Italy, either through arrest, deportation or removal,” according to the *Star*.

The *Star* concludes, “Ontario is a burgeoning headquarters for a powerful Mafia faction called the ’Ndrangheta, which has flourished under the police radar in recent years and quietly risen to what the RCMP now calls a ‘Tier 1’ threat in the GTA.” The RCMP concedes, however, that it has been unable to lay charges against any of the alleged members of the ’Ndrangheta clans in Canada due to a lack of evidence.

Ben Soave, the former officer in charge of the Combined Forces Special Enforcement Unit in Toronto, told the newspaper that the family-based structure of the ’Ndrangheta in Ontario makes it more difficult to infiltrate than the Sicilian Mafia in Montreal, which operates more like a hierarchical corporation. “Generally speaking, it’s bloodlines and family. So, to rat out a family member is more difficult and therefore more difficult for law enforcement to penetrate,” he said.

The *CBC News* in Thunder Bay quoted Mafia expert Antonio Nicaso as saying one of the reasons the Calabrian mafia in Toronto is to help launder the proceeds of crime generated from international drug trafficking. “Usually what ’Ndrangheta is looking for is to invest money and to [launder] the money,” said Nicaso. “So they use larger cities where they can hide better than a small community like Thunder Bay.” Nicaso said the ’Ndrangheta brings huge amounts of illegal narcotics money into Canada every year.

Based upon information provided by a “mob insider,” the QMI news agency reported in a story at the end of September that the Calabrian mafia is taking advantage of lax security at the commercial marine port in Windsor, Ontario to move drugs into the country. “The Calabrians gained money and power from their control of the Windsor port. And this control gave them support from drug suppliers and other mob-related people, the majority of whom only cared about money and had no specific allegiance to the Sicilians.”

Antonio Nicaso told the QMI Agency that the use of multiple marine ports is a tactic used by the Calabrian Mafia when smuggling drugs into Europe. “The strategy is to never use the same port,” he said, in order to draw less police attention. According to Nicaso, the ’Ndrangheta use several European ports in cities such as Rotterdam, and Naples. “And I think that in Canada, (Calabrian mobsters) are using the same strategy ... Instead of passing through the same port,

they are looking to find different routes and Windsor offers a perfect alternative to smuggle drugs into the country.”

The QMI article repeated an oft-cited allegation that the Calabrian mafia is behind the violent attacks on Rizzuto mafia members and associates in the last few years. “The Calabrians have since murdered more than 40 members of the Sicilian clan, including Vito’s father, Nick. And according to police sources, the Calabrian Mob, which is based in Ontario, has taken over the Montreal Mafia.”

**Source:** [Toronto Star, October 3, 2012, Mafia figures find refuge in Ontario, Italian police warn;](#) [CBC News \(Thunder Bay\), October 18, 2012, Few Mafia members in Thunder Bay, expert says;](#) [Toronto Sun \[QMI Agency\], September 28, 2012, Windsor port may be playing role in Montreal Mafia wars](#)

---

## **Sicilian Mafia**

In early October, Vito Rizzuto, the alleged head of the Montreal mafia, returned to Canada following eight years of incarceration in an American federal correctional institution.

Peel Regional Police confirmed that Rizzuto arrived at Toronto’s Pearson International Airport on October 5 aboard an Air Canada flight. Police officers were waiting at the arrivals gates for him. The 66-year-old Rizzuto stayed at the airport for only a short time before he departed for an unknown destination.

Rizzuto was extradited to the U.S. in 2006 and pleaded guilty in court the following year for his role in the 1981 murders of three captains in New York’s Bonanno mafia family (of which Rizzuto was a made member). He was sentenced to 10 years; however, given the time he served awaiting extradition in Canada as well as good behaviour in prison, he became eligible for early release in 2012.

Much of the reporting and analysis surrounding Rizzuto’s return to Canada has focused on his next steps given his own mafia family is under attack by rivals and government forces in this country.

“This is the mother of all questions, what will he do now?” mafia expert Antonio Nicaso was quoted as saying in an October 5 story in the *Globe and Mail*. “Seek revenge? Find compromise? Go to another city? Or stay in Montreal? In general terms, I think the only thing we can really expect is more violence.”

As the *National Post* puts it, “Vito Rizzuto has stepped into an unknown world after an eight-year prison stint, with his once-dominant criminal empire decimated by setbacks and his own family devastated by tragedy ... Once Montreal’s undisputed Mafia boss, he returns to a weakened empire and a decimated family at a time when his clan’s grip on Quebec’s construction industry is under the microscope at a provincial corruption inquiry.”

While he was imprisoned, Rizzuto's mafia family was hit hard by major police investigations. In addition, a number of members and associates of his mafia family were murdered. His eldest son Nick was killed in a 2009 shooting. In 2010, Paolo Renda, Rizzuto's brother-in-law, neighbor, and reported consigliere was abducted and is now presumed dead. Later that year, Vito's 86-year-old father Nicolò – the man who anointed his son to become the most powerful Mafiosi in Canada – was killed by a single bullet from a sniper's gun. That same year, Rizzuto's trusted lieutenant, 66-year-old Agostino Cuntrera and his bodyguard were shot to death in front of Cuntrera's restaurant supply business in Montreal. Cuntrera helped pave the way for the ascendance of the Sicilian faction in the Montreal mafia by "eliminating" the Calabrian leadership in the late 1970s.

Even Rizzuto's return to Canada could not stem the violence against made members of his family. On November 4, Guiseppe (Joe) Di Maulo, a long-time member of the Montreal mafia was gunned down just outside his home in Blainville, about 45 minutes north of Montreal. His wife found the body in the driveway of their house. He was 72 years old. Di Maulo was a senior member of the Rizzuto group for more than 30 years. Before that he reported to the Calabrian leadership of the Montreal mafia. Di Maulo was characterized in a November 6 story in the *Globe and Mail* as "skilled mafia diplomat who survived decades in the top echelons of the Montreal mob." He worked his way up the mob hierarchy in the 1960s, "survived the purge of his Calabrian bosses in the late 1970s and early 1980s, and hung on as most of the Rizzuto clan was jailed or killed through the 2000s..." In short, he "built a career sliding easily among the top ranks of the Calabrian and Sicilian regimes that have long ruled Canada's mob." Di Maulo was also successful in staying out of jail; he was convicted in 1971 of participating in a triple murder at a Montreal nightclub, but the verdict was overturned on appeal.

"Police continue to try to unravel the motive for Di Maulo's murder," according to a November 6 story on Canoe.ca. "Sources say it's not clear if Di Maulo was killed because he betrayed Rizzuto or if he was the latest victim of Rizzuto rivals who are suspected to have killed Rizzuto's father, son and several close associates in recent years." As the *Globe and Mail* states, Di Maulo's murder "led quickly to two preferred theories among Quebec's organized crime experts, and Mr. Rizzuto is at the centre of both: The Montreal godfather is either emphatically trying to regain control of his territory, or having authority exercised upon him."

In what would appear to be corroboration of the theory that Rizzuto ordered the hit, the *Globe and Mail* reported that Di Maulo "was linked to a failed attempt to consolidate control [over the Montreal mafia] with Salvatore "The Ironworker" Montagna and Raynald Desjardins, one of the rare francophone Quebecers to rise in the mob ranks. The alliance evidently fell apart. Mr. Montagna was gunned down last year, and Mr. Desjardins (Mr. Di Maulo's brother-in-law) awaits trial accused of the murder."

The QMI Agency quotes former Montreal police investigator Richard Dupuis who said that Di Maulo may have angered Rizzuto for failing to retaliate for the murders of Vito's son and his father. "(Di Maulo) did nothing to protect Vito's interests, assuming he wasn't the one who decapitated Vito's network and his family," Dupuis said.

In addition to the violence that has engulfed his family, a [Quebec government commission](#) examining corruption into the province's public sector construction industry has been presented with testimony and other evidence of the controlling role the Montreal mafia has played in this corruption through its substantial influence over major public sector building contracts in the Montreal region. As the CBC reported on November 24, "The inquiry has heard testimony about how construction executives colluded to decide ahead of time who would win the bidding on public contracts and at what price — and how they would pay a 2.5 per cent cut of the proceeds to the Rizzuto clan." The Toronto Star reported that the commission heard testimony from a contractor in November who said the Rizzuto family used menacing telephone calls and death threats to ensure it maintained control over who won public sector contracts and to ensure it received its cut.

On November 19, Quebec police served Rizzuto with a subpoena to appear before the commission.

Speculation is rife whether Rizzuto will take up residence in Montreal, where he has lived since 1954 and where his home is currently for sale. A few media reports have cited police sources who said that Rizzuto remained in Toronto after arriving at Pearson Airport. Just a few days after returning to Canada, the QMI Agency reported that "Rizzuto has been busy since his return to Canada last week, meeting New York crime figures in Toronto."

An October 18 story in the *Montreal Gazette* cited unnamed police sources who said they had credible information that Rizzuto was in the Saint-Léonard neighbourhood of Montreal, where he attended an appointment.

Wherever he settles, speculation is rampant as to whether he will attempt to retaliate against his enemies (and whether Di Maulo was in fact the first victim of Rizzuto's revenge).

"We are in a state of declared war," retired RCMP organized crime analyst and author Pierre de Champlain said in an interview with the Toronto Star. "All rules and protocols in the Mafia are not applying. Now it is who is faster on the trigger ... I think he is more a man determined to restore his honour by avenging the outrage he received while he was doing time, as his family (criminal associates and blood relations) did not have the opportunity to avenge."

Alternatively, Rizzuto may try to make peace with his enemies, a theory that is supported by his reputation as a man who cooperated with other criminal entities throughout his tenure as head of the Montreal mafia.

**Sources:** [National Post, October 6, 2012, Mafia boss Vito Rizzuto's destination unknown after arriving in Toronto](#); [Globe and Mail, October 05 2012, Police watchful as alleged mob boss Vito Rizzuto returns to Canada](#); [QMI Agency, October 9, 2012, Rizzuto meeting New York crime figures in Toronto: Source](#); [Montreal Gazette, October 18, 2012, Vito Rizzuto seen in Montreal: sources](#); Toronto Star, November 17, 2012, Vito Rizzuto doesn't have to follow Mafia murder codes now: police expert [Canoe.ca, November 6, 2012, Quebec cops on alert for Mafia reprisals](#); [Globe and Mail, November 6, 2012, Montreal man with Mafia ties, Joe Di Maulo, killed in front of his home](#); QMI Agency, November 5, 2012, Mafia associate gunned down north of

Montreal”>QMI Agency, November 5, 2012, Mafia associate gunned down north of Montreal; [CBC News, November 24 2012, Vito Rizzuto summoned to Quebec corruption inquiry](#); [Toronto Star, November 15, 2012, Corruption inquiry: Mafia used intimidation to maintain construction cartel, businessman testifies](#)

[top of page](#)

---

## Outlaw Motorcycle Gangs

Members of the Kelowna chapter of the Hells Angels as well as two associate clubs – the Throttle Lockers and Kingpin Crew – have been charged with trafficking in stolen vehicles out of a Kelowna motorcycle shop. The charges are the result of a six-month investigation into the theft of cars, boats, ATVs, trucks and machinery. John Edward Newcome, who owns Cycle Logic in Kelowna, has been charged with numerous offences related to the possession and trafficking of stolen property.

Meanwhile, the clubhouses of Hells Angels chapters in Kelowna and East Vancouver have been hit with civil forfeiture lawsuits launched by the British Columbia government. The claim uses the *Civil Forfeiture Act*, a provincial law that allows the government to seize property if it is used to facilitate or is the proceeds of criminal activity. A similar civil forfeiture lawsuit was launched against the Nanaimo Hells Angels clubhouse in 2007. The case is still before the courts.

In the latest lawsuit, the Crown alleges the clubhouses in Kelowna and Vancouver’s East End are linked to numerous criminal activities, including drug trafficking, extortion, and even murder. It will be up to a provincial Supreme Court justice to determine whether or not the properties should be forfeited to the Crown.

The documents filed with the Supreme Court of B.C by the Civil Forfeiture Office of the provincial Ministry of Justice say both clubhouses would continue to be used for illegal activities if left in the hands of the biker gang by providing a safe place for them to “conspire with each other or to instruct persons about the commission of unlawful activities.”

“One of the main purposes of the HAMC ... is the facilitation or commission of serious offences that, if committed, would likely result in the direct or indirect receipt of material benefits by some or all of the people who comprise the HAMC or its chapters,” the Civil Forfeiture Office alleges in the suit. Criminal proceeds have been used to “maintain, improve or reduce the indebtedness against the East End HAMC clubhouse and the Kelowna HAMC clubhouse.”

The claim states that the East End clubhouse, located at 3598 East Georgia, and the Kelowna building, at 837 Ellis Street, have “been modified, customized, and equipped to provide protection from detention, potential enemies and police infiltration.”

According to the *Vancouver Sun*, “police raided the East End clubhouse back in July 2005 after a major undercover investigation called E-Pandora. This led to convictions of 13 Hells Angels members and associates for offences including trafficking cocaine and methamphetamine,

extortion, conspiracy, possession of firearms and explosives and contempt of court. The Kelowna clubhouse was raided in August 2012 in connection with another undercover investigation. Several men – including full-patch members— have been charged with trafficking, conspiracy and committing offences on behalf of a criminal organization.

In her blog, *Vancouver Sun* journalist Kim Bolan wrote, “The B.C. director of civil forfeiture isn’t the only government agency going after the assets of the B.C. Hells Angels. The Canada Revenue Agency has also obtained a court order under the Income Tax Act against one of the owners of the Hells Angels Kelowna clubhouse for more than \$319,000. The Federal Court of Canada signed off Sept. 20, 2012 on the CRA claim against Hans Frederick Kurth, an owner of the bikers’ clubhouse at 837 Ellis Street in Kelowna. The taxman has now put a lien on Kurth’s half-interest in the property, which is also the subject of a civil forfeiture suit filed by the B.C. government this week.”

**Sources:** [The Canadian Press, September 5, 2012, Hells Angels, other B.C. bikers implicated in stolen vehicle-trafficking ring](#); [CBC News, November 21, 2012, Hells Angels clubhouses targeted in B.C. lawsuit](#); [Vancouver Sun, November 21, 2012, B.C. government trying to seize Hells Angels clubhouses in east Vancouver, Kelowna](#); [Vancouver Sun, November 22, 2012, Taxman also after some Hells Angels assets](#)

\*\*\*

Kim Bolan of the *Vancouver Sun* reported in October that a [criminal organization](#) charge against an East End Hells Angel was formally stayed in B.C. Supreme Court that month, “ending a long-running series of proceedings against the notorious biker gang.” The charges were laid against John Punko, a member of the East End chapter of the Hells Angels, as a result of Project E-Pandora. According to Bolan, “Federal prosecutor Martha Devlin told Associate Chief Justice Austin Cullen that it was no longer in the public interest to go forward with the case against John Virgil Punko, who is already in jail after several related convictions.”

[Punko and co-accused Randy Potts](#) were originally acquitted on the criminal organization charge in the B.C. Supreme Court. But the Crown successfully appealed the decision to the B.C. Court of Appeal and a new trial was scheduled in the case of Punko. Prosecutors decided not to go forward with the charge against Potts.

Potts and Punko were charged with the criminal organization offence in July 2005 as a result of Project E-Pandora, a two-year investigation targeting the Hells Angels in B.C. The investigation led to the conviction of 13 people linked to the HA in B.C.

**Source:** [Vancouver Sun, October 29, 2012, Criminal organization charge against John Punko stayed](#)

\*\*\*

Police in Moncton, New Brunswick shut down what they are calling a “significant” drug trafficking ring with ties to the Hells Angels in Ontario and Quebec.



According to the CBC, eight people have been charged. In addition, police seized approximately 26,000 methamphetamine pills, 200 amphetamine pills, one kilogram of cocaine and 1.5 kilograms of marijuana. One weapon, \$16,000 in cash and two vehicles were also confiscated by police.

In a press conference held in October, police said that the drugs came from Hamilton, Ontario, where the accused ringleader has ties to the Hells Angels chapter in that city. Police believe Edmundston was being used as the New Brunswick gateway and relay point for the distribution of drugs into the Greater Moncton Area.

The arrests and seizures were the result of a year-long joint force investigation involving the RCMP and the Edmundston Police Force. The investigation began during the summer of 2011 after the RCMP received information from Edmundston police regarding the trafficking of methamphetamine pills. Police managed to infiltrate the group and start making seizures and arrests that summer.

During the investigation, police also learned about a cocaine trafficking network operating in the province. As a result, about 1.5 kilograms of cocaine was seized. Two men arrested as part of this investigation have already pleaded guilty to drug trafficking and were sentenced.

**Source:** [CBC News \(New Brunswick\), October 10, 2012, Hells Angels tied to Moncton drug ring, RCMP say](#)

\*\*\*

The *Hamilton Spectator* reported in December that two Hells Angels members from Hamilton – 42-year-old James Sherwood and 29-year-old Joel Rollin – pleaded guilty in court to extortion. Sherwood was sentenced to three years in jail, but will only have to serve 19 months given the time he has already spent in custody. Sentencing of Rollin was put over to January 29, 2013.

According to the *Hamilton Spectator*,

Deputy Crown attorney Tony Leitch read out in court an agreed statement of facts between their lawyers and the Crown that the pair went to a Greenhill Avenue residence on Aug. 8, 2011, around 6:30 p.m. and entered through an unlocked door. The pair, one of them wearing a gold and diamond necklace with the biker gang's name spelled out, was hired to force two former owners of an east-end bar to transfer a liquor licence in a sale dispute, court heard. Once inside, Sherwood confronted one victim and punched him in the neck. He then demanded the two former owners sign a document to settle the sale of their bar and punched one of them in the face, said Leitch. "In the house were three young people, one still a child," Leitch added. Once the document was signed and before leaving, Sherwood told one victim he was being taxed \$5,000 for mentioning the Hells Angels and had a week to pay or they'd be back to take his car, Leitch said. In asking for a life long prohibition on weapons for Sherwood, Leitch said the assault was more grave than it sounds because of the Hells Angels connection. "The power of the patch was used to carry out the threat so the assault became quite a serious matter," he said, adding that extortion is always a serious matter.

Hamilton Detective Constable Mike Hall of the biker enforcement unit told the media that the victims “showed an incredible amount of courage” in coming forward to make a complaint to police.

**Source:** [Hamilton Spectator, December 20, 2012, Hells Angels members pleaded guilty to extortion and assault](#)

\*\*\*

Jeffrey David Peck, a member of the Manitoba Hells Angels, and another man named Robert Simpson were charged with first-degree murder in connection to a killing that took place in 1982 at the Collin’s Bay correctional facility Institution in Kingston, Ontario. Robert Frank Conroy, who was 19 at the time, was attacked inside his cell block and was pronounced dead of a massive trauma.

Peck – who the *Winnipeg Free Press* refers to as “one of Manitoba’s most notorious bikers” – is a former president of the Los Brovos motorcycle club, which morphed into a Hells Angels chapter in 2000. He has had numerous run-ins with the law, including criminal charges stemming from running an illegal “chop shop” and drug trafficking. He recently was paroled and was living in Winnipeg with his wife.

After he was charged with the murder, Peck was flown from Winnipeg to Ontario and subsequently made a brief appearance in an Ontario Court of Justice courtroom in Kingston. According to the *Ottawa Sun*, Justice of the Peace Sculthorpe “asked him if he knew what he was charged with and Peck indicated that he did. Sculthorpe consequently dispensed with having the charge read and proposed to send Peck’s case directly to Superior Court where a date could be set for a bail hearing.”

Simpson had already entered a guilty plea during his first court appearance and was sentenced to life in prison with no chance of parole for 25 years. According to the *Ottawa Sun*, “Simpson was already serving life for other murders when he entered his plea. Simpson has, by his own admission, killed six people, including Conroy — who was his friend at the time.”

The *Winnipeg Free Press* reported that, for years, rumours were circulating that Peck may have been involved in the killing, but there was insufficient evidence to lay charges. This was due, in part, to the reluctance of potential witnesses to co-operate with investigators.

**Sources:** [innipeg Free Press, November 30, 2012, City biker charged in 30-year-old killing; Co-accused pleads guilty to prison stabbing](#); [Ottawa Sun, November 30, 2012, Jeffrey David Peck appears in court after being charged with first-degree murder in 1982 slaying of Ottawa’s Robert Frank Conroy](#)

\*\*\*

The *Winnipeg Free Press* reported that Jean Paul Beaumont, a high-ranking member of the Rock Machine, died inside the Brandon Correctional Centre on October 14. According to the Free Press, Beaumont was stabbed to death.

Beaumont had served as the sergeant-at-arms of the Rock Machine in Winnipeg. Before that he was a member of the Hells Angels puppet club, the Zig Zag Crew. The *Winnipeg Sun*'s story said that Beaumont was a central figure in a violent conflict between the Rock Machine and the Hells Angels in the summer of 2011.

According to the *Free Press*, Beaumont "had a long criminal record and was charged with repeatedly breaching conditions of his previous bail and probation, including a curfew and driving prohibition." In 1995, he was charged in connection to a shooting during a robbery and handed a 13-year prison sentence. Beaumont's parole was revoked after police said he was present during the 2005 shooting of ex Hells Angel William (Billy) Bowden in March 2005. His most recent arrest was in July of 2011. Before his death, he was slated to stand trial in Winnipeg on his latest round of charges, including dangerous driving, flight from police and several other offences.

**Sources:** [Winnipeg Free Press, October 15, 2012, Rock Machine member dies in Brandon jail](#); [Winnipeg Sun, October 15, 2012, Rock Machine enforcer, dead at Brandon Correctional Centre](#)

\*\*\*

CJAD radio in Montreal reported in October that a new motorcycle club called the Brotherhood has been formed in Laval. According to a story posted on the web site of the radio station:

Members turned up wearing their club colours at the funeral of a Hells Angels in September. Laval police say they've had no trouble with Brotherhood members and the group's president has told the Journal de Montreal that his organization is just a social club. However, observers note that the Brotherhood's logo features the colour purple, similar to that used by the now defunct Hells affiliate in the Montreal region, the Death Riders. Organized crime experts say colour is symbolic in biker gang circles and purple would be an unlikely choice for the Laval club unless the Hells Angels approved it.

**Source:** [CJAD 800, October 3, 2012, Questions about biker club in Laval](#)

---

## Enforcement

The *Vancouver Sun* reported in October that the Combined Forces Special Enforcement Unit of British Columbia – the inter-agency joint task force mandated to investigate gangs and organized crime – has undergone a re-organization. According to the Sun:

Chief Supt. Dan Malo, who heads the Combined Forces Special Enforcement Unit, said the 400 people in his agency will now concentrate their efforts on disrupting and dismantling violent

gangs across the province. That means specialized units within CFSEU that were doing longer-term organized crime investigations and other tasks will be reassigned to tackling B.C.'s gang problem, Malo said. Those longer organized crime probes will now be handled by the RCMP's federal policing section in B.C., which was already responsible for major drug investigations like the one that recently led to charges against some Kelowna Hells Angels. As part of the CFSEU restructuring, the Gang Task Force — formerly a unit within the CFSEU — has been eliminated in name, Malo said in an exclusive interview this week. But the job the GTF was doing — patrolling bars and restaurants for gangsters and associates, seizing guns off the streets and investigating the criminal activities of gangs — will continue using the same officers under the CFSEU banner, Malo said. "So now I have over 400 people who do one thing and that is to keep the public safe and deal with the gang violence," Malo said ... B.C. gangsters and organized criminals will now fall into one of three tiers — with the organized crime targets handled at the national level, the violent gangsters disrupted by Malo's B.C. agency and the young start-ups investigated by municipal police and RCMP detachments. ... A reorganization of B.C.'s anti-gang unit should mean better communication among police officers investigating gang violence and targeted hits, according to Chief Supt. Dan Malo, the man heading it up. ... CFSEU was started in B.C. in 2004 and is made up of 14 agencies, including municipal police forces and RCMP detachments. Sub-groups within CFSEU — such as the Gang Task Force and the Organized Crime Agency — previously had their own bosses and in some cases, their own offices. That sometimes meant the component groups were operating in "silos," limiting effective coordination and intelligence sharing, Malo said. With the new structure, it is "one entire program, one boss, one vision, one mandate, one budget," Malo said. All CFSEU staff will be relocated to the new RCMP headquarters when it opens in Surrey next year, he said.

**Source:** [Vancouver Sun, October 5, 2012, Restructuring of B.C.'s anti-gang unit aims for better police coordination to tackle organized crime](#)

\*\*\*

The CBC in Montreal reported in October that the new director of the Sûreté du Québec was chosen "as part of a government push to crack down on organized crime."

Public Security Minister Stéphane Bergeron told the media that the newly appointed director of Quebec's provincial police, Mario Laprise, has more experience in investigations, which will help achieve the government's aims of fighting organized crime. "We're in a tumultuous period. Steps have to be taken to send clear signals, particularly to organized crime, that this government is determined to do whatever's needed to eradicate organized crime," Bergeron is quoted as saying.

According to the CBC, "Laprise worked for the SQ for 26 years before leaving the force to head up Hydro-Québec's industrial security team in 2005. He headed Operation Carcajou, a joint squad of SQ, RCMP and Montreal police officers created in 1995 and tasked with cracking down on biker gangs."

\*\*\*

In December, Public Safety Minister Vic Toews tabled in the House of Commons a bill entitled the *Safer Witnesses Act*, which will amend the existing *Witness Protection Program Act*. According to a Public Safety Canada press release, the purpose of the amendments will be to “ensure better protection for those whom the program is designed to help. This will be accomplished by enhancing the program and providing better service to other witness protection programs, through:

- improved processes to obtain secure identity changes for witnesses in the provincial program;
- broadened prohibitions against the disclosure of information;
- expanded admissions for national security, national defence and public safety sources; and
- extension of the amount of time emergency protection may be provided.”

The federal witness program, administered by the RCMP, protects witnesses and informants who help law enforcement authorities, particularly in organized crime investigations. A range of services are provided to witnesses, including short-term police protection, permanent relocation, and identity changes. Protection is currently available to witnesses referred from any police service in Canada, as well as from some foreign agencies.

The RCMP’s witness protection program has been under much criticism in recent years, according to the Canadian Press. “Revelations five years ago that a protectee committed a murder while in the program triggered a wave of review. Some members have sued over their treatment in the program, while others have been kicked out. ... The proposed federal changes follow recommendations from a Commons committee, an inquiry into the 1985 Air India bombing and extensive consultations with the provinces.”

**Sources:** [Public Safety Canada Press Release, December 11, 2012, The Harper Government introduces the Safer Witnesses Act](#); [Canadian Press, December 11, 2012, Bill expands witness protection to fight terrorism, organized crime](#)