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3-2013

January to March 2013

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# Organized Crime in Canada: A Quarterly Summary January to March 2013

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## ORGANIZED CRIME ACTIVITIES

### Auto Theft

Provincial police in Quebec broke up an organized auto theft ring in which luxury SUVs and sedans stolen in the province were shipped to Africa by container ship. Police described the auto theft ring as a “structured network.” The majority of the cars were stolen from hotels around Trudeau Airport in Montreal and then stored in a barn outside the city. They were then placed in marine containers, transported to the Port of Montreal and shipped to Africa. At least 12 vehicles were seized by police.

**Source:** [QMI Agency, January 22, 2013, Montreal-Africa car theft ring busted](#)

### Corruption

A Canada Border Services officer who worked at a border crossing between Ontario and Minnesota was fired after it was discovered he “was socializing with organized crime figures and refusing to do secondary examinations on some who’d been tagged for more extensive searches,” CBC News reported.

The officer in question “maintained a social relationship with known organized crime figures in Thunder Bay that operate throughout Canada and internationally,” according to a press release accompanying a report by Public Sector Integrity Commissioner Mario Dion that was presented to Parliament in March. “The officer failed to take enforcement action on these individuals as his duties required. The officer also attempted to evade the law during a police operation at a local bar.”

According to the CBC, the report says officials who investigated the allegations drew the following conclusions:

- The CBSA officer’s off-duty conduct and affiliation with known organized crime figures was highly inappropriate for a law enforcement officer and had the potential to harm the CBSA’s reputation.
- Very reliable sources, including law enforcement agencies, described one of the individuals that the officer refused to search as a “participant” in the “number one criminal organization” in Ontario.
- During the interview with the investigators, the CBSA officer confirmed that he was a friend of the participant and that he would frequently see him at social events.

The relationship came to police attention during the course of a drug investigation called Project Dolphin, in which 14 people were charged in 2011 and 2012. Police say they seized \$2.1 million in drugs and almost \$500,000 in cash and property as a result of the investigation. The CBSA officer was caught up in a police raid at a local bar along with two known associates of the organization behind the drug trafficking conspiracy. According to the report, police arrested those associates while the CBSA officer “identified himself as a CBSA employee as a means to evade the law.” While he was dismissed from the CBSA, the border official was not charged with any criminal offence.

**Source:** [CBC News, March 7, 2013, Border agent fired for giving organized crime pals a pass](#)

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The Charbonneau Commission in Quebec, which is investigating corruption in Montreal’s public contract tendering system, continued through the first quarter of 2013. [Previous testimony and other evidence](#) alleged an influential role of the Rizzuto mafia family in determining who the successful bidders on public contracts would be and the cut the family received from the winning companies.

More recently, the Commission heard from Nicolo Milioto, who is accused of acting as the middleman between Quebec’s construction industry and the Montreal mafia. Specifically, it is alleged that he served as the “bagman” – delivering cash to members of the Rizzuto family from construction companies. According to [CBC News](#),

Milioto’s name has come up in the testimony of numerous witnesses who have appeared before the commission. An RCMP officer who presented police surveillance video captured at the Consenza Social Club, a hangout of the Montreal Mafia, described Milioto as the intermediary between the industry and organized crime. Another construction entrepreneur, Lino Zambito, told the commission he paid his cut to the Mob through Milioto, who he said would arrange to

meet at any of a variety of locations. Milioto admitted to taking money from Zambito and delivering it to Nicolo Rizzuto Sr., but claims he was simply making a delivery and didn't know what the money was for.

Milioto denied the allegations that he was responsible for collecting a 2.5 per cent "tax" payable to the Rizzuto family from Montreal-area construction companies who won city contracts. He told the commission that cash he handed over to Nicolo Rizzuto and others – which was caught on police surveillance video – was either payments on a loan he received from Rizzuto, the cash given to him from Zambito, or cash collected for the social club. "Milioto said he didn't know what Zambito's payment would have been for, but he assumed it was because his fellow construction boss had been having money problems and had sought help from the Rizzutos," according to a [Canadian Press report](#).

In his sometimes emotional testimony to the Commission, Milioto said he has never been a member of the mafia. "I'm a member of a company, Mivela construction, that I founded ... to make a life for my family. Because I did a favour for someone you suggest is the head of the Mafia, you've brought down 45 years of work I did for my family."

Milioto did admit to being friends with Nicolo Rizzuto, who hails from the same village in Sicily where he was born.

While testifying before the commission, Milioto was shown the surveillance video in which Nicolo Rizzuto and another man are counting piles of money in the back room of Consenza Social Club, which served as an unofficial headquarters for members of the Montreal Mafia. In the video, Milioto is seen bringing in a bag filled with bills and then takes part in counting them. The cash is separated into seven piles. Rizzuto then hands Milioto some bills, which he puts in his jacket.

"Mr. Rizzuto could have asked me to do him a favour and gave me \$100 or \$200 .... It's possible he gave it to me to do an errand — buy something for him," Milioto said when pressed on why he was taking a portion of the cash that he said was intended for Rizzuto.

A few minutes later in the video, Milioto takes more of the cash and puts it in his socks. At first, Milioto said Rizzuto had never given him cash, but did lend him money on one occasion.

Police testifying at the Commission said that surveillance video captured Milioto at the social club on 236 separate occasions. Milioto explained that he often wandered in because his butcher shop happened to be next door.

Sources: [CBC News, February 19, 2013, Mr. Sidewalk tells commission 'I'm not a member of organized crime'](#) ; [Canadian Press, February 18 2013, Retired construction company owner Nicolo Milioto, known as "Mr.Sidewalk," testifies at the Charbonneau Inquiry in Montreal on Monday](#)

## Counterfeiting

The RCMP, along with local police forces, searched two dozen businesses in the Montreal area at the end of March as part of a 10-month-long investigation into counterfeit and re-used postage stamps, according to a [RCMP News Release](#).

Inspectors from Canada Post and the RCMP in Montreal and Toronto have been investigating allegations that a network of stamp counterfeiters had been churning out thousands of fakes. According to the CBC, since May of 2012, “authorities have seized 40,000 fake stamps and 10,000 re-used stamps. The re-used stamps were sold online.” The counterfeits were sold in convenience stores in Toronto and Montreal individually or in booklets of 10, according to the RCMP. Five people were arrested and charged in that particular case; two in Toronto and the others in Montreal. Those arrested were only the distributors of the forged stamps; the counterfeiters have yet to be captured.

According to the RCMP, “Based on the parallel investigations by the Montréal and Toronto RCMP, it appears that the stamps seized originated from the same source of distribution. The stamps feature the same series of images, i.e. a portrait of the Queen, images of the Vancouver Olympics, and photos of Canadian lighthouses.”

A spokesperson for Canada Post said that fraud cost the crown corporation approximately \$2.6 million. According to the CBC, Canada Post now has team of 80 inspectors to catch counterfeiters.

Richard Gratton, the secretary of the Luxembourg-based International Philatelic Federation and a consultant to Canada Post, told the [CBC News](#) that there are between five and 10 million counterfeit stamps in circulation as postage in Canada in any given year. He estimates that counterfeit stamps cost Canada Post as much as \$10 million annually. He said the move to permanent stamps (with no amount specified) on self-stick paper is relatively easy to replicate. “Gratton says he has seen 32 different counterfeit Canadian stamps, and in 2010, he looked at 27,000 envelopes and found almost one per cent — 0.65 per cent — had been posted with counterfeit stamps,” according to the CBC.

**Sources:** [RCMP News Release, March 29, 2011, Thousands of Counterfeit Postage Stamps Seized in Montréal and Toronto](#); [CBC News, March 13, 2013, Counterfeit stamps cost Canada Post millions a year, expert says](#)

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Four people from the same Pickering, Ontario home were charged after police discovered \$750,000 in counterfeit designer clothes from stores in Toronto and Oshawa. According to [Durhamregion.com](#),

Members of the Durham Regional Police Major Fraud Unit – Organized Crime Section, along with members of the Toronto Police Financial Crimes Unit and the OPP Organized Crime Enforcement Branch executed three search warrants in Toronto, Pickering and Oshawa on

Wednesday, March 27. Officers searched the businesses of Baba Fashions on Simcoe Street South in Oshawa, ATQ Clothing Brand House on Dufferin Street in Toronto and a residence on Rosefield Road in Pickering. Counterfeit merchandise including clothing, shoes, accessories and sunglasses of various brand names were seized along with evidence of the manufacturing of counterfeit clothing, police said. The approximate value of the merchandise seized is approximately \$750,000.

The four people arrested were charged with fraud over \$5,000, conspiracy to commit fraud over \$5,000, possession of property obtained by crime for the purpose of trafficking, trafficking in property obtained by crime, and possession of property obtained by crime exceeding \$5,000.

**Sources:** [Toronto Star, March 29, 2013, Counterfeit clothing found at Toronto, Oshawa clothing stores](#); [Durhamregion.com, March 30, 2012, Four Pickering residents charged in fraud scheme](#)  
[Stores in Oshawa, Pickering targeted by police](#)

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On March 1, the federal government announced the tabling of new legislation entitled the *Combating Counterfeit Products Act*. An [Industry Canada news release](#) said the legislation “will provide the Canada Border Services Agency (CBSA) with the authority to take action against the commercial movement of counterfeit goods at the border, and will also include new criminal offences for commercial trademark counterfeiting.”

In a backgrounder accompanying the news release, the federal government asserted, the “best way to stop illegal counterfeiting is to prevent commercial counterfeit goods from being sold and distributed in Canada.” As such, the legislation focuses on bolstering “Canada’s enforcement regime at the border and domestically, and will address the negative impacts of counterfeit goods by:

- giving border officers the authority to detain suspected shipments and contact the rights holders;
- allowing Canadian businesses to file a “request for assistance” with the Canada Border Services Agency (CBSA), in turn, enabling border officers to share information with rights holders regarding suspect shipments;
- providing new criminal offences for the commercial possession, manufacture or trafficking of trademark counterfeit goods;
- providing legitimate owners with new tools to protect their rights and take civil action against infringers;
- creating new offences for trademark counterfeiting; and
- providing better tools to investigate commercial counterfeiting.”

In its [own news release](#), the Canadian Anti-Counterfeiting Network (CACN) expressed its support for the legislation saying it “has been a long-time coming after many years of advocacy on the issue.” Wayne Edwards, the Chair of CACN, is quoted in the news release as saying, “Counterfeiting has grown into a criminal activity that supports everything from organized crime to terrorism. That was mainly because in the current landscape, the risk of getting caught is low while the profit margin is extremely high. With this new legislation, the risk assessment will begin to change ... The Combating Counterfeit Products Act is recognition that Intellectual

Property theft is a very wide-spread problem that is growing and that partnerships between law enforcement, industry, government and retail are required.”

According to Industry Canada, “the value of counterfeit goods seized by the Royal Canadian Mounted Police surpassed \$38 million in 2012, a five-fold increase since 2005.”

**Sources:** [Industry Canada News Release, March 1, 2013, Harper Government Protecting Canadians from Counterfeit Goods](#); [Industry Canada Backgrounder, March 1, 2013, Combating Counterfeit Products Coming into Canada](#); [Canada NewsWire, March 4, 2013, CACN Welcomes Introduction of Anti-Counterfeiting Legislation](#)

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## **Drug Smuggling and Trafficking**

### **Poly Drug Trafficking (Marijuana and Cocaine)**

A Quebec man described as an associate to Montreal Mafia boss Vito Rizzuto has been accused of orchestrating a \$1-billion drug trafficking network that allegedly transported marijuana to New York and other cities along the U.S. eastern seaboard and then funnelled cocaine back into Canada.

On February 12, Assistant U.S. Attorney Steven Tiscione announced in a New York courtroom that six men – five of whom are Canadian – had been arrested and charged with various drug trafficking, conspiracy, and money laundering charges. Of the six men, thirty-three-year-old Jimmy Cournoyer of Laval, Quebec was named as the central figure in the trafficking ring.

The [New York Post](#) first reported on the case in January, writing “A rogues’-gallery alliance among the Canadian Mafia, outlaw bikers and a Mexican drug cartel supplied New York City with nearly a billion dollars in marijuana until the feds crashed the party, according to authorities and new court documents.” The arrests and charges were the culmination of a five-year investigation involving the U.S. Drug Enforcement Administration and police in Quebec. Cournoyer was arrested in the spring of 2012 after stepping off a jet in Mexico. He was then flown to New York City to stand trial.

Court documents filed by U.S. prosecutors allege that the marijuana was cultivated in British Columbia and then transported to Quebec, where it was then smuggled across the through the Mohawk First Nation’s Akwesasne reserve, which straddles the Quebec-New York state border.

Cournoyer organized the “vast international drug-trafficking enterprise that has been in existence for more than a decade,” U.S. Attorney Tiscione stated in documents submitted to the court. “The illegal narcotics distributed worldwide by members of the criminal enterprise have a retail value of more than \$1 billion, conservatively.” Prosecutors estimated that Cournoyer’s network smuggled “tens of thousands of kilograms of hydroponic marijuana into the United States from Canada.”

According to the New York Post, Cournoyer worked with a veritable “who’s who” of organized crime in Canada, the United States and Mexico:

One of Cournoyer’s biggest customers in New York City was reputed Bonanno crime-family associate John “Big Man” Venizelos, who is currently out on bail in the case, according to sources and the documents. The pot supply under his domain was transported in motor homes and trucks across Canada with the help of the Hells Angels, officials said. The motorcycle gang and the Montreal mob then smuggled the pot from Quebec into upstate New York, authorities said. Trucks delivered it to a warehouse in Brooklyn, sources said. Millions of dollars generated by the marijuana sales were eventually used to buy cocaine from Joaquin Guzmán Loera, the leader of the notorious Sinaloa drug cartel — with the sale of the coke further financing the marijuana operation in Canada, feds say.

John Venizelos is the only American arrested and charged as part of this case.

[The National Post](#) in Canada also reported that a personal phone number for alleged Montreal mafia boss Vito Rizzuto was found saved in Cournoyer’s cell phone.

The alleged contact between Mr. Rizzuto and a man now facing charges in the United States is another link to emerge between the Quebec man and “the highest level of Mafia leadership,” U.S. prosecutors said. “At the time of his arrest, Canadian law enforcement seized a telephone from Taloni that contained contact numbers for a number of prominent members of the Montreal Mafia – including Vito Rizzuto, the boss of the Rizzuto crime family, alternatively referred to as ‘The Sixth Family.’ Members of the Cournoyer enterprise had direct contact with the highest levels of Mafia leadership. Multiple witnesses will testify that Cournoyer was backed by the Hells Angels and the Montreal Mafia (specifically, the Rizzuto Crime Family) — two of the most violent organized crime groups in Canada,” Mr. Tiscione wrote in a document submitted in court ... “The Rizzutos have strong historic ties to New York’s Bonanno crime family — the same crime family of which Venizelos is an associate. Indeed, Vito Rizzuto was released only a few months ago from a U.S. prison, where he was serving a sentence for his involvement in a triple-murder committed at the direction of the Bonanno family ruling panel,” Mr. Tiscione told court.

Prosecutors claim that Cournoyer built his \$1-billion drug empire by “gaining control over ports and customs checkpoints through a combination of covert operations and outright political corruption” and abusing “sovereign tribal lands” on First Nations’ reserves “that are almost impossible to police,” according to a [February 6 story in the National Post](#). “When enterprise leader Jimmy Cournoyer sought to travel into the United States without detection, he employed the services of co-conspirators in the United States to obtain fraudulent travel documents for him under an assumed name,” state documents filed in court by U.S. federal prosecutors.

Cournoyer had previously been convicted in Canada on drug charges, a gun charge and reckless driving causing death. He was released on full parole in 2009.

Assistant U.S. Attorney Steven Tiscione also told the court they have evidence “Cournoyer has \$2 million set aside to pay for the murder of cooperating witnesses.” The evidence for this



accusation came from a message that John Venizelos had allegedly sent to a man suspected of cooperating with authorities after Cournoyer and the others were arrested. That message reads: “U just got to hope they never find out u said a word,” the message starts ... Seriously bro. I know he has like 2 mil away just to pay guys to handle that once he [is] sentenced.” Cournoyer’s New York lawyer, Gerald McMahon, denied the allegations.

**Sources:** [New York Post, January 14, 2013, Alliance between Mafia, bikers and cartel fueled NYC’s marijuana trade: DEA probe](#); [National Post, February 12, 2013, Quebec playboy accused of running \\$1-billion drug empire linked to Montreal Mafia boss Vito Rizzuto, prosecutors say](#); [National Post, February 6, 2013, Decoded BlackBerry messages show Quebec playboy accused of pot smuggling has \\$2M ‘assassination fund’: prosecutors](#)

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At the end of March, CBC News ran a series of articles on drug smuggling into this country based on Canada Border Services Agency data it had obtained through an Access to Information request. Citing the data, the CBC estimated that between 2007 and 2012, illegal drugs worth approximately \$5.5 billion were seized at official points of entry into Canada.

Based on the data, the CBC reported the following:

Drug busts by the Canada Border Services Agency rose 10 per cent between 2007 and 2012 ... The top drugs seized in Canada over the six-year period were GHB, often called the date-rape drug, marijuana and cocaine, totalling \$1.4 billion, \$1.3 billion and \$1 billion, respectively ([CBC, March 27, 2013](#)).

China was the largest single source of drugs seized between 2007 and 2012, most of it in the form of substances often referred to as date rape drugs. The bulk of the \$1.5 billion total of drugs seized from China was from a single bust in Montreal in 2009 that intercepted a shipment of GHB, valued at \$1.4 billion. Although the number of seizures of drugs from China — 1,879 over the six years — is lower than some other countries, China is becoming a real concern, said the RCMP’s Ken Cornell, who heads one of the force’s anti-drug smuggling divisions ... It is one of the reasons the RCMP signed a memorandum of understanding with China in 2010 to share intelligence with an eye to combating smugglers. The top 5 drug sources for Canada (for 2007-12), based on the number of seizures and total value of the drugs seized: China (1,879, \$1.5B); Germany (348, \$1.4B); U.S. (12,330, \$539.4M); Pakistan (1,160, \$437.7M); Unknown (13,337, \$277.3M) ([CBC, March 28, 2013](#)).

B.C. has become the top destination for smuggling ketamine into Canada, much of it coming from Hong Kong and China ... The CBSA says it has seized over \$128 million worth of ketamine at B.C.’s border points over the past six years – a dollar value more than double that of ketamine seizures in Ontario and Quebec combined. Just over two years ago, authorities discovered 1,000 kilograms of ketamine, which they valued at \$15 million, in a container shipment of coffee mugs from Hong Kong ... Since 2007, the CBSA recorded just 20 seizures of shipments of ketamine at B.C.’s border points – which include airports, land crossings, ports, and mail centres – but estimated the value of some of those individual shipments in the tens of millions of dollars ([CBC, March 27, 2013](#)).

Montreal is one of the hot spots in the country when it comes to drug smuggling, and it accounted for nearly 60 per cent of the more than \$5.5 billion worth of drugs seized by the Canada Border Services Agency over the past six years ... “Montreal gets a lot of volume,” says Ken Cornell, the sergeant in charge of the RCMP program that tackles synthetic drugs like Ecstasy. ... Cornell says organized criminals create a huge demand, and Montreal is a hub for many of the goods coming into Canada east of Ontario. “You have to appreciate that everything that comes through Halifax at the container terminal goes to Montreal. Everything that comes off the ships in Halifax also forms part of their seizures in Montreal. A lot comes from the train from the East Coast into Montreal and that’s where it’s cleared first.” said Cornell. Ron Moran, former National President of the Customs and Immigration Union of Canada, said the numbers are alarming, but not surprising. “Unfortunately, Montreal is known as being the ... primary entry point for drugs for the Canadian and North American market.”

More cocaine has been seized entering Canada at the Ambassador Bridge than at any other land border crossing in the country. During the last six years, the Canadian Border Services Agency made 13 cocaine busts at the international crossing in Windsor ... The drugs were worth \$91.5 million. More busts were made at four other border crossing, but none worth more in totality than Windsor. Crown attorney Richard Pollock has prosecuted many of the recent smuggling cases. He said the increasing strength of the Mexican drug cartels are fuelling the increase. “We’re not as far away as we really think,” he said of the drug cartels. “The transportation hub appears to be in California and Texas, land crossings using commercial trucks.” Geography that puts Windsor right in the centre of a very lucrative and dangerous drug trade, running from the southern U.S. to Montreal. “We know that that cocaine is coming through our border but it’s being distributed throughout the country,” Windsor police spokesperson Sgt. Matt D’asti said ([CBC News, March 28, 2013](#)).

In 2010 there were 39 drug busts [at official ports of entry] in Halifax, compared to 31 in 2011 and 28 busts in 2012. The majority of drug busts in the Halifax region do not occur at the [commercial marine] port, they happen at Halifax’s Stanfield International Airport. ... But the biggest “hauls” in terms of volume by far come through the port. Close to \$200 million worth of illegal drugs have been seized in the last six years — most of that hash, heroin, and cocaine primarily coming from Pakistan, Venezuela and Chile. ... The RCMP says most of the drugs coming through the port are destined for Montreal and beyond. But the airport is a different situation. “Our information and intelligence reveal that cocaine, marijuana and ecstasy are the more common drugs of abuse across Nova Scotia and that would likely lend more parallel to the airport scenario than the port scenario,” said RCMP Sgt. Keith MacKinnon ... The [CBSA] database has at least one glaring omission from its list of busts, a seizure of 188 kilograms of ketamine at the Halifax port last fall.

In [March, the CBC also ran a story](#) with the headline “Drugs increasingly being smuggled into Canada by truckers. Cocaine moving via land from Mexico on trucks bound for Canada.”

At least a dozen truckers from the Greater Toronto Area have been charged with smuggling drugs into Canada in recent years, a trend that appears rooted in the changing nature of the drug trade. Richard Pollock has prosecuted many of the cases involving the truckers from the GTA, which he says have involved millions of dollars of cocaine being moved on trucks headed to

Canadian destinations. “They’re usually multi-kilo seizures, anywhere from 15 to 150 kilos,” Pollock told CBC News in a recent interview. In one of the most recent cases, a Mississauga man has been accused of trying to import \$10-million worth of cocaine into Canada. It was found inside a shipment that was sent from California. In Windsor, Ont., another man from Peel Region is currently on trial for attempting to smuggle 69 kilograms of cocaine into Canada, which is estimated to be worth \$7-million on the street. ... Cocaine is now being moved across the border via land, rather than through the ports that were used in smuggling operations in the past. “All the cocaine in Canada, pretty much, likely comes via Mexico at this point and time,” Pollock said.

Documents obtained by the [QMI news agency](#), “show the U.S. Drug Enforcement Administration (DEA) considers the Akwesasne Mohawk reserve a key transit point for contraband. The reserve straddles Ontario, Quebec and New York state and has long been considered a weak point in the security perimeter between Canada and the U.S.” The DEA’s concerns are detailed in documents filed in court in New York City in relation to the Canadian drug smuggling ring allegedly run by Jimmy Cournoyer. According to QMI, the DEA court filings, say the federal agency is also targeting other Canadian gangs. “Since 2007, our Long Island division has been investigating several large-scale drug trafficking organizations that are and international in scope, based in Montreal, Canada.” The networks are described as “consortiums” that bring together independent partners connected to the Hells Angels, the Mafia and Asian triads.

As part of its series on drug smuggling, the CBC also reported on concerns that cuts to the budget of the Canada Border Services Agency will have a detrimental impact on the agency’s ability to effectively interdict drugs and other contraband smuggled into the country. Estimates are that the CBSA only interdicts five per cent of the drugs actually making it in to Canada and the union representing CBSA personnel says federal government austerity measures may reduce that even further. In the 2012 budget, the Harper government announced the CBSA’s budget would be cut by 10 per cent. The union said it expects that will mean the loss of 325 frontline officers, including 56 intelligence agents, and an overall cut of 1,350 positions.

Those cuts are on top of declining numbers of people being hired by the CBSA annually. In a formal response to a question from the NDP on the cuts, the CBSA said its annual hiring went from an all-time high of 1,037 new officers in fiscal year 2007/08 to 222 in 2011/12. In addition, the agency lost at least two sniffer dogs, which are an essential part of the CBSA’s drug interdiction resources.

Management officials with the CBSA refused to comment on the budget cuts, but did tell the CBC in an e-mail that the agency will take “a risk-based approach and focus intelligence activities on priority areas” to maintain its ability to interdict smuggled contraband, while attempting to minimize the impact of cuts on frontline services for travellers and businesses.

**Sources:** [CBC News, March 27, 2013, B.C. top gateway for smuggling party drug into Canada](#); [CBC News, March 27, 2013, Montreal home to majority of Canada’s drug seizures over past 6 years](#); [CBC News, March 28, 2013, Date rape drug busts put China at top of border agency’s list](#); [CBC News, March 28, 2013, Ambassador Bridge leads Canada in cocaine seized](#); [CBC](#)

[News, March 28, 2013, Border cuts could be letting drugs slip through: union](#); [CBC News, March 26 2013, Drugs increasingly being smuggled into Canada by truckers](#); [QMI Agency, January 16, 2013, Cdn drug rings a scourge for U.S.: Court docs](#)

## **Cocaine**

The Canada Border Services Agency reported on March 6 that they seized approximately 32 kilograms of cocaine disguised as soy milk at Montreal's Pierre Elliot Trudeau International Airport. The drugs were discovered on February 27 in the suitcases of a traveller arriving on a flight from Jamaica. Officers searched the two suitcases and discovered the drugs hidden inside 63 containers of powdered soy milk. The traveller was arrested and is facing charges.

**Sources:** [Canada Border Services Agency New Release, March 6, 2013, The CBSA seizes 31.9 kg of suspected cocaine from a traveller's suitcases at Montréal-Trudeau Airport](#); [CBC News, March 6, 2013, Cocaine hidden in soy milk seized at Montreal airport](#)

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On March 4, the CBSA announced three separate seizures of suspected cocaine over the course of four days at Pearson International Airport in Toronto and the John C. Munro Airport in Hamilton.

The first seizure took place on February 1, 2013 at Pearson airport, when border services agents intercepted packages of cocaine concealed in a mail bag arriving on a flight from Jamaica. Inside, officers found six sealed packages of suspected cocaine weighing nearly six kilograms in total.

On February 3, 2013, a male traveller arriving from Venezuela arriving at Pearson was referred for a secondary examination. According to a CBSA news release, "Officers noted the traveller's suitcase was unusually heavy despite having been emptied of its contents. X-ray examination revealed inconsistencies in the body of the suitcase and an ion scan of the inside of the bag resulted positive for cocaine. Approximately three kilograms of cocaine was found concealed along the body and sides of the suitcase."

The third seizure took place on February 4, 2013 after CBSA officers at the John C. Munro International Airport in Hamilton examined a courier shipment declared as coffee. "Within a package of coffee beans, officers discovered a number of brown pellets containing suspected cocaine. The pellets contained approximately 71.5 grams of suspected cocaine," the CBSA stated in its new release.

**Source:** [Canada Border Services Agency New Release, March 5, 2013, CBSA intercepts nearly 9 kilograms of cocaine at Toronto and Hamilton Airports](#)

## **Heroin**

On January 14, 2013, CBSA officials in Montreal announced that the agency seized nearly two kilograms of heroin at the Léo Blanchette Mail Processing Centre in that city. The package,

which contained rugs and was declared as gifts, was set aside for a secondary examination on January 3, 2013. According to the CBSA press release, “When the parcel was opened, the four rugs gave off a fragrant odour. Although no substance was visible, the officers scratched and unravelled the rug fibres, which released a brown powder hidden in the wool of the rugs. A detector dog was brought in to assist and reacted to the scent. The various detection tools used confirmed the presence of about two kilograms of suspected heroin, worth an estimated C\$800,000.”

**Source:** [Canada Border Services Agency New Release, January 14, 2013, CBSA officers at Montréal-Mirabel International Airport make a significant drug seizure](#)

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On January 30, the CBSA announced that its officials at Montréal-Trudeau Airport seized 3.1 kilograms of heroin. The heroin was found in the suitcase of a traveller arriving from Qatar on January 23. Border services officials took X-rays of the suitcase revealing a false bottom. Officers then drilled a hole in the suitcase and a white powder escaped, which later tested to be heroin.

**Source:** [Canada Border Services Agency New Release, March 5, 2013, The CBSA seizes 3.1 kilos of heroin in a traveller’s suitcase at Montréal-Trudeau Airport](#)

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On February 19, CBSA personnel at Pearson Airport found 10.6 kilograms of heroin in luggage unloaded off a flight from Pakistan. The street value of the heroin was estimated at \$4 million. CBSA officials identified several suspicious pieces of baggage and sent them for further investigation. Inside one, agents found yellow bundles filled with a narcotic that tested to be heroin. No arrests were made at the time.

**Source:** [Toronto Star, March 11, 2013, \\$4M worth of heroin seized at Pearson](#)

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On February 27, CBSA commercial operations personnel were examining a shipment of crafts that arrived from Uganda that day and noticed anomalies with the parcel. When they opened a wooden carving of a gorilla, inspection personnel discovered 65 grams of heroin.

**Source:** [Calgary Herald, March 6, 2013, Calgary border guards find heroin inside gorilla statue from Uganda](#)

## **Marijuana**

### **British Columbia**

At the end of December 2012, the Prince George RCMP arrested three men following the discovery of a marijuana grow-op, which at the time of the bust, had 1,569 plants in various

stages of growth. Police also seized the equipment used to grow the cannabis, as well as evidence related to the electricity theft (a bypass had been used to steal the electricity to power the operation). The estimated street value of the seizure was about \$1.5 million. The three men face charges of production of a controlled substance, possession of a controlled substance for the purpose of trafficking, and theft of telecommunications.

**Source:** [Vancouver Sun December 27, 2012, Three men arrested in \\$1.5 million Prince George drug bust](#)

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In February, the RCMP discovered a grow-op in an underground bunker in Sorrento, B.C., located northeast of Kamloops. There were around 7,000 marijuana plants in various growth stages inside a concealed space constructed beneath a hay shed on a rural property. An RCMP spokesperson said the grow op is believed to be part of a larger network currently being investigated by the RCMP in Salmon Arm, BC. A 52-year-old man arrested at the scene is facing charges of production of a controlled substance.

**Source:** [The Canadian Press, February 10, 2013, RCMP bust clandestine bunker grow-op in B.C. Interior](#)

## **Alberta**

The RCMP in Strathmore seized 840 marijuana plants from a grow op located on a farm near the Village of Rockyford in Alberta. The grow operation was inside a shop on a rural property on Highway 564 and was powered by a sophisticated electrical system. Three men arrested at the scene were charged.

**Source:** [Calgary Herald, February 5, 2013, Strathmore RCMP find 82 kilos of pot in grow-op bust](#)

## **Manitoba**

In January, Winnipeg police seized around 23 kilos of marijuana and \$2,400 in cash from two suitcases they found at the Via train station on January 24. Two men were charged with drug trafficking, possession of drugs for the purposes of trafficking and possession of proceeds of crime. Both men are from the Ontario area, police told the media.

**Source:** [Winnipeg Sun, January 25, 2013, Police seize 50 pounds of marijuana, plus cash, from baggage car at Via rail station 4](#)

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In February, police seized 656 marijuana plants, worth around \$735,000, from a grow operation on St. Mary's Road in Winnipeg. The grow-op was powered through an illegal electricity hook-up. A 49-year-old man was arrested and faces two counts of possession of marijuana for the

purpose of trafficking, and single counts of production of marijuana and theft of communications.

**Source:** [Winnipeg Sun, February 01, 2013, Grow op busted on St. Mary's Road](#)

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On March 15, police raided a home in Winnipeg and seized a variety of drugs. According to a Winnipeg Police news release, the following was seized from the home:

- 411 marihuana plants with an estimated street value of \$460,320
- 15 pounds of dry packaged marihuana with an estimated street value of \$15,000
- 155 grams of dry marihuana with an estimated street value of \$1,550
- 18 grams of Psilocybin Mushrooms with an estimated street value of \$270
- Grow equipment valued at \$35,000
- \$2,875 in Canadian currency

A 49-year-old woman and 21-year-old man were arrested and face multiple drug charges.

**Source:** [Winnipeg Police Service Media Release, March 16, 2013, Grow Operation Arrests](#)

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On March 21, police seized 1,360 marijuana plants, with a street value of around \$1,523,000 from a home in the Linden Woods, a community in the southwest of Winnipeg. Police also confiscated around 18 pounds of marijuana that had already been packaged (worth around \$45,000) \$1,150 in cash, and \$25,000 worth of grow equipment. A 41-year-old woman and 55-year-old man are facing numerous drug-related offences in connection to the grow-op.

**Source:** [Winnipeg Sun, March 22, 2013, \\$1.5M pot bust in Lindenwoods](#)

## **Ontario**

In March, the RCMP and the Hamilton Police Service announced that several members of an Ontario family, as well as associates, were charged after it was discovered they had generated hundreds of thousands of dollars in profits from the “egregious exploitation” of Canada’s medical marijuana laws.

Police told the media the Hamilton-based group obtained “several dozen” licences to produce marijuana under the guise it was for medical purposes. However, police allege that most of the pot was sold on the black market. In effect, the group was running a highly profitable marijuana grow operation whose distribution network stretched to Newfoundland, police claim.

In all, 12 people were charged with a variety of offences, including participation in a criminal organization, conspiracy to traffic in a controlled substance, production of a controlled substance, and possession for the purpose of trafficking a controlled substance. As part of the investigation, police seized 240 marijuana plants.

Police said that members of the Hamilton family and their associates — including their lawyer — obtained dozens of licences to grow medicinal marijuana from Health Canada to develop a “profitable, and seemingly legal, marijuana grow operation.” Following surveillance on the group, the police investigation uncovered “hallmark indicators” of a “well-disciplined” criminal organization. The [Hamilton Spectator](#) reported that the alleged leader of the group, 48-year-old Andre Gravelle is already serving a sentence for drug charges stemming from a 2008 international hash-oil smuggling investigation centered in Nova Scotia. Also charged in the investigation was Hamilton lawyer Ira Greenspoon. He was charged with counselling to commit an indictable offence.

A spokesman for Health Canada, which distributes licences for the legal production of medicinal marijuana, told the media that cases like this is why the federal government is looking to phase out the distribution of licences for home production. The spokesperson said he could not say how many people have been caught defrauding the system but said “the government is concerned that the current medical marijuana access program is open to abuse.” Health Minister Leona Aglukkaq announced in December of 2012 that the government was moving toward eliminating all personal production in favour of a new industry of licensed commercial producers. Officials believe this will allow for more control over production in Canada.

**Sources:** [Hamilton Spectator, March 8, 2013, André Gravelle, 11 others, charged in medical marijuana bust](#); [Postmedia News March 7, 2013, Abuse of medical marijuana access program forces Health Canada to rethink production licensing](#)

## **Illegal Gambling and Bookmaking**

On February 4, the Combined Forces Special Enforcement Unit (CFSEU) of Greater Toronto announced it had arrested six men for numerous offences related to illegal gaming following the execution of a search warrant in the Markham the previous day. According to a [CFSEU press release dated February 4](#),

the lengthy, joint-forces investigation revealed that large-scale illegal gaming was taking place on an off-shore website called Platinum Sports Book.com. The website, allegedly being run by organized crime, is host to thousands of gamblers whose wagers result in millions of dollars in profit for organized crime. The warrant was executed at an invitation-only annual gambling event for the website gamers, held on Super Bowl Sunday. On February 3, 2013, at approximately 7 p.m., officers from several CFSEU-member services executed a search warrant and found 3,000 people participating in an illegal gaming event held at Le Parc Dining and Banquet Ltd., located at 8432 Leslie Street. Using computer terminals supplied by organizers of the event, participants allegedly placed illegal online wagers through the Platinum Sports Book website. As a result of the warrant, six men were arrested and will be facing numerous gaming offences including Bookmaking, Participating in or Contributing to an Activity of a Criminal Organization, Keeping a Common Betting House and Conspiracy. Police allege these accused are the principles of the Platinum Sports Book website and the ones who are profiting from the illegal gaming. No charges were laid against the people participating in the event as the focus of the investigation continues to be those now accused of profiting from the illegal enterprise. In addition to the search warrant executed at the event, six additional search warrants were



simultaneously executed at the residences of the accused. Ten search warrants were executed at Le Parc and the residences of the accused and more than \$2.5 million cash was seized as well as computers, cell phones and business records.

A month later, on March 5, [the CFSEU issued a news release](#) indicating that 13 further search warrants had been served and an additional 18 people arrested as part of the ongoing illegal gaming investigation:

The second stage of this operation occurred today when officers from CFSEU and assisting agencies executed an additional 13 search warrants throughout the GTA and in London. As a result of today's operation, officers have arrested 18 people and seized approximately 1.5 million dollars cash, bank documents, computers and betting Documents. Two handguns, one taser and four vehicles were also seized as offence related property. The investigation is on-going and additional arrests are anticipated. ... This investigation began as a result of a complaint from a person who said they were being extorted for money they owed to this group. Police allege that if money borrowed from this organization could not be repaid, exorbitant interest rates were imposed; the borrowers were then unable to get out from under this mounting debt. Violence was often used in an attempt to recoup money owed.

CFSEU officials told the media that the latest arrests targeted the "management team" of the alleged illegal gambling operation. Police further alleged that the group running the offshore betting site Platinum Sports Book was a joint enterprise between the Hells Angels and Italian organized crime. Among those arrested, according to [the London Free Press](#) was:

Bill Miller, 49, the founder of the Rock Machine in Toronto, the North Toronto Hells Angels and ex-president of the London chapter of the Hells Angels. Miller's stay in London ended after a 2002 raid on the London clubhouse led to charges, and a year in jail, for possession of gambling machines and a handgun.

David Hair, 44, of London. Sources say he's associated with the Hells Angels. In 2002, Hair, then 34, was arrested in a bust of an illegal sports gambling ring operating out of London and Toronto and York Region.

Andrew Bielli, 48, of London. Sources say he's associated with the Hells Angels. In 2000, Bielli, then 37, was one of dozens charged in a citywide crackdown on body rub parlours. He was cleared of all charges in 2002.

The latest raids and arrests took place in Toronto, Barrie, London, and the York Region. Each of the accused was charged with numerous offences, including participating or engaging in a criminal organization, bookmaking and conspiracy to commit a criminal offence, according to police.

As part of raids on homes and financial institutions, police told they media they had seized "approximately \$1.6-million cash, two handguns, a Taser, numerous computers, cellphones, betting lists, ledgers, bank statements, drafts and documents relating to criminal organizations

...” Four vehicles, including a Land Rover, Porsche, a Cadillac and a pick-up truck, were also seized.

“Today, I can say that we have dismantled one of the largest illegal gaming groups in Canada and the previous arrests were one phase of a larger project,” said RCMP Deputy Commissioner Steve Graham. “Organized crime groups are entirely profit-motivated and this illegal gaming activity generated significant profits.”

Following the initial raid, the Canadian Gaming Association issued a press release stating that an estimated \$10 Billion is wagered annually through illegal bookmaking operations in Canada and an additional \$4 billion wagered through offshore online sports wagering sites. It indicated its support for Bill C-290, a private member’s bill to permit legal single event sports wagering opportunities for Canadians and used this case as an example of how the current criminalization of organized sports betting in Canada contributes to the coffers of organized crime. Bill C-290 was passed by the House of Commons in March of 2012.

**Sources:** [Combined Forces Special Enforcement Unit News Release, February 4, 2013, CFSEU dismantles illegal gaming enterprise](#); [Combined Forces Special Enforcement Unit News Release, March 5, 2013, More Arrests linked to Illegal Gaming and Platinum Sportsbook](#); [The Canadian Press, March 5, 2013, More arrests in alleged illegal Ontario gambling ring linked to organized crime](#); [National Post, March 5, 2013, 18 new arrests made in Ontario gambling ring investigation](#); [Combined Forces Special Enforcement Unit News Release, March 6, 2013, Update On Organized Crime Charges](#); [The London Free Press, February 5, 2013, Organized crime hits home](#); [Canadian Gaming Association News Release, February 5, 2013, Police Raid on Illegal Sports Betting Operation Further Demonstrates Need for Passage of Bill C290](#)

## Money Laundering

In March, the Standing Senate Committee on Banking, Trade and Commerce released a report calling on the federal government to make sweeping changes to Canada’s anti-money laundering legislation. The alternative is to continue an “incremental legislative and regulatory changes” approach that has not kept pace with changing technologies employed by criminals. The [report](#) – entitled *Follow The Money: Is Canada Making Progress In Combatting Money Laundering And Terrorist Financing? Not Really* – makes 18 recommendations to update the legislation.

One of the biggest problems, according to the report, is that law enforcement agencies are not able to access, in real time, suspicious activity reports and other valuable intelligence information that are provided by the financial services sector to the federal [Financial Transactions and Reports Analysis Centre \(FINTRAC\)](#).

The report makes 18 recommendations that include allowing police to access the FINTRAC’s database in real-time to aid investigations, and forcing federal agencies and banks to report any electronic transactions where money is sent internationally from Canada. It also recommends widening the number of businesses required to report large cash and suspicious transactions to the federal government, including gem and precious metal dealers.

**Sources:** Standing Senate Committee on Banking, Trade and Commerce. 2013. *The Money: Is Canada Making Progress In Combatting Money Laundering And Terrorist Financing? Not Really*; [Postmedia News March 20, 2013, Senate report urges sweeping changes to money laundering legislation](#)

## **Tobacco Smuggling and Trafficking**

On January 10, the Canada Border Services Agency seized more than 13,700 kilos of loose tobacco with an approximate street value of \$1.7 million. According to a CBSA news release, the contraband tobacco was seized from a commercial truck entering Canada from the United States at the Ambassador Bridge border crossing at Windsor, Ontario. The driver was referred for a secondary inspection where CBSA personnel discovered the tobacco in a declared shipment of tahini, rice and beans.

Less than a week later, CBSA personnel in Ontario seized 13,200 kilos of loose tobacco. The tobacco seized in two separate instances at the Queenston and Peace Bridges border crossings. According to a CBSA news release:

On January 16, 2013, a transport driver presented himself at Queenston Bridge Commercial Operations with a shipment containing 132 boxes declared as recycled paper. During a secondary examination, border services officers noticed indicators that labels may have been removed from each box and replaced by other labels. When opened, the contents were found to be manufactured raw cut tobacco. On the same day, a driver transporting a sea container was referred for secondary examination at Peace Bridge Commercial Operations. The goods were declared as herbal leaf formulation. Upon examination of the contents of the shipment, border services officers discovered 99 boxes with 13,464 kg of loose tobacco with an estimated value of \$1.7 million.

**Sources:** [Canada Border Services Agency News Release, March 16, 2013, CBSA seizes tobacco valued at \\$1.7 million at the Windsor Ambassador Bridge](#); [Canada Border Services Agency News Release, March 23, 2013, CBSA officers seize \\$3.4 million in loose tobacco](#)

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A [study released](#) by the Macdonald-Laurier Institute in March argues that the “cross-border smuggling epidemic exposes Canada, U.S. to security threats” and that “perpetuating the status quo is both irresponsible and dangerous; it would effectively surrender control of a wide swath of the Canada-U.S. border to organized crime factions that control the contraband trade in tobacco.” A news release issued by the Institute contends, “federal authorities on both sides of the border appear to tolerate the illicit tobacco trade in favour of containing the broader criminal and security dangers that smuggling and its repression represent.”

**Sources:** [Jean Daudelin with Stephanie Soiffer and Jeff Willows. \(2013\). \*Border Integrity, Illicit Tobacco, And Canada's Security\*. Ottawa: Macdonald-Laurier Institute](#); [Macdonald-Laurier Institute News Release, March 27, 2013, Cross-border smuggling epidemic exposes Canada, U.S. to security threats, new MLI study warns](#)

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To combat the problem of contraband tobacco smuggling and trafficking, the federal government announced it is creating a new RCMP task force and will introduce legislation to impose minimum sentences for those caught trafficking in smuggled tobacco. According to the Canadian Press,

the RCMP unit would go after organized crime groups and anyone who sells, transports or is in possession of contraband tobacco. Legislation introduced in the Senate would create a new Criminal Code offence for trafficking in contraband. If the bill becomes law, penalties would range from six months behind bars for a first offence to five years in jail for committing an indictable offence. Repeat offenders would also receive mandatory minimum penalties of between 90 and 180 days incarceration when high volumes of illegal tobacco products are involved. The government defines “high volume” as more than 10,000 cigarettes or 10 kilograms of other tobacco products.

**Source:** [The Canadian Press, March 05 2013, Tories bolster attack on tobacco smuggling with RCMP task force](#)

## **Violence**

When Montreal police responded to a report of a man who had been attacked, they discovered a marijuana grow operation with several hundred plants. Upon arriving at an eight-unit apartment building in the St. Michel district of Montreal shortly before noon on January 16, police officers found the victim “bleeding copiously from multiple wounds inflicted with a sharp object,” the [Montreal Gazette reported](#). “He went into cardio-respiratory arrest on his way to hospital, and was subsequently declared dead.” The grow-op at the site is “definitely one of the major elements of the investigation,” a police spokesperson is quoted as saying.

On February 26, the RCMP were responding to a call for service at a home in Langley, B.C. when they came across both a marijuana grow operation and a dead body. The Postmedia News reported that Langley RCMP were called at about 10 p.m. to check on the well-being of a resident by someone who grew concerned after failing to reach him. The man, who appeared to be alone in the house, had met with foul play, said Cpl. Adam MacIntosh of the Integrated Homicide Investigation squad. He would not elaborate on whether the man was a victim of a robbery, how he died or how long he was believed to have been dead.

**Sources:** [Montreal Gazette, January 17, 2013, Pot plantation found at St. Michel homicide scene](#); [Postmedia News, February 27, 2013, Police investigating homicide at Langley marijuana-growing operation](#)

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Police have charged three men with the murder of Red Scorpion gang leader Jon Bacon; a daylight shooting outside a Kelowna luxury hotel in August 2011 that also wounded four of Bacon’s associates. The men charged are 37-year-old Jason Thomas McBride, Jujhar Singh Khun-Khun and Michael Kerry Jones, both of whom are 25 years old.

Superintendent Dan Malo, the officer-in-charge of the Combined Forces Special Enforcement Unit in B.C., told the media the 2011 attack on Bacon “was a targeted criminal attack by those at the highest level of organized crime.”

He went on to say that the three men were associates of rival gang leader named Sukh Dhak, who was murdered in November of 2012. Khun-Khun, who was arrested at his home in Surrey, was also the target of at least two attempts on his life since the death of Bacon, according to a [story by Kim Bolan of the Vancouver Sun](#). He was critically injured in a September 2011 shooting in Surrey as he was picking up Sukh Dhak from a residence.

In her story, Bolan provides details of the attacks on Bacon and his associates in Kelowna, based on information provided by Supt Malo:

Malo said that Bacon, his Hells Angel pal Larry Amero and Independent Soldiers buddy James Riach were meeting in Kelowna on Aug. 14, 2011 after forming a new criminal alliance dubbed the Wolf Pack.

They were with Leah Hadden-Watts, the niece of the Haney Hells Angel president, and her friend Lyndsey Black, when four people opened fire on their white Porsche Cayenne in front of the Kelowna Grand Hotel in the middle of the afternoon.

Hadden-Watts was left a paraplegic. Black, who escaped injury in a 2009 car shooting, wasn't as lucky in the Kelowna attack and was hit several times. Amero was left with permanent damage to his hand. Riach escaped severe injury.

Malo said those directly involved in the shooting were McBride, Khun-Khun, Jones and a fourth man who is now dead. He wouldn't provide the name, but The Sun has learned the fourth man was Manjinder Hairan, killed just last month in a Surrey shooting.

Amero is now in jail in Montreal where he is facing cocaine importing charges. Riach has maintained a low profile since the shooting.

Malo repeated his comments Monday that two years of tit-for-tat shootings stem back to the targeted hit on Gurmit Dhak outside Metrotown mall.

“The flashpoint of this gang violence began with the murder of Gurmit Dhak in Burnaby in October of 2010. But the Bacon shooting, as it was commonly called, became a starting point for a cascade of violence we saw repeated throughout B.C. during the last 18 months,” he said.

He wouldn't comment on whether Bacon was a suspect in the 2010 Dhak murder, saying only: “Jonathan Bacon was part of the global conflict.”

The gang violence continues to this day, [Bolan reports](#). Twenty-nine-year-old Manjinder Singh Hairan, who police also linked to the late Sukh Dhak, was murdered on January 13. He, along with another alleged associate who was critically wounded in the attack, were the targets of an early morning shooting in Surrey. Hairan was on bail on drug charges when he was killed. Both

men had previously been targeted in separate shootings in the fall of 2011, Bolan reports. "Hairan was slightly wounded, as was his teenaged nephew, when the vehicle they were in with Stephen Leone was sprayed with gunfire. Leone was killed."

Later that night, 27-year-old Manjot Singh Dhillon, another former Dhak associate, according to Bolan, was shot in Surrey and died in hospital. "Dhillon had several trafficking convictions from 2005 and 2009. He had also been found guilty of assault, uttering threats, break and enter and wilfully resisting a police officer and had served a couple of terms in jail and received two lifetime firearms prohibitions," Bolan writes.

**Sources:** [Vancouver Sun, February 25, 2013, Three gangsters charged with 2011 hit on Jon Bacon in Kelowna](#); [Canadian Press, February 25, 2013, Three men charged in high-profile B.C. gangland shooting outside Kelowna hotel](#); [Vancouver Sun, The Real Scoop Blog, January 15, 2013, Two Dhak associates shot in Surrey Tuesday: one dead, one wounded](#)

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In February, Peter Manolakos, leader of the so-called Greeks criminal organization in B.C., was sentenced to life in prison with no parole eligibility for 25 years for the 2004 murder of Ron Thom, a rival drug dealer. Manolakos also received a 15-year sentence for the manslaughter of a former drug runner for the Greeks named David Marnuik, who was killed after he disappeared with a small quantity of drugs belonging to the Vernon, B.C.-based gang in 2004. Marnuik was beaten and tortured to death and his body burned and disposed of in a remote location outside Vernon. Manolakos was convicted of manslaughter in November. By this time, he had already been convicted by a B.C. Supreme Court jury of first-degree murder for the slaying of Thom, who Manolakos mistakenly believed was a police informant.

The sentences imposed on Manolakos are to run concurrently .

Manolakos created a culture of "violence and fear" and has little prospect for rehabilitation, Prosecutor Dan McLaughlin told a sentencing hearing for the manslaughter conviction in January. "Mr. Manolakos was the undisputed head of the organization ... It was a gang, it would appear, modeled on the back of the outlaw motorcycle gang, complete with a hierarchy as indicated by vests, rings and in some cases tattoos," he said.

In passing sentence on Manolakos, B.C. Supreme Court Justice Bill Smart agreed that the Greeks were a criminal organization, which was an aggravating factor in his sentencing decision. Justice Smart also noted that prior to the slayings, Manolakos had served a lengthy jail term for drug trafficking. After he got out of jail, he continued to run the dial-a-dope cocaine and heroin operation.

Three other men who worked for Manolakos had already been convicted of murder and received life sentences with no parole for 25 years. A fifth accused was convicted of two counts of manslaughter and was sentenced to 17 years.

The RCMP believe that in addition to the Thom and Marnuik, the Greeks gang is responsible for five other murders committed over the course of 11 months.

**Sources:** [Vancouver February 7, 2013, Province Greeks gang leader convicted of murder already planning to appeal life sentence](#); [Vancouver Province, January 23, 2013, B.C. Greeks gang leader Manolakos cultivated culture of 'violence and fear,' sentencing hearing told](#);

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Toronto police said that the murder of 25-year-old Thuan (Tony) Nguyen, who was shot and killed outside a late-night dance party in the city's north end on February 24, was a "targeted execution" by two shooters. He was shot five times outside Vy Vy Restaurant and Lounge in the Steeles Ave. West and Weston Rd. area, a police spokesperson told a news conference.

According to police, Nguyen had an extensive history of drug trafficking charges and, at the time of the shooting, was on house arrest, facing six charges of possession for the purpose of trafficking in ecstasy and marijuana.

Toronto police are also investigating whether this shooting is connected to the murder of 23-year-old Michael Nguyen who was shot by assailants on March 30 at the Yorkdale mall. Another unnamed man who was shopping at the mall along with Nguyen was also targeted but survived the shooting. Toronto police Det. Rob North told the media that the two men victims were both "known members" of a street gang called the "Asian Assassins." North would not say whether the shootings were gang related, but he did acknowledge that "someone must have known they were at the Yorkdale mall and were waiting outside in the parking lot in ambush for them to return to their motor vehicle."

The gang is concentrated in a downtown Toronto housing complex near Dundas and Spadina, [CBC News reported](#).

Michael Chuttleburgh, author of *Young Thugs: Inside the Dangerous World of Canadian Street Gangs*, [told the CBC](#), "These 'Asian Assassins' aren't a big crew, have never been. "This is not a gang that I would say is on the top 10 of the police blotter. ... It's a gang that would be called a scavenger crew. These are people that are involved in break and enters and extortion rackets against Asian-owned businesses." Chuttleburgh said groups like the Asian Assassins have connections to more established crime groups, in particular Chinese Triads, who recruit them to perform street-level work, including drug distribution. "This is just one in a long line of small crews that operate in and around the priority communities of Toronto, including the Alexandra Park Community," said Chuttleburgh.

Chuttleburgh said the violence is often the result of ongoing turf wars as gangs involved in the drug trade try to protect their territory against rival groups. He said the mentality among gangs is: "If I go into your turf and take your customers away, you resort to violence. You don't make a competition bureau tribunal complaint. You go right to the guns to send a message: 'Don't mess with our market.'"

**Sources:** [Toronto Star, February 27 2013, Man gunned down outside nightclub had history of drug charges, Toronto police say](#); [CBC News, April 3, 2013, Toronto Yorkdale mall killing likely gang-related 'ambush' Police allege man shot dead and second victim are 'known](#)

[members' of street gang; CBC News, April 4, 2013, Asian Assassins' not a major crime group, expert says](#)

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In March, two Toronto men were convicted and sentenced for their role in a murder that the sentencing judge said was committed for the benefit of a criminal organization. Twenty-three-year-old Chael Mills was convicted of first-degree murder for a killing that was committed for a Toronto gang called M.O.B. Klick, which police allege is a connected to the Vaughan Road Bloods gang. Mills received an automatic life sentence with no parole eligibility for 25 years. The second man, 21-year-old Lavare Williams was convicted of second-degree murder and also received an automatic life sentence. The convictions stemmed from the 2010 murder of 17-year-old Mitchell Celise, a member of the Eglinton West Crips, the rivals of the Vaughan Road Bloods. As the Toronto Star reported, Celise “was wearing a blue baseball cap and blue shoes, blue being the signature colour of the Crips. ... Members of the Bloods identify themselves with the colour red...”

**Source:** [Toronto Star, March 23 2013, Superior Court jury convicts men of 2010 murder of Mitchell Celise after hearing unprecedented amount of gang evidence](#)

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The [CBC reported on statistics](#) from police in Montreal showing that of the 35 homicides committed in the city in 2012, 18 of those were carried out by members of the Italian Mafia, outlaw motorcycle gangs, or street gangs. These figures represent an increase over 2011 where police reported only two Mafia-linked homicides that year, compared to five in 2012. A Montreal police spokesman said the return of reputed Montreal Mafia boss Vito Rizzuto to the city after nearly ten years in an American prison may have contributed to escalating violence.

As part of [an interview with the Globe and Mail](#), Montreal Chief of Police Marc Parent attributed the violence to “instability” in the city’s criminal underworld:

We can certainly assume the return of Vito into the picture of Montreal has brought with it a certain amount of movement. We’ve also seen in the past year a kind of fight over territory and market. There are a number of theories. There are journalists, critics, experts, who have put forward their theories, and they’re plausible. There is territory being taken, there is payback. These people do not forget easily. ... Street gangs are no longer divided from biker gangs and the Mob. The young men who are on the street are now more involved strategically.

According to a [February 2 article in the Montreal Gazette](#), some of the violence may be due to internal strife within the Rizzuto organization. A “police source said what is happening now in the Montreal area is ‘a complete mess’ with different groups within the Mafia clashing. He said some of the groups are believed to be ‘well armed and waiting for anybody to make a wrong move.’”

Of the 35 homicides committed in Montreal in 2012, 17 were solved and 18 are still under investigation.



One ongoing investigation into a mob-related homicide that took place in 2011 snared another suspect. Sixty-one-year-old Pietro Magistrale, from Laval, is the fifth person charged in the murder of Sal (The Ironworker) Montagna, a former head of New York's Bonanno mafia family who was killed in Montreal. Magistrale was arrested in late March and faces first-degree murder charges. According to the [Canadian Press](#), "crime analysts now believe that killing was a turning point in the Mafia war that has erupted in Montreal over the past several years. They say it signalled the disintegration of the faction working to unseat the long-dominant Rizzuto clan, with that group having since splintered into new rivalries. The original arrests in the Montagna killing came in December 2011 and included Raynald Desjardins, who is believed to have been a key player in the movement to depose the Rizzutos." Montagna is believed to have come to Montreal from New York to take over the mafia while Vito Rizzuto was in jail.

Mob-related violence continued into 2013.

In early February, a man who police said had ties to the Montreal mafia was shot in Laval while another murder in St. Léonard "may also be part of an ongoing conflict among competing Mafia organizations," [according to the Montreal Gazette](#). Fifty-one-year-old Tonino Callocchia was shot at around 10 am on February 1 in a parking lot between two restaurants in Laval. Witnesses told police they heard several gunshots and officers found several bullet casings on the ground. Callocchia was hit with multiple shots to the torso and was transported to a hospital, where he is recovering, a Laval police spokesperson said.

According to Anne Sutherland and Paul Cherry of the Montreal Gazette,

In 2002, Callocchia was described, in a Parole Board of Canada decision, as "an active member of the Italian Mafia." This was while he was serving a combined 21-year sentence that had begun in 1987 for a series of drug-trafficking convictions, possessing a firearm and running a bawdy house. The sentence grew as Callocchia violated his parole several times after the initial sentence.

The latter part of the lengthy aggregate sentence was for Callocchia's role in a 1994 cocaine-trafficking conspiracy involving Vincenzo Di Maulo, the brother of Joseph Di Maulo, an influential Mafioso who was killed outside his home in Blainville in November. (Di Maulo also sided against the Rizzuto organization while it was at its weakest point.) Callocchia's most recent arrest, in 1994, was part of a roundup of dozens of people tied to the Mafia who, at the time, operated in peace under the leadership of the Rizzuto organization.

Callocchia was granted full parole in 2002 after having taken part in community projects in an effort to convince authorities he was leaving organized crime. But a police source told The Gazette that doesn't appear to have been the case in recent years and that Callocchia "decided to side against (the Rizzuto organization)" when people tied to the mob were apparently forced to choose sides around 2010 and 2011.

"Callocchia shares something in common with some of the other recent victims in mob-related shootings," Sutherland and Cherry write. "He chose to side against the Rizzuto organization while its alleged leader, Vito Rizzuto, was imprisoned in the U.S., the source said. The same could be said for Vincenzo Scuderi, a man who was killed in St. Léonard on [January 31]."

The 49-year-old Scuderi was found in critical condition in St-Leonard just after 6 pm, [CTV News reported](#) that several neighbours called 911 after hearing gunshots. Scuderi was taken to

hospital where he was declared dead. Scuderi was arrested in December, 2012 in a crackdown on a drug trafficking ring, but otherwise with no criminal record.

According to Sutherland and Cherry, “While Scuderi does not have a criminal record in Quebec, he was believed to have operated as a loan shark in Montreal.”

Another January shooting was linked to organized crime in Montreal. On the morning of January 7, 43- year-old Bruno Lefebvre – a man that CTV News said was once connected to the Hells Angels – was shot in Outremont. [CTV News](#) reported that “a man walked into Plomberie Galarneau & Frere at 1184 Van Horne Ave. near Bloomfield Ave. at 8:30 a.m. Monday and opened fire on an employee. ... The suspect then ran off. ... He remains in hospital in critical but stable condition.” Lefebvre, who was shot twice in the head, had ties to the Rockers, the puppet club of the Nomads chapter of the Hells Angels in Quebec during the 1990s. He was arrested during a crackdown on the Hells Angels more than a decade ago and was imprisoned for drug trafficking, conspiracy to commit murder, and participating in a criminal organization.

**Sources:** [CBC News, January 2, 2013, Mafia-related killings jump in 2012 – Montreal – Montreal police say Vito Rizzuto’s return could have been a factor](#); [Globe and Mail, February 3 2012, In the trenches with the Montreal Mob](#); [Montreal Gazette, February 2, 2013, Police probe organized-crime angle in shootings](#); [CTV News, January 31, 2013, Man dead after St-Leonard shooting, connection to organized crime](#); [CTV News, January 7, 2013, Outremont shooting victim once linked to biker gangs: source](#); [Canadian Press, Mar. 27 2013, Another arrest in connection with 2011 killing of Mafia boss in Montreal](#); [CTV News, March 27, 2013, More charges in assassination of Mafia boss.](#)

## ORGANIZED CRIME GENRES

### Chinese

Seventeen years ago Lai Tong Sang was granted permanent resident status in Canada despite available intelligence information from the Macau police that he was leader of the Wo On Lok Triad. In February of 2013, the alleged Asian crime boss, along with his wife and three children, faced an admissibility hearing by Immigration and Refugee Board (IRB). If found inadmissible, he could be deported from Canada.

Government lawyers argued before the IRB that Lai and his family lied about their criminal connections in order to gain entry into Canada — information that was well known to Canadian immigration authorities when he applied to immigrate to Canada.

Lai originally applied to immigrate to Canada in Hong Kong in 1994, but his application was not approved because of his suspected links to organized crime. In March 1996, Lai reapplied in Hong Kong and then quickly withdrew his application. A couple of months later, he applied at the consulate in Los Angeles, where his application was approved without a background check.

Lai and his family arrived in Vancouver on Oct. 20, 1996 and have been living in the suburb of Richmond ever since.

According to the [Canadian Press](#),

Various RCMP and U.S. law enforcement reports on Asian organized crime cite the Wo On Lok (or Shui Fong, Water Room gang) as a branch of the Hong Kong-based Wo group, a syndicate with worldwide reach in criminal activity ranging from money laundering to prostitution, the drug trade and human smuggling. Lai, then 42, left Macau for Canada at a time when the Wo On Lok was embroiled in a war with the rival 14K gang, said reports in the Macau media. In July 1997, after news of his arrival made headlines in Canada, his luxury Vancouver area home was the target of a drive-by shooting. No one was hurt but later that month, according to reports, immigration officials urged then-immigration minister Lucienne Robillard to declare Lai a danger to the Canadian public, revoke his resident status and deport him ... An administrative review of the breach at the Los Angeles consulate blamed an isolated mistake by honest, overworked employees and absolved consulate employees of corruption or fraud.

As [Fabian Dawson of the Vancouver Province writes](#), the attempt to deport Lai “will once again shed a spotlight on a dark period for the government agency when corruption and incompetence allowed many Asian criminals to enter Canada ... Their organizations, which have taken root in B.C. and elsewhere in Canada, have been linked to local murders, underground banks in Hong Kong, triad wars in the gambling mecca of Macau, extortion of schoolchildren in Vancouver, illegal weapons trade, credit-card fraud and even arms shipments.”

Dawson says the Province newspaper exposed Lai’s presence in Vancouver in July 1997, “reporting that an international investigation had been launched to determine how a notorious Asian gangster ended up living in Vancouver as a landed immigrant. At that time, the gangster who also went by the name Shui Fong Lai, alias Dragon Head Lai, had escaped a crackdown on warring triads in Macau and had moved into a \$750,000 home on Fraserview Drive in east Vancouver with his wife and children.”

When Lai arrived in Vancouver, he “was then the leader of the 3,000-strong Wo On Lok, also known as the Shui Fong (Water Rats) triad, which had been linked to the operations of Macau gambling czar Stanley Ho,” Dawson writes. He had been an “active gang member since he was a teen and started out as ‘street muscle,’ soon graduating to money laundering and racketeering. In the mid-’90s, the powerful Shui Fong’s thugs were embroiled in a bloody battle with the 14K triad, which is based in Hong Kong, for control of Macau’s lucrative gambling and loan-sharking business. When police went looking for him after Macau police and the Chinese government brokered a “ceasefire” between the gangs, he had disappeared.” Dawson claims that Lai “had apparently been meticulously plotting an escape to Canada for three years.”

An investigation into stolen vehicles being shipped overseas for sale first alerted B.C. law enforcement officials that Lai had arrived in Canada, Patrick Fogarty, the former head of the Co-ordinated Law Enforcement Unit, told the IRB in February. He also said that wiretap information gathered in a 1996 investigation captured a conversation about a contract taken out on Lai’s life. “During the initial phases of Project Bamboo, evidence was brought to my attention of a group that we were investigating taking a contract from Hong Kong to locate and kill (Lai).” Fogarty said the contract was taken out by members of the so-called 14K triad in Vancouver.

The IRB hearing continued at the time of this report. The decision of the board will be reported in future dispatches ...

**Sources:** [Vancouver Province, February 4, 2013, Canada tries to expel alleged Asian organized crime boss](#); [Vancouver Province, February 5, 2013, How an alleged Asian crime boss escaped to Vancouver](#); [Charlottetown Guardian, March 1, 2013, Asian crime expert says groups have heavy criminal presence in Canada](#); [Global News, February 26, 2013, Immigration hearing for alleged organized crime boss provides glimpse into murky world of Asian triads](#)

## **Outlaw Motorcycle Gangs**

In early January, the RCMP in Nova Scotia laid the following charges against 44-year-old Paul Roderick Fowler: attempted murder, uttering threats, assault, possession of a weapon for dangerous purpose and unsafe storage of firearms. According to [a RCMP news release](#) dated January 1, 2013, Fowler “served as the President and spokesperson of the Hants County Chapter of the Bacchus Outlaw Motorcycle Gang since 2010. His current status within the Bacchus is unknown.”

The charges are in response to an assault at a residence in Enfield, Nova Scotia, around 46 kilometres outside of Halifax. As the RCMP news release puts it, “a 50-year-old man had been attacked with a hammer and assaulted. A female attempted to intervene and was assaulted as well. The victims sustained non life-threatening injuries. The victims and suspect are all known to each other. Police arrested the suspect at another residence on Renfrew Road without incident. Last evening, a search warrant was executed at the suspect’s residence where a quantity of marijuana and five long guns were seized.” A police spokesperson said the dispute that led to the hammer attack isn’t believed to be connected to biker gang activities.

**Sources:** [RCMP news release, January 1, 2013, RCMP charge man for Attempt Murder](#); [Metro \[Halifax\] January 1, 2013, Former biker gang member arrested after hammer attack in Enfield](#)

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At the end of March, the RCMP arrested 30-year-old David James Bishop of Bedford, Nova Scotia on drug and weapons charges as well as several counts for alleged breaches of court conditions. The RCMP say that Bishop is a high-ranking member of the Bacchus motorcycle club and his arrest is a significant blow to the Bacchus club.

RCMP Insp. Joanne Crampton said the Bacchus MC is “a criminal organization” with links to the Hells Angels. “The Bacchus have a significant presence in Nova Scotia,” told the Chronicle Herald. “It’s important, though, to recognize that the club works as a large group rather than independently. They’re interconnected with the other groups in the other Atlantic provinces.”

In a news release, the RCMP allege that Bishop played “a significant role” in smuggling drugs into the Central Nova Scotia Correctional Facility institution via correctional employees. Two former correctional officials at the facility were among 14 people arrested in March as the result of an ongoing police investigation targeting drug smuggling at the jail.

According to the RCMP news release, Bishop faces numerous charges, including “two counts of trafficking cocaine, trafficking steroids, possession of steroids for the purpose of trafficking,

resisting arrest, unsafe ammunition storage, possession of cannabis resin, two counts of possession of prohibited weapons, and many counts of breaching court conditions.” In addition to the drugs and prohibited knives confiscated during the search, police also seized “gang-related paraphernalia” and a bulletproof vest, the release said.

“The Nova Scotia chapter of the Bacchus has repeatedly been the focus of law enforcement in the past year,” the RCMP news release states. “Currently, the chapter has eight members, aside from these latest charges, three members are currently before the courts on Threats, Intimidation, Extortion and Criminal Organization charges and are on strict conditions not to associate or communicate with club members. The clubhouse in Nine Mile River remains closed and police believe the chapter is looking to set up shop in the Halifax area.”

Sources: [RCMP news release, March 26, 2013, Additional arrest in Operation HARVEY, Halifax, N.S.](#); [Halifax Chronicle Herald, March 26, 2013, Police: Arrested man in biker gang](#)

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The trial of nine members of the Hells Angels Sherbrooke chapter who were arrested in 2009 as part of Operation SharQc, has been postponed until May and possibly September due to numerous pre-trial motions being raised. The nine men face a range of charges, including murder, conspiracy to commit murder, drug trafficking and participating in a criminal organization.

More than 100 people were arrested as a result of Operation SharQc, a major police undertaking that culminated in multiple arrests of members and associates of outlaw motorcycle gangs in Quebec and the Hells Angels in particular. A dozen people are still being sought by police.

In 2011, a judge broke down all the defendants into five groups, each of which would be tried separately. One of these groups consist of members of the Sherbrooke chapter of the Hells Angels and their associates, which was scheduled to be the first case to go to trial.

According to the Montreal Gazette, 17 other men assigned to the first trial have since pleaded guilty — most to murder conspiracy and participation in a criminal organization — and were sentenced in 2012 to prison terms ranging from the eight to 23 years.

Source: [Montreal Gazette, March 12, 2013, Quebec Hells Angels megatrial delayed](#)

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Frédéric Landry-Héту, an alleged member of the Hells Angel Montreal chapter and one of Quebec’s 10 most wanted men, was arrested north of Montreal at the end of March. The 44-year-old had numerous charges laid against him as a result of Operation SharQc.

According to a Quebec Government web site entitled [“Quebec’s 10 Most Wanted Criminals”](#) Landry-Héту faces 29 charges, including 22 counts of murder and conspiracy to commit murder, trafficking in controlled substances and commission of an offence for criminal organization.

The CBC quotes Daniel Renaud, a crime journalist for La Presse newspaper who says Landry-Héту “is probably the most important Hells Angels [to have been] arrested in the last few years.” In [an article for La Presse](#), Renaud elaborated saying that Landry-Héту would have been responsible for collecting information about enemies of the Hells Angels or the Rock Machine and their allies during the biker war that killed more than 150 people during the 90s and 2000. “He was an [influential] member, not only in his chapter but in all of the organization,” Renaud told the CBC.

Sources: [Canadian Press, March 31, 2013 SWAT team arrests Quebec’s most-wanted Hells Angel at chalet north of Montreal](#) ; [CBC News, March 30, 2013, High-profile Hells Angels member arrested in Quebec](#); [La Presse, March 30, 2013, Le Hells Angels Frédéric Landry-Héту arrêté](#)

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The Ontario Court of Appeal has ruled that the Ontario’s Licence Appeal Tribunal and a lower court made errors in law when allowing a member of the Hells Angels in that province to hold a licence to operate a strip club in London. As a result, the court ordered Ontario’s Licence Appeal Tribunal to hold a new hearing to determine if Rob Barletta can continue to operate Famous Flesh Gordon’s.

The Alcohol and Gaming Commission of Ontario (AGCO) has been trying to revoke Barletta’s licence since 2009, based on a section of the Liquor Licence Act about who should or should not hold a bar licence. The act states can bar anyone from operating a licensed establishment in the province if his or her past or present conduct “affords reasonable ground for belief” that person will not carry on business “in accordance with the law and with integrity and honesty.” Given that the Hells Angels has been deemed a criminal organization by the Ontario courts, the AGCO argues there are reasonable grounds a member of the motorcycle club would not conduct business in a licensed establishment with “integrity and honesty”.

A date has not yet been set for the new hearing.

**Source:** [QMI Agency, March 18, 2013, New hearing called over Hells Angels’ Ontario liquor licence](#)

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Joel Rollin, a member of the Hamilton chapter of the Hells Angels, who pleaded guilty to extortion and assault in December was sentenced to a jail sentence of six months in January. He received credit for three months already spent in pretrial custody and, as such, he will only spend three months in jail. He was also given two years probation and was prohibited from owning or using weapons for 10 years. According to the Hamilton Spectator, “Rollins and James Sherwood, 42, went to a Greenhill Avenue residence on Aug. 8, 2011, around 6:30 p.m. They had been hired to force two former owners of an east-end bar to sign over a liquor licence in a sale dispute. The pair entered the home through an unlocked door, and once inside Sherwood confronted a victim and punched him in the neck, court heard. The former owners were then forced to sign the

sale document. A published decision by the provincial Licence Appeal Tribunal identifies the bar as Our Dog House Bar and Grill.”

**Source:** [Hamilton Spectator, Jan 31 2013, Hells Angels member gets six month sentence](#)

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[The National Post reported](#) that the Immigration and Refugee Board has ruled in a case that being a prospective or former member of the Hells Angels Motorcycle Club is enough to warrant the deportation of a non-citizen from Canada. Forty-three-year-old Alejandro Mariano Chung, a citizen of Chile who came to Canada in 1979 but never obtained Canadian citizenship, has been ordered to leave Canada because he is a prospect with the Manitoba chapter of the Hells Angels.

Chung was arrested by police in July of 2010 after being found inside the Winnipeg clubhouse of the Hells Angels when authorities arrived to seize it under the Criminal Property Forfeiture Act. He was not criminally charged, but his status with the motorcycle club prompted federal government authorities to seek his deportation from the country.

The IRB declared the Hells Angels a criminal organization, based on evidence and testimony from police and other government experts, and membership in a criminal organization is grounds for inadmissibility to Canada under the immigration act.

“The business of the Hells Angels is crime,” the IRB ruled. “From the organization’s point of view it would make no sense to invest time in bringing Mr. Chung up through the ranks unless he was going to be part of their criminal activity.”

Adrian Humphreys of the National Post says Chung is the fifth person with ties to the Hells Angels that has been deported from Canada due to allegations of being a member of a criminal organization. According to Humphreys, the most recent decision “comes as the government steps up use of the Immigration and Refugee Protection Act, rather than just criminal charges, to tackle gangs...” As Humphrey’s writes, the federal government

is increasingly using immigration law, where the burden of proof is lower than in criminal court, to target the Hells Angels. Three other non-Canadian members of the gang have been detained and removed from Canada because of their ties. Mitchell Vaughan, a member of the Hells Angels Nomads chapter from Melbourne, Australia, was detained in Victoria, B.C. and, on Sept. 30, 2011, was deported to his homeland. In 2010, Mark Staples, treasurer of the Downtown Toronto Chapter of the gang, who came to Canada from Scotland in 1969 when he was seven years old but never became a Canadian, was stopped at Vancouver airport when returning from Japan. He was travelling on a British passport and deported to the U.K. in 2010. Adam Hall was sent back to the United States in 2007 when he was deemed inadmissible to Canada despite having a Canadian mother. A member of the Hells Angels in Massachusetts, he currently faces charges of killing three men, one of whom was scheduled to testify against him in another trial.

**Source:** [National Post, December 6, 2012, Hells Angels members deported as refugee board declares bike gang a criminal organization](#)

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The entire chapter of the Manitoba Rock Machine motorcycle club was arrested as the result of a RCMP drug investigation at the end of January. In total, the RCMP arrested 11 people, which includes all members of the Rock Machine chapter and several others identified as associates. A RCMP spokesperson said those arrested face a variety of drug and weapon charges, and that the investigation, known formally as Project Dilemma, is continuing. Police said several explosive devices were found at one of the locations that was raided by police, which required the street to be closed for several hours and nearby businesses to be evacuated while a bomb disposal team dealt with the explosives. Among the items seized by the RCMP were pipe bombs, other explosives, weapons, several pounds of cocaine and marijuana, 1,800 pills of BZP, a synthetic ecstasy, boxes of cash, and Rock Machine hoodies, patches and other gang clothing.

**Source:** [Winnipeg Free Press, January 31, 2013, RCMP arrest Rock Machine gang](#)

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Two men from Calgary were charged after police seized two stolen vehicles that had been cloned or “revinned,” meaning their vehicle identification numbers had been modified. Global News in B.C. reported that the two men – who were not named – are members of the Calgary chapter of the Hells Angels. The case is allegedly linked to an investigation into a stolen property trafficking network in Kelowna, with ties to the Hells Angels in that city, that was run out of a business called Cycle Logic. According to the Calgary Herald, “Investigators said the shop had ties to various criminal organizations, including the Nanaimo and Southland (Calgary) Chapters of the Hell’s Angels, and the Throttle Lockers and Kingpin Crew from Kelowna.” As part of the theft network, the vehicle identification numbers on stolen vehicles, trailers and machinery were modified. During that investigation, Kelowna RCMP notified Calgary police about two vehicles they believed was stolen in British Columbia, and then transported to Alberta where the car was registered with a fraudulent VIN. Police do not know if the two men had a role in the actual cloning or trafficking operation or had simply purchased the vehicles not knowing they were stolen. The Herald describes the vehicle cloning process as such:

... culprits steal a vehicle or obtain a stolen vehicle and search for another vehicle with a similar colour, year, make and model from another province or country. They then use that VIN, create fraudulent plates and federal standards decals, and apply them to the stolen vehicle. The vehicle is taken to an inspection facility for an out-of-province inspection form, which is filed with a registry office, along with a forged bill of sale. The culprits then sell the vehicle to an unsuspecting buyer, who can be out thousands of dollars if police end up seizing it as stolen property.

The operator of Cycle Logic, John Newcome of Peachland, B.C. faces 17 charges of possession of stolen property and trafficking in stolen property.

The two Hells Angels members from Calgary are charged with possession of stolen property over \$5,000.



**Source:** [Calgary Herald, February 19, 2013, Two Calgary men charged in vehicle cloning operation linked to organized crime](#); [Global News, February 20, 2013, Hells Angels nabbed after Okanagan raid](#)

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The B.C. Attorney General has made an application to keep more than \$100,000 seized by the RCMP from the Hells Angels as part of the Project E-Pandora drug investigation in 2005, according to the Vancouver Province newspaper.”The director of civil forfeiture says the money came from the sale of methamphetamines, mostly by former Hells Angels associate and meth cook Kerry Ryan Renaud. In October 2008, Renaud was sentenced to 32 months in jail after pleading guilty to conspiracy to produce and traffic meth. Renaud produced and sold the drugs to members and associates of the notorious motorcycle gang’s East End chapter.” The civil suit launched by the Director of the provincial Civil Forfeiture office in B.C. alleges that Renaud made a series of payments to a police agent which was revenue from his meth operation. The police agent turned the funds over to the RCMP – nearly \$114,000 in total – which was seized by the RCMP as the proceeds of crime.

**Source:** [The Vancouver Province, February 28, 2013, B.C. goes after drug profits from Hells Angels](#)