



6-2014

April to June 2014

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

Recommended Citation

"April to June 2014" (2014). *All Summaries*. 12.
<http://digitalcommons.osgoode.yorku.ca/summaries/12>

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

April to June 2014

Organized Crime in Canada: A Quarterly Summary

ORGANIZED CRIME ACTIVITIES

- [Bookmaking](#)
- [Corruption](#)
- [Drug Trafficking](#)
 - [Poly Drug Trafficking](#)
 - [Cocaine](#)
 - [Heroin](#)
 - [Marijuana](#)
 - [Synthetic Drugs](#)
- [Fraud](#)
 - [Credit Card Fraud](#)
 - [Identity and Passport Fraud](#)
 - [Investment Fraud](#)
 - [Mass Marketing Fraud](#)
- [Human Trafficking](#)
- [Money Laundering](#)
- [Tobacco Smuggling and Trafficking](#)

ORGANIZED CRIME GENRES

- [Italian](#)
 - [Middle Eastern](#)
 - [Organized Street Gangs](#)
 - [Outlaw Motorcycle Gangs](#)
-

ORGANIZED CRIME ACTIVITIES

Bookmaking

Four Ottawa men operating illegal betting websites out of Ontario pleaded guilty in the spring to a variety of gambling-related charges. The four men – 51-year-old Gary Saikaley, 50-year-old Benedetto (Benny) Manasserri, 36-year-old Stephen Parrish, and 48-year-old Domenic Arrechi – were all arrested by police for running an illegal sports bookmaking website that took in about \$5 million in bets in a year's time. From these bets, police estimated that nearly \$1.2 million in profits were generated.

All were arrested as part of Project Amethyst, which targeted the involvement of an Italian mafia group in illegal gambling. A total of 21 people were arrested as a result. Saikaley, who admitted to being the administrator of the website pleaded guilty in April and was sentenced to 18 months. Saikaley was previously fined \$22,500 in 2006 for bookmaking, and served a seven-year prison sentence for a 1986 shooting. The other three men pleaded guilty in May and at the time of this report had not been sentenced.

According to the April 29 edition of the Ottawa Citizen “Saikaley was targeted after a police undercover operation investigating gambling activities at the Motel de Champlain in Plantagenet exposed another illegal gaming operation in the Ottawa region. When police infiltrated the Ottawa operation, they discovered ties to traditional organized crime and Saikaley, according to a Crown prosecutor.”

The illegal web site took bets on a range of sporting events, including car races, football and golf. One bettor even placed a \$3,000 wager on the 2012 charity boxing match between federal Liberal Leader Justin Trudeau and Senator Patrick Brazeau. According to police, those behind the web site recruited potential customers and gave them a website address as well as a user name and a password.

According to an OPP investigator’s report, one bettor told police that Manasseri was at the “top of the organization.” The informant said he would call Manasseri if he ever had trouble collecting his winnings — and when Manasseri gave the “word,” the bettor got paid. In April of 2012, for example, the bettor was able to receive his winnings cash from a contact at a car wash allegedly run by the “organization” within 24 hours of calling Manasseri. Another betting customer, who told police he had lost \$30,000 over a six week period, said he would meet Saikaley in parking lots to pay his debts or collect winnings.

Domenic Arecchi was reportedly also a high-ranking member of the gambling ring, and was also involved in extortion. According to the Ottawa Sun, he extorted a Gatineau strip club owner for more than \$22,000 between February and March 2012, claiming it was protection from “Toronto Bikers” (although police later learned he was not connected to any outlaw motorcycle gang).

According to the OPP report, Stephen Parrish was responsible for collecting debts from bettors, although he did not appear to be a stereotypical strong-arm enforcer. Police who monitored his movements said he did not appear to enjoy the work and was attempting to “distance himself” from it.

Sources: [Ottawa Citizen, April 29, 2014, Ottawa judge jails mob bookie to 18 months in jail](#); [Ottawa Citizen, May 15, 2014, Ottawa trio admit running illegal gambling website](#); [Ottawa Sun, May 16, 2014, Gambling ring craps out](#)

Corruption

An internal study by the RCMP found 322 incidents of corruption involving 204 members over an 11-year period. Twelve cases involved organized crime and another 20 included officer dealings with known criminals. The report emphasized that there is no evidence of systematic corruption within the RCMP; the study characterized the “nature and gravity” of the incidents of corruption as “relatively moderate.”

Improperly giving out police information was the most common type of corrupt behavior by police officers, according to the report. This involved misuse of confidential details in police databanks, sometimes disseminating the information to family, friends or known criminals.

The RCMP undertook the study, code-named Project Sanction, to help develop an anti-corruption strategy. The study covered documented cases from January 1, 1995 through December 31, 2005 and was completed in 2007. However, it was only recently released to the media under the Access to Information Act.

“The RCMP can and should be doing more in terms of a risk reduction strategy,” the report concluded. “Left unaddressed, corruption can fester and affect the vast majority of honest employees, in that there is more potential for less public co-operation on an operational level.”

The study made a number of recommendations to prevent and minimize corruption within the force. These recommendations touch upon the recruitment of new members, ethics training, employee evaluation, security clearances and identifying officers at risk of corrupt behaviour.

Upon its release publicly, the RCMP told the media that since the report’s publication it has adopted many of its recommendations.

Sources: RCMP. 2007. *Project Sanction, Examining Corruption within the RCMP, Final Report*. Ottawa: RCMP; [The Canadian Press, May 18, 2014, Problems within the force](#)

Drug Trafficking

Poly Drug Trafficking

In April, police in the Durham Region of Ontario undertook a major raid of a drug trafficking group that resulted in the arrest of 46 people and the seizure of almost 12 kilograms of cocaine, 1.5 kilos of heroin, 10.4 kilos of marijuana, 589 Oxycodone tablets and 277 grams of crystal methamphetamine. Police estimated the value of the drugs at approximately \$1.7 million. Police also seized a loaded handgun, a shotgun, an assault rifle, \$314,519 in Canadian cash, \$12,802 in American cash and 13 vehicles including a Porsche Cayenne, two BMWs, a Mercedes and a Hummer.

The investigation by Durham Regional Police's Gun and Gang Enforcement Unit, code-named Project Wheeler, initially focused on street-level cocaine trafficking in the late fall of 2013 as a means to identify wholesale suppliers. Not only did the investigation progress quickly, but it grew to capture individuals and groups supplying other drugs.

The 46 people arrested face about 200 criminal charges, including possession for the purpose of trafficking and firearms violations.

Source: mykawartha.com, April 10, 2014 [Project Wheeler nets \\$1.7 million in drugs, 46 suspects](#)

&&&

In April, Edmonton Police seized almost 200 kilos of marijuana – with an estimated value of \$1.29 million – making it one of the largest pot seizures ever in the city. The marijuana was seized from three different residences, all of which were targeted by the same investigation. Numerous other drugs were found during the raids. A news release from the Edmonton Police Service details the array of drugs, cash and other items seized as part of the three raids by the Edmonton Drug and Gang Enforcement (EDGE) Unit:

On Friday, Apr. 11 around 8:30 p.m., a search warrant was executed at an apartment in the area of Clareview Station Drive resulting in the seizure of:

- 70 lbs of marijuana with an estimated street value of \$126,000
- 1.6 kgs of mushrooms with an estimated street value of \$6,300
- 1L of GHB with an estimated street value of \$1,000
- 1423 oxycodone pills with an estimated street value of \$14,230
- 855g of ketamine with an estimated street value of \$51,288
- About 2068g of MDMA with an estimated street value of \$124,068
- Approximately \$10,000 in cash was seized under the civil forfeiture

A second search warrant was executed at a residence in the area of 91 Street and 159 Avenue. Police seized:

- 2262g of ketamine with an estimated street value of \$135,708
- 125g of mushrooms with an estimated street value of \$1,249
- 699g of marijuana with an estimated street value of \$700
- 211g of marijuana wax with an estimated street value of \$2,100
- 14.5g of hash with an estimated street value of \$145
- 1068 oxycodone pills with an estimated street value of \$ 10,680
- Other various illegal pills were also found and seized
- body armour
- Just under \$160,000 cash was seized under civil forfeiture
- 2013 Toyota Forerunner was seized under civil forfeiture
- Felix Aw, 31, was charged with possession for the purpose of trafficking (x17), and illegally possessing body armour.

EDGE Unit conducted a third search warrant on Saturday, Apr. 12, 2014 around 7 p.m. at a residence in the area of 219 Street and 95 A Ave and seized the following:

- 370lbs of marijuana with an estimated street value of \$670,000
- 1562g of MDMA with an estimated street value of \$93,720
- 2890g hash with an estimated street value of \$ 28,900
- 10L of GHB with an estimated street value of \$20,000
- 1098g of marihuana wax with an estimated street value of \$10,980
- Over \$95,000 cash was seized under civil forfeiture

Four individuals were charged with various drug-related offences.

Sources: [Edmonton Police Service, News Release, April 17, 2014, Largest seizure in EPS history: 440lbs of marijuana, \\$1.29 Million in drugs and \\$265,000 cash seized](#); [MetroNews, April 17, 2014, Cops make largest marijuana seizure in EPS history](#)

&&&

On June 4, 2014, the Canada Border Services Agency (CBSA) seized 197 kilos of marijuana and 14 kilos of heroin from a tractor trailer at Edmonton Commercial Operations at the Edmonton International Airport. As part of the same investigation, Alberta Law Enforcement Response Team (ALERT) seized an additional 95 kilos of marijuana and 6 kilos of hashish. The street value of the drugs is estimated at approximately \$9 million and is considered one of the biggest drug busts ever in Alberta.

The day of the seizure CBSA officers at the airport received information from ALERT that a suspicious tractor trailer was en route to their facility. They examined the tractor trailer, containing goods from an overseas shipment requiring custom clearance in Edmonton. After opening the trailer, officers noticed a strong smell of marijuana. They located 16 moving boxes which contained a total of 197 kilos of the drug. Officers continued to search the trailer and located 14 kilos of suspected heroin, concealed in a storage compartment under the trailer.

As a result of the CBSA seizure, two men were arrested and were criminally charged by the RCMP.

Sources: [Government of Canada news release, June 11, 2014, CBSA and ALERT seize huge amount of drugs. Largest seizures of suspected heroin and suspected marijuana ever in Alberta](#); QMI Agency, June 12, 2014, Cops make massive \$9M bust

&&&

At the end of June, American authorities announced they had broken up a multi-million-dollar drug-smuggling pipeline that funneled marijuana and ecstasy from Canada into the U.S. and cocaine back into this country. According to the Postmedia News Agency

The investigation's origins go back to March 2008 when Oklahoma State Police stopped a Toyota pickup truck and found \$2 million in cash in vacuum-sealed bags hidden in the door panels and back wall, according to the affidavit by New Hampshire State Police Trooper James Norris.

The driver told authorities that the money came from the sale of illicit drugs and that he was transporting the money from New Hampshire to California. He said he received his instructions from "Buddy" and "Goofy," who authorities later identified as a Jeffrey Colgrove and a Steven Sarti, both Canadians, the affidavit states.

An investigation by the U.S. Drug Enforcement Administration subsequently uncovered an elaborate smuggling operation that saw large quantities of marijuana being sent across the border in black hockey bags. Various methods were used to deliver the marijuana across the border, but they included couriers who travelled by foot, according to the affidavit.

Once in the U.S., the marijuana was stored in stash houses across New Hampshire, upstate New York and Vermont, before being distributed. Some of the proceeds from the distribution of that marijuana went back to Canada, while some of it went to California.

The currency transported to California was done in order for the (organization) to obtain multi-kilogram quantities of cocaine, which "would then be transported back to New Hampshire and thereafter smuggled into Canada," the affidavit reads.

A confidential source told authorities the ring was able to ship between 4,000 and 7,000 pounds of marijuana, generating \$3 million to \$5 million, in a given year.

The U.S. attorney's office in New Hampshire said Monday that 10 people from that state were charged last week following the year-long investigation that involved wiretaps, surveillance and undercover drug purchases. Authorities seized 30 pounds of marijuana, \$85,000 in cash, money-counting machines and other drug-related paraphernalia, and firearms, including a machine gun and numerous handguns.

The surveillance operation showed that alleged members of the ring frequently changed cell phones. In fact, one of the accused was found to have 12 cell phones in his home, according to the affidavit.

Transcripts from recorded conversations also revealed the pressure members were under to pay off debts to their suppliers and to ensure the quality of marijuana.

U.S. and Canadian authorities have been working in recent years to build a more integrated border-enforcement system and improve information sharing to curb the flow of illicit drugs.

Patterns in the movement of drugs have not changed much over the years, according to the U.S. Office of National Drug Control Policy. Marijuana and ecstasy is produced in Canada and gets smuggled into the U.S. The U.S., meanwhile, serves as the primary transit country for cocaine from South America into Canada.

Organized crime groups use a variety of methods to smuggle drugs across the border, including personal vehicles, commercial trucks, buses, planes, all-terrain vehicles and snowmobiles. Individuals are also recruited to carry drugs across the border.

The main smuggling corridors are the parts of the U.S.-Canada border near Blaine, Wash., Detroit, Mich., and Buffalo, N.Y. The St. Regis Mohawk Reservation is also attractive because it straddles the border.

Source: [Canada.com/Postmedia News, June 30, 2014, U.S. authorities dismantle marijuana pipeline from Canada. Operations smuggled marijuana, ecstasy and cocaine across the border, authorities say](#)

Cocaine

At the end of June, the Canada Border Services Agency announced a seizure of more than 46 kilograms of cocaine found hidden in a commercial cargo shipment at the Port of Halifax. The seizure took place on May 2, 2014 when border services officers discovered the drugs while searching a Montreal-bound container from Panama. The container, with cargo declared as suitcases, was identified as high-risk by the CBSA National Targeting Centre. During the inspection, officers scanned the contents with X-ray technology and found irregularities in 10 of the 207 suitcases. Upon closer examination, vacuum-sealed packages containing an off-white powder were found concealed within the back wall of each suitcase. Subsequent narcotics testing confirmed the substance was suspected cocaine. The seized drugs were turned over to the RCMP Serious and Organized Crime Unit in Nova Scotia. On May 15, four men from South America were arrested in Montréal.

Source: [Government of Canada news release, June 25, 2014, CBSA seizes cocaine from marine container at the Port of Halifax](#)

&&&

On May 30, 2014 CBSA officers seized over 16 kilos of cocaine at Pearson International Airport after conducting an in-depth examination of cargo arriving on a flight from Lima, Peru. Officers observed anomalies while X-raying a shipment of 10 boxes. They opened the boxes and found garbage bags filled with 15 sealed bricks. The bricks' contents field tested positive for cocaine.

Source: [Government of Canada news release, June 9, 2014, CBSA officers seize over 16 kilos of suspected cocaine at Pearson – Canada News Centre](#)

&&&

At the end of May, police in Montreal arrested a network of alleged large-scale drug traffickers who operated in the city. In total, 40 arrests were made during raids that took place on the island of Montreal as well as the South Shore and Laval, the Laurentians and Eastern Townships.

Montreal police characterized the group as independent drug smugglers who were able to distribute approximately 20 kilograms of cocaine a week, on the streets of Montreal and in other surrounding municipalities. Those arrested were charged with importing cocaine, drug trafficking and committing a crime for the benefit of a criminal organization.

Montreal police Commander Martin Renaud told the media the network had ties to organized crime groups such as the West End Gang, the Mafia and outlaw motorcycle gangs, but operated independent of them.

“They’re not linked to any known organization, but considering the amount of cocaine they were bringing into Montreal you’d have to say they (operated at a level similar to the organized gangs) ... One thing that is certain is that to be involved in (cocaine) distribution and have a territory here in Montreal, as they did, they were in business (with the organized gangs). There were meetings, but we had no proof they were distributing to them directly.”

The group, he said, dealt mainly in cocaine but also sold marijuana, hashish and other illicit drugs. Police seized more than \$750,000 in cash, eight firearms, two kilograms of cocaine and eight kilograms of hashish. Two indoor marijuana grow operations were discovered while the Montreal police carried out their warrants.

As part of the same investigation, Canada Border Services Agency agents seized more than 123 kilograms of cocaine on May 6, in Sarnia, Ont. The cocaine was packed into 105 small brick-shaped packages that were hidden in the false bottom of a pickup truck that tried to enter Canada via the Blue Water Bridge, which links Port Huron, Michigan and Sarnia, Ontario. Two Ontario men were arrested as part of the seizure. The cocaine was estimated to be worth more than \$12 million and was part of a plan to ultimately smuggle in more than 1,000 kilograms in all. A CBSA spokesperson said the cocaine was ultimately destined for Montreal.

Sources: [Montreal Gazette, May 28, 2014, Montreal police bust alleged drug ring linked to organized crime](#); [Government of Canada news release, May 13, 2014, CBSA seizes over 123 kilos of suspected cocaine at Blue Water Bridge](#);

&&&

On June 11 members of the RCMP Estrie Detachment, in the Eastern Township of Quebec, arrested 17 individuals in connection to an alleged conspiracy to import and traffic in cocaine. According to a RCMP news release, the investigation, called Project Crypto, targeted a criminal organization in the Estrie area that coordinated the importation of approximately 200 kilos of cocaine from California to Canada using a truck drivers’ network. The cocaine would then be wholesaled to various criminal groups in Canada.

The investigation, initiated in January 2011, led to charges against the targeted individuals, including the alleged leader 60-year-old Denis Simoneau, of East Bolton, Quebec. The RCMP allege that Simoneau orchestrated the transactions between Quebec and Ontario truck drivers and suppliers in the United States. It is believed that the drugs were concealed in secret compartments inside refrigerated trucks before they left the United States. These trucks

contained legitimate goods, mainly fresh fruit and vegetables from California destined to the Canadian food industry.

Source: [RCMP news release, June 11, 2104, Conspiracy to Import and Traffic in Cocaine: 17 Arrests](#)

Heroin

On March 25, 2014, after examining a cargo shipment at a warehouse at Toronto Pearson International Airport, CBSA officers discovered and seized more than 9 kilos of suspected heroin found in a commercial cargo shipment. The cargo, declared as clothing items, was identified as potentially high-risk by the CBSA National Targeting Centre. The examination of the shipment revealed a large yellow package inside one of the boxes. Once examined, the package was found to contain an off-white powder that later tested positive as heroin.

Just five days earlier, the CBSA seized approximately 12 kilos of heroin at Pearson Airport. On March 20, 2014, CBSA officers monitored the baggage being offloaded of a flight from Pakistan. Officers selected a suitcase for further examination, and a detector dog indicated positively on the suitcase for suspected narcotics. Inside the suitcase, officers discovered a black backpack containing 11 wrapped packages. After probing the packages, officers found a substance that tested positive for heroin.

In June, four people from Toronto were arrested after 22.4 kilos of heroin were discovered at Pearson airport. The drugs were found when CBSA officers inspected a shipment containing various carpets from Pakistan. Upon further examination, CBSA officers discovered the heroin concealed in several strings and woven within the weave of four area carpets. CBSA officers contacted the RCMP and on June 20, investigators arrested three men at a commercial business in Toronto. Another man was arrested later. Also seized were fake identification and an undisclosed amount of cash.

In May, CBSA officers made an even larger heroin seizure this time at Vancouver's international airport. Two men were arrested after 35 kilos of the drug were seized at the Airport in the biggest drug bust in the West Coast's recent history. The men were arrested on May 22 after an 18-month criminal investigation into the suspected transport of drugs from South Asia into Canada through the airport. One of the men arrested was an airport employee who worked in the air cargo warehouses. A CBSA spokesperson said the investigation began when a shipment of heroin that left Vancouver was seized overseas. The investigation eventually led to one of YVR's air cargo warehouses and on May 22, investigators witnessed the employee removing an inbound shipment from a secure area of the warehouse without authorization. Arrests were then made.

Also in May, one man was charged after 2.9 kilos of suspected heroin was found in his luggage after he arrived at the Calgary International Airport from Frankfurt. The 26-year-old man was

referred for a second examination by CBSA officers and upon inspection the drugs were found in the false bottom of his suitcase.

Sources: [Government of Canada news release, July 4, 2014, CBSA finds suspected heroin in a cargo shipment at Toronto Pearson International Airport](#); [Government of Canada news release, April 16, 2013, CBSA officers seize approximately 12 kilos of suspected heroin at Pearson](#); [Toronto Star, June 27, 2014, RCMP seize 22.4kg of heroin woven into carpets at Pearson](#); [Mississauga News, June 27, 2014, Here's one drug bust that won't be swept under the rug...](#); [MetroNews, June 11, 2014, Massive heroin bust at Vancouver airport](#); [24 Hours Vancouver, June 12, 2014, Large 35 kilogram heroin shipment seized at YVR airport](#); [Richmond Review, June 13, 2014, Big heroin haul for officials at YVR](#); [CBC News, May 29, 2014, 2.9 kilos of suspected heroin seized at Calgary airport](#) Border officers discovered false bottom in suitcase of man arriving from Frankfurt

Marijuana

The CBSA announced on April 4 that approximately 73 kilos of marijuana was seized at the Peace Bridge in Fort Erie, Ontario. The seizure took place on March 20, when a commercial vehicle arrived at the Peace Bridge with goods declared as okra. During a secondary examination, the truck was found to contain 61 packages of vacuum-sealed pot. The driver was arrested.

Source: [Government of Canada news release, April 4, 2014, CBSA seizes 73 kilos of marijuana at Peace Bridge in Fort Erie](#)

&&&

Nine people linked to a criminal organization that was involved in the large-scale production and exportation of cannabis in the Laurentian region of Quebec were arrested the morning of May 30. The arrests were linked to a February 27 raid in which 181 kilos of marijuana and 25 firearms were seized.

Source: [RCMP news release, May 30, 2014, Large-Scale Production of Cannabis in the Laurentians: Nine Persons Arrested](#)

&&&

In June, a fire led to discovery of a large marijuana grow operation in Innisfail, Alberta. Because of the fire, it was difficult to determine how many plants were growing. However, the RCMP estimated the inventory to be worth around \$1 million. In addition to the marijuana, police found three firearms including an assault rifle, a loaded firearm and ammunition.

Source: Red Deer Advocate, June 4, 2014, Fire leads RCMP to huge grow operation

Also in June, Ottawa police dismantled a large indoor marijuana grow-op, seizing 957 plants and 4,971 grams of dried pot. The estimated value of the total seizure was \$1,006,710. Police also seized three vehicles as the proceeds of crime: a 2013 BMW, a 2006 Toyota minivan and a 2011 BMW X6. Two men – 46-year-old Thien An Huynh and 35-year-old Thuy Dieu Nguyen – were arrested and charged.

Source: [Ottawa Citizen, June 20, 2014, Police bust million-dollar grow-op in Ottawa](#)

&&&

Police raided a Winnipeg home in June and seized 435 marijuana plants, with an estimated street value of \$487,200. Police also seized 3.9 kilos of dried marijuana, \$6,000 worth of equipment and over \$3,000 in cash. Police located a suspect in the area and arrested him on charges of production of a controlled substance, possession for the purpose of trafficking, and possession of property obtained by crime.

Source: [Winnipeg Sun, June 6, 2014, \\$500K pot bust at north tip of city](#)

&&&

At the end of June, Police in the Halton Region of Ontario charged two men after they discovered 68 kilos of marijuana in recent raids. According to police, the investigation, which began a few months earlier, focused on the trafficking of large amounts of marijuana in the Halton and Peel regions. The investigation led to the execution of five search warrants in Milton, Burlington, Oakville and Mississauga. As a result of the searches, police seized the marijuana, as well as a half a kilo of hashish, two cars, three prohibited weapons, and approximately \$25,000 in cash.

Source: [CP24.com, June 30, 2014, Men accused of possessing 150 pounds of pot](#)

Synthetic Drugs

On June 6, the CBSA announced that its officers recently seized 10 kilos of ethylone, an amphetamine-like substance, from a shipment originating in China and destined to an address in Calgary. On April 22 and 23, CBSA officers working at the Calgary Commercial Operations examined two shipments, declared as samples of black iron oxide. Inside each box, officers found 5 kilos of an unknown dark crystalline substance. CBSA Laboratory tests confirmed the substance was ethylone. The drugs seized would have produced an estimated 100,000 doses. These were the second and third seizures of amphetamines-like substances by the CBSA in Calgary this year. Ethylone is in a category of new psychoactive substances (NPS), which are drug substitutes with similar effects to commonly known substances such as ecstasy or amphetamines. NPS are becoming more common as criminal elements attempt to create drugs that fall outside international drug regulations and are therefore easier to smuggle. Ethylone is identified under Schedule 1 of Canada's Controlled Drugs and Substances Act.

Source: [Government of Canada news release, June 6 2014, CBSA officers seize 10 kilos of amphetamine-like substance](#)

Fraud

Credit Card Fraud

The RCMP claim to have dismantled an alleged credit card “factory” in Richmond, B.C. with possible links to Asian organized crime. CTV News reported that in March, “the Mounties searched a Richmond condo and found two credit card embossing machines, a card printer, card skimming devices and forged credit cards. They also uncovered several computers with hard drives containing personal identification and more than 20,000 credit card account numbers.” Alex Chih Sheng Chen was arrested and charged by the RCMP, who said that he entered Canada on a student visa but overstayed its expiry by 10 years.

A RCMP spokesperson was quoted as saying that the “forged credit cards from this factory have been used throughout Canada and even across the border into Washington State.” The spokesperson added, “it’s unclear how these credit card account numbers ended up in the credit card factory.”

A couple of months later, police in Calgary uncovered a hidden room in the basement of a home that was being used to make credit cards and fake ID’s. In January 2014, a financial institution in the Calgary area notified police about higher than normal fraud activity locally. In April, police executed a search warrant on the Calgary home where they seized credit card skimming equipment, gas pump overlays, and hundreds of counterfeit credit cards. They also found a large quantity of the drug ecstasy, \$16,000 in cash. and more than \$20,000 in stolen property. Two men were arrested 31-year old Dennis Ranuk and 30-year old Roman Garbar, both of whom are facing several charges.

Sources: [CTV Vancouver, April 8, 2014, Police uncover 20,000 stolen credit card numbers after fraud bust](#); [Vancouver Sun, April 8, 2014, Man illegally in Canada charged with credit card fraud after factory busted in Richmond](#); Canadian Press, May 6, 2014, Calgary police find hidden room in home used to make fake credit cards and ID

Identity and Passport Fraud

In May, a delegation from Equifax Canada appeared before the House of Commons Standing Committee on Access to Information, Privacy and Ethics to inform parliamentarians about the rise and evolution of “identity-related” crimes.

“We estimate today that synthetic or fictitious identity fraud schemes potentially cost Canadians \$1-billion dollars a year in losses,” testified John Russo, Chief Privacy Officer of Equifax Canada. “These are real numbers based on carefully calculated cost analysis. At first glance, this may seem like a faceless, victimless crime, but the consequences are chilling. Fake names on real

credit cards, real driver licenses and real passports pose a real threat to national, if not our global security.”

Synthetic or fictitious identity crime occurs when personal information is either stolen and components of that information are used to create a non-existent person. The perpetrator often does this by taking personal information, such as the Social Insurance Number of someone who is deceased, or even a young child, to build a non-existent identity.

Russo also addressed the substantial increase in data breaches at various institutions ranging from retailers, healthcare providers, financial institutions, and even government. Between 1998 and 2003, Canada experienced a 500% growth in identity theft reports where applications were submitted and damage incurred to a legitimate consumer.

The number of Canadian identity theft victims increased 14 percent in 2013, according to the Canadian Anti-Fraud Centre. Government privacy breaches alone doubled in 2013 from 109 to 209 incidents, putting personally identifiable information and records of millions of Canadian potentially at risk of identity theft and identity fraud.

Later that same month, the Guelph Mercury newspaper quoted a RCMP spokesperson who echoed the concerns of Equifax. Hamilton RCMP Constable Lepa Jankovic told the media that there has been an increase in synthetic identity fraud in which criminals create a new identity “out of thin air.” Jankovic who is in charge of an investigation into local synthetic identity fraud, was quoted as saying “It’s a new-age scheme (that) is plaguing our financial industry right now.” Synthetic identity fraud means that fake names are used to apply for government identification, which is then used to secure credit cards, bank accounts, loans, etc.

According to the Guelph Mercury, “It used to be that most identity fraud was actually identity theft – with documents stolen or created using stolen social security numbers, or other identifying information. But Jankovic notes that synthetic identity fraud is easier, because there is no victim to complain, and more profitable because one person typically invents upwards of 20 identities.”

Jankovic said the many falsified or counterfeit government documents discovered in Canada are coming from overseas and are quite authentic looking. She estimates that just one falsified identity can generate between \$30,000 and \$100,000 in revenue.

In May of this year, the RCMP says it dismantled a passport fraud scheme in which fake names (or “synthetic identities”) were used to obtain passports for cocaine traffickers as well as one high profile murder suspect. Harbi Mohamoud (Dave) Gabad was arrested and charged with a number of passport and identity fraud offences after the RCMP’s Sensitive and International Investigations Section (SIIS) searched his apartment in Gatineau, Quebec.

The RCMP alleges that Gabad provided fake passports to the Alkhalil brothers, a major drug trafficking group in the country, one of whom is wanted for two deadly shootings in Toronto and Vancouver. According to the CBC, “Robby Alkhalil, 27, was caught in Greece with a genuine Canadian passport under an assumed identity according to police. He awaits extradition

to Canada accused of drug offences and the fatal shooting of Johnny Raposo at the Sicilian Cafe in Toronto's Little Italy in June 2012 and the point-blank execution of rival gang leader Sandip Duhre at the downtown Vancouver Sheraton Wall Centre in January 2012." The RCMP say that two passport photos of another brother, Hisham Alkhalil, were found on a compact disc at Gabad's home in Gatineau, but they have no evidence Alkhalil obtained a passport.

Gabad "was facilitating the obtaining of Canadian passports in exchange for money," said RCMP Insp. Costa Dimopoulos. He told CBC News that criminals are willing to spend \$5,000 to \$20,000 for a genuine document issued under an assumed name. "Canadian passports are coveted by people in the criminal underworld," Dimopoulos said. "It's allowing you to move freely internationally without fear of being captured. It allows you the ability to hide, essentially, from police."

CBC News reported that "to date the RCMP have linked Gabad to 13 fraudulent passport applications, including eight that were actually issued by Passport Canada under assumed identities, according to search warrant documents filed in court."

The RCMP investigation into Gabad began in 2012 when two passports issued to murder suspect Robby Alkhalil were discovered. According to the CBC, Investigators then found "a series of passports and applications that shared a pattern: all were mailed from applicants living in the Outaouais area of Quebec; all used Quebec birth certificates as proof of citizenship; and many shared identical guarantors and related references and emergency contacts ... It led the RCMP to Gabad, who they allege paid desperate drug addicts, the homeless and mentally ill to forfeit identity documents to be used to submit fraudulent applications on behalf of high-paying criminals."

Sources: Marketwired, May 27, 2014, Equifax Canada Warns Parliamentary Committee about Identity-Related Crimes – Synthetic Identities hold Chilling Consequences; Guelph Mercury, May 28, 2014, Fraudsters creating ID 'out of thin air,' RCMP says; [CBC News, May 15, 2014, RCMP bust passport fraud scheme tied to Canada's 'most wanted'](#)

Investment Fraud

In June, the RCMP's Greater Toronto Area Financial Crime unit charged 11 people in Ontario after over 150 international investors lost \$4.4 million dollars in an alleged elaborate investment scam.

The RCMP began the investigation after receiving information from the Ontario Securities Commission that many investors had been defrauded in what appeared to be an investment scam. The RCMP investigation revealed that between 2003 and 2006, over 150 investors from the United States and the United Kingdom were enticed to invest by purchasing shares of an apparent biomedical company trading on the Over the Counter Bulletin Board, led by Ivan Cavric. The company was National Detection Clinics Limited which was formerly known as Discovery Biosciences and became TGC Ventures Inc. Investors were told that NDCL were

going to open up clinics after they had developed an early stage breast cancer infra-red detection system that had received approval from the U.S. Food and Drug Administration.

The RCMP allege that Cavric's organization set out to deceive investors. The medical technology had not been approved and none of the investors' money went towards opening, purchasing or implementing any clinics or equipment. The investigation has shown that numerous individuals belonged to, participated and assisted in crimes being committed and played a part in the Cavric organization. All individuals benefitted from the funds through laundering the proceeds or through being paid wages from investor funds.

Cavric and his co-conspirators were charged with various Criminal Code offences, including Fraud Over \$5000, laundering the proceeds of crime, possession of the proceeds of crime, commission of offence for a criminal organization.

Source: [RCMP Press Release, June 28, 2014, RCMP Charge 11 in Investment Scam](#)

Mass Marketing Fraud

In March, the RCMP reported that 23 individuals were arrested in relation to a suspected mass telemarketing fraud network. The RCMP alleges that they dismantled two "boiler room" operations that defrauded several thousand victims in the United States out of at least \$16 million.

The boiler rooms operated in both the United States and Canada (primarily in Montreal). The perpetrators allegedly defrauded American seniors by selling them a card that would provide discounts on prescription drugs and medical services. The card, which was sold for approximately \$300 to the victims, is in fact free for American citizens. The alleged fraudsters also sold services that would provide protection for personal information. In fact, the victims received no protection at all while money was debited from their bank accounts.

The investigation, led by the Centre of Operations Linked to Telemarketing Fraud (COLT), was initiated in June 2013 after the United States Federal Trade Commission (FTC) received complaints from many victims about a company that offered medical discounts as well as protection against identity theft. COLT is a multi-agency task force that includes Canadian and American government agencies including the RCMP, Quebec Provincial Police, Montreal Police, the US Secret Service, the US Postal Inspection Services and the FTC.

Source: [RCMP Press Release, March 20, 2014, Crack Down on a Mass Telemarketing Fraud Network: 23 Arrests](#)

Human Trafficking

According to a new study released in June at a conference on modern slavery, Toronto is “a hub for a number of human trafficking routes,” as victims of sexual exploitation, forced labour and forced marriage are moved between provinces or brought into and out of Canada. The 50-page report, released at the annual Alliance Against Modern Slavery conference, looked at 551 human trafficking cases that involved Ontario in 2011 through 2013. Of these cases, people were legally and illegally brought into Canada from 18 different countries including Afghanistan, the U.S., Ukraine, the Philippines and India. People were also trafficked out of Canada to Afghanistan, England and the U.S.

Approximately 63 per cent of the victims described in the report were Canadian citizens. The same percentage were between the ages of 15 and 24, and 90 per cent were female. The victims were trafficked for the following reasons: sexual exploitation (68.5 percent), forced labour (24.5 percent), forced marriage (7.7 per cent), and petty crimes (6.3 per cent).

“The findings in this report reveal that the province of Ontario urgently needs to invest in system changes,” said Karlee Sapoznik, one of the report’s four co-authors and president of the Alliance Against Modern Slavery. These changes include a province-wide plan to combat human trafficking, a long-term task force to act on that plan, and changes to Ontario’s child welfare laws.

The *2014 Trafficking in Persons Report* from the U.S. State Department also indicates that while Canada has intensified its prosecution of human traffickers, the country still lacks specialized care for victims of exploitation and a system for counting them.

The annual U.S. State Department report, which was released in June, describes Canada as a “source, transit and destination country” for the trafficking of men, women and children in the sex trade. Women and girls from aboriginal communities and young people in the child welfare system are particularly vulnerable. Roughly half of sex trafficking victims worked as exotic dancers or in clubs when recruited. Women from Asia and Eastern Europe are also targeted by human traffickers and are often brought to Canada to work in brothels and massage parlours.

In addition, Canada is a destination country for men and women subjected to forced labour. Foreign workers may enter Canada legally, but then wind up doing forced labour in the agriculture, construction and restaurant industries or as domestic servants.

Canada has made progress in the fight against trafficking, the report notes. At least 25 people were convicted of human trafficking offences were convicted in 2013, including the first conviction for domestic servitude. The RCMP provided anti-trafficking training for police, border officers and prosecutors and launched a national anti-trafficking enforcement unit in Quebec. Penalties for those convicted of trafficking are “sufficiently stringent,” the report states.

But the report also identified several areas for improvement. While Canadian immigration officials have been provided guidelines to assess whether foreign nationals may be potential victims of trafficking, there are “no nationwide procedures for other government officials —

such as social workers or labour inspectors — to proactively identify and assist trafficking victims among vulnerable populations.” There is also no national system to collect statistics on the total number of trafficking victims. While provinces may offer access to shelters, short-term counselling, and other services, the quality varies and there are no facilities or programs specifically designed to serve trafficking victims.

The same week that this report was released, a 23-year-old Halifax woman was charged with numerous offences, including human trafficking, in a case involving two underage girls, who were allegedly coerced into the sex trade.

Also in June, Toronto police laid 44 human trafficking charges against eight young adults who, police say, were members of a street gang that forced teen girls – some as young as 14-years old – to work as prostitutes. The investigation, called Project Dove, resulted in the arrests of members of the Galloway Boys street gang, whose members “groomed” their victims, forced them to work as prostitutes from hotels and motels and then collected and kept their earnings. The accused range in age from 17 to 25 years old while the victims are from 14 to 17 years old.

A Toronto Police spokesperson said the investigation began in 2013 when police learn of teenagers being lured into prostitution, often by people close to their own age. In some cases, police were alerted by missing person reports filed by family members. “These pimps will groom them, they will build a relationship with them,” the spokesperson said. “They’ll try and build a trust with them. In most cases, they’ll try to make the victim believe that they’re in love with them. These victims are sometimes just looking for attention and affection and these pimps know exactly what these girls are looking for and they feed off of that.” She added that for street gangs, prostitution is a common way to earn money, saying it’s often more lucrative than trafficking in guns or drugs.

In May, another man was arrested for trafficking young women between Ontario and Nova Scotia. Twenty-nine-year-old Brandon Fraser faces 10 charges related to human trafficking and prostitution. Toronto police allege Fraser recruited and forced a woman into prostitution, holding the woman captive. Toronto police say Fraser may have more victims and have released his picture, with the hope that other victims will come forward.

As the CBC reports, “Details of the woman and her situation aren’t being released but the prostitution link between Nova Scotia and Ontario has been active for years.” In fact, one of the province’s most notorious gangs – North Preston’s Finest – has long been implicated in trafficking young women for the sex trade between the two provinces. Fraser was arrested in Toronto, but Halifax police say he is known to them. He has a long criminal record, according to the CBC and was most recently sentenced in Nova Scotia for resisting a peace officer and failure to comply with conditions.

Finally, at the end of June five criminal charges were laid against Jennilyn Morris, including human trafficking, following a five-year investigation into the unlawful employment of foreign nationals in the Edmonton area. The CBSA’s Criminal Investigations Section alleges that Morris employed foreign nationals illegally. The workers were in Canada either as visitors, authorized to work only for other employers, or were illegally in Canada past their authorized stay. Morris

allegedly contracted illegal employees as cleaning, room service and kitchen staff for three Edmonton-area hotels; as housecleaners in private homes; and to stuff flyers into newspapers at an Edmonton-area publishing company.

The CBSA also accuses Morris of organizing one foreign national's entry into Canada through means of fraud, deception, threat of force and/or coercion, and that the foreign national was deceived by Morris with an offer of employment that turned out to be for less pay, more hours and for different work than originally agreed to.

Source: [CBC News, June 14, 2014, Toronto A 'Hub' For Human Trafficking, Report Says](#); United States Department of State, 2014, *2014 Trafficking in Persons Report*. Washington, DC: State Department; [Canada.com, June 19, 2014, Canada needs to do more to help victims of human trafficking: U.S. report](#); [CBC News, June 06, 2014, Human trafficking probe leads to 8 arrests, 44 charges. Project Dove investigators allege gangs forced girls to work as prostitutes](#); [CBC News, May 2, 2014, Toronto human trafficking accused has Halifax ties](#); [CBC News, April 13, 2014, Human trafficking rare charge for Nova Scotia police](#); [Government of Canada news release, June 27, 2014, Edmonton woman faces human trafficking charges](#)

Money Laundering

CTV News in B.C. reported in April that government reports contained dozens of instances of suspected money laundering and loan sharking at casinos in the province. And the problem appears to be increasing: the number of suspicious transactions reported by casinos more than doubled between 2011 to 2013 – from 459 to 1,013. A disproportionate number of this suspicious activity is taking place at one casino: the River Rock Casino in Richmond.

CTV News cited one 2012 case from the report in which “Mr. F” walked into a casino’s VIP room with a backpack and bought chips for \$200,000, all of which was in \$20 bills. The man has an extensive history of suspicious transactions, according to the report, and once brought in \$1.6 million in a single month. The government report speculated that Mr. F has a source for cash available all hours of the day to provide him and other players with large amounts of cash to gamble with.

Another gambler, “Mr. C,” was barred for suspicious behaviour three years ago, only to turn up at the River Rock a year later with a bag carrying \$100,000.

British Columbia’s minister responsible for gambling, Mike de Jong, said the provincial government is looking at ways to target gamblers who have a history of suspicious transactions. The province has also introduced ways for gamblers to not use cash, he said. “If there’s a trend developing – and I’m advised that this is very much the trend – it is to move away from cash-based gaming in favour of electronic transfers of money that re more easily traced,” de Jong told CTV News.

Reports of money laundering at B.C. casinos – and the lack of preventative and enforcement action against it – is not new. In a 2011 article by Christine Duhaime titled *Money laundering at casinos – setting the record straight*, she writes, “In the past twelve months, the media in British Columbia have published a plethora of news stories alleging that money laundering is rampant at all British Columbia casinos and that no one in the industry is doing anything about it, including the casinos, the British Columbia Lottery Corporation and the provincial gaming regulator.”

Source: [CTV News, April 9, 2014, Suspected money laundering rampant at B.C. casinos: report](#); [Duhaime, Christine, 2011, “Money laundering at casinos – setting the record straight.”](#)

Tobacco Smuggling and Trafficking

At the end of April, an inter-agency task force involving the Sûreté du Québec, the RCMP as well as Canadian and U.S. border enforcement agencies, arrested 28 people as part of an investigation into a contraband tobacco ring linked to the Italian mafia and aboriginal criminal groups.

Four hundred police officers executed search warrants and made arrests on the island of Montreal and in Dundee, about 100 kilometres southwest of Montreal, near the border of the Akwesasne Mohawk reserve. Police have seized 40,000 kilograms of tobacco worth \$7 million on the black market in Canada as well as \$450,000 in cash and more than 1,300 marijuana plants.

Police allege members of the Mafia purchased bulk tobacco in North Carolina and then smuggled it into Canada illegally in tractor trailers through the St-Bernard-de-Lacolle border crossing or through the Akwesasne reserve (which straddles the border of Quebec and New York State). The contraband tobacco was hidden with other merchandise, such as cedar mulch to deliberately mask the odour of the tobacco. According to police, members of aboriginal organized crime groups helped import the tobacco – which included hiding the trucks in a warehouse. The tobacco was then sold to illegal factories where contraband cigarettes were made and then sold on the Kahnawake reserve.

Inspector Michel Pelletier with the Sûreté du Québec told a news conference that profits from the illegal sales were divvied up between the two groups. “There was a sharing of profits which was done in the order of 60-40, that is 60 per cent of profits went to the Italian Mafia and 40 per cent to aboriginal organized crime,” he said.

According to James Spero, a special agent with Homeland Security in Buffalo, “The arrests effectively shut down a sophisticated transnational smuggling operation allegedly responsible for illegally exporting large quantities of tobacco, illicit cash, weapons and other contraband into Canada,”

Among those arrested was fifty-three year old Nicola Valvano and Carlo Colapelle of Montreal, both of whom were described by police as the main organizers of the smuggling conspiracy and influential members of the Mafia in that city. According to the Postmedia news, several others

who were arrested have links Raynald Desjardins an influential associate with the Rizzuto mafia family in Montreal (and who is currently in prison).

Sources: [CBC News, April 30, 2014, Tobacco smuggling between Canada-U.S. results in 25 arrests – Montreal](#); [Global News, April 30, 2013, Quebec tobacco ring allegedly involved Montreal Mafia and native organized crime](#); Canadian Press, April 30, 2014, Quebec tobacco ring allegedly involved Montreal Mafia and native organized crime; [Infozine.com, May 1, 2014, Canadian, US Authorities Shut Down Cross-border Smuggling Ring – Kansas City](#); [Postmedia News, May 14, 2014, Police deal blow to tobacco smuggling ring](#)

&&&

At the beginning of May, the London Detachment of the RCMP charged 9 people following an investigation into various groups that were allegedly involved in the production and distribution of illegal tobacco in Canada.

The investigations began after the RCMP received information that several Southwestern Ontario tobacco growers were involved in producing more tobacco than they were legally allowed and selling the additional yield through the ‘black market’. As the investigations unfolded, police determined that various growers and brokers were involved in the illegal sale of large amounts of raw leaf tobacco as well as finished tobacco products. “The targets of the investigation were the growers of the tobacco ... people that legitimately grow tobacco in some cases and there were others that illegitimately grow (it),” said Supt. Jamie Jagoe, southwest district commander for the RCMP.

By the end of April, the RCMP undertook numerous investigations throughout Southwestern Ontario which included the execution of six search warrants in and around London, Woodstock and Brantford, and the arrest of the nine people. Those arrested were charged under the Criminal Code, the Excise Act (2001) and the Controlled Drugs and Substances Act.

As a result of these operations, and previous related seizures, the RCMP said it seized “large amounts” of raw leaf tobacco worth over \$300,000. The tobacco seized could have produced legal tobacco products worth about \$9 million that translates into a \$3.5-million loss in tax revenue, according to Supt. Jagoe. Also seized were more than 60 kilos of dried marijuana, 950 marijuana plants, 2 bricks of hashish, small amounts of cocaine, Ketamine and MDMA, 6 trucks, 1 tractor, 1 car, 1 boat, 1 snowmobile and 1 motorcycle, \$85,000 cash, as well as 45 shotguns.

Sources: [RCMP news release, May 2, 2014, 9 Arrested after RCMP disrupt Illegal Tobacco Distribution Network](#); The Expositor [Brantford, Ontario], May 3, 2014, Black market tobacco bust

ORGANIZED CRIME GENRES

Italian

In June, the Combined Forces Special Enforcement Unit (CFSEU) in Quebec announced that it had dismantled what it called “two major Italian-based organized crime cells” in that province. As part of the investigation, code-named Project Clemenza, 33 people were arrested in Montreal, Laval, Québec City, and Gatineau. Three more individuals were wanted at the time of the arrests.

The accused face numerous charges including conspiracy, drug importation, trafficking and possession, kidnapping and forcible confinement, possession of weapons and explosives, arson, extortion, assault, and participation in a criminal organization.

The investigation was initiated in October of 2010 and targeted two groups which police say were attempting to fill the void created when a number of high-ranking members, soldiers and associates of the Rizzuto mafia family were arrested and imprisoned as a part of Operation Colisée in 2006. One of the main “cells” investigated was connected to the Bastone brothers – fifty-one-year-old Antonio Bastone and his and 41-year-old brother Roberto – while the other was associated to the now deceased Giuseppe De Vito. “These two networks operated with the goal of trafficking in drugs, doing business in their respective territories in Montreal,” said RCMP superintendent Michel Arcand. This goal was accompanied by a high level of violence, according to Arcand, which included firebombings, attempted arson, kidnapping, forcible confinement, assault, attempted murder, and murder.

De Vito died at the Donnacona federal penitentiary in July of 2013 while serving a 15-year sentence for drug trafficking. A coroner’s investigation determined he died of cyanide poisoning. His death is still under investigation by the Sûreté du Québec. Despite his passing, the group he led for years continued to operate. De Vito was targeted by Operation Colisée, but he managed to avoid arrest until 2010. The Montreal Gazette reported that “Although De Vito despised the Rizzutos, because he suspected they killed his former boss, he was involved in a major cocaine smuggling operation with the Rizzuto organization while the group was under surveillance in the Colisée investigation.”

Arcand said the goal of Project Clemenza was to “eliminate” the two organizations that took over in the wake of Colisée. “The dismantling of these cells disrupts the whole organization of the Italian Mafia in Montreal,” he told the media.

Operation Clemenza gathered much of its key evidence by intercepting electronic messaging on BlackBerry devices. These messages allowed investigators to identify the suspects in relation to a series of crimes committed on behalf of the criminal cells in Montréal between 2010 and 2012. According to the Montreal Gazette:

By analyzing the messages, the police were able to link members of the two cells to certain crimes, among them the firebombing of the Café Monte Cristo in January 2011 and the Café Pigalle in February 2011. Based on other intercepted messages, De Vito is believed to have orchestrated plans to smuggle money, drugs and cellphones into prison, while he was

incarcerated. Messages identified five people involved with the kidnapping and extortion related to the case of Peter Whitmore, who owed a lot of money to the Bastone brothers, and was held against his will between January and April 2011.

Police reported that over one million private text messages were intercepted and analyzed as evidence. This was the first time that this technique was used on such a large scale in a major investigation in North America.

Police seized an estimated 340 kilograms of cocaine, 1 kilogram of marijuana, 5 kilograms of hashish and a cache of high-powered weapons and explosives. Investigators with the Integrated Proceeds of Crime Unit (IPOC) conducted ten searches and seized two residences and two bank accounts. The total estimated value of the seizure is \$1M. Located in Laval and St-Côme, the properties belonged to Roberto Bastone.

Police linked the two groups to an increase in Montreal gang violence since Project Colisée, which includes the firebombing of two Montreal cafes, kidnappings and murder as a means to exert control over cocaine trafficking in Montreal. According to the Montreal Gazette, the investigation has helped shed “some light on an internal conflict within the Mafia in Montreal that lasted for years.”

Police blamed the two groups for a wave of violence between 2007 and 2011 after the illicit businesses run by major crime families was disrupted in the wake of Project Colisée, an investigation that began in 2003 and culminated with raids in 2006. ... There was an instability in the traditional organized crime model after Colisée,” said RCMP superintendent Michel Arcand. “These two cells were not exactly rivals, but there was fighting and there was violence.”

Sources: [Royal Canadian Mounted Police, June 12, 2014, Project Clemenza: Two Major Italian Organized Crime Cells Dismantled](#); [Oye Times, June 12, 2104, CFSEU members dismantled two major Italian-based organized crime cells](#); [National Post, June 12, 2014, 'Violent and active' Quebec Mafia cells taken down with help of BlackBerry messages](#); [Montreal Gazette, June 12, 2014, RCMP launch Project Clemenza to crack down on 2 'violent' organized crime cells in Quebec](#); [CBC News, Quebec police raids: 31 alleged Mafia members arrested](#); [CTV News, June 12, 2014, RCMP use BlackBerry surveillance in crackdown on Montreal mob](#)

&&&

A “loyal member” of a Toronto 'Ndrangheta cell was pronounced dead after being shot several times outside the Regina Sports Café in Woodbridge, Ontario on April 24. York Regional Police say they're looking for two suspects who fled in a grey or silver Honda Civic or similar car.

According to the Canadian Press, fifty-seven-year-old Carmine Verduci, “a suspected hitman, was a presence in the GTA underworld since the late 1970s, known for his connections and violent rages. His criminal record included assault with a weapon and weapons possession.” One Toronto police officer quoted by the Canadian Press said, “He was feared on the street ... They called him The Animal.” Verduci was born in Reggio Calabria province of Italy in 1959, but emigrated to Canada and eventually became a citizen.

Based on a police report obtained by the Toronto Star, Verduci was considered a “loyal member” of a cell of the ’Ndrangheta located in Toronto. According to the Star, Verduci “headed his own street crew, which was active in the GTA and Hamilton.”

Police believe he graduated from street level heroin dealing to high-level drug trafficking, gun running and gambling with the ’Ndrangheta crime group ... Police suspected Verduci was smuggling AK-47 assault rifles into the GTA while the ’Ndrangheta was brokering arms for opium in Afghanistan ... Police files on Verduci say he was believed to have arranged heroin shipments from Mexico, and that he also arranged multi-kilo shipments of cocaine.

In the words of National Post reporter, Adrian Humphreys, Verduci also had the dubious underworld distinction of having accidentally alerted Italian police to the existence of a ‘Canadian cell’ of the Mafia — about 40 mobsters who maintain close ties to colleagues in Italy.” The cells were discovered when Italian police identified Verduci as a participant in a Feb. 12, 2008 meeting in Italy with other members of ’Ndrangheta cells. According to Humphrey’s

An investigation showed he was the ’Ndrangheta’s transatlantic messenger: He “had the task of travelling between Italy and Canada, acting as a carrier of news between the Italian group and the Canadians,” prosecutors said. Following him, wiretapping his cellphone and tracing emails, authorities linked at least 40 people who were either Canadian citizens or current or former residents of Canada. After a two-year probe codenamed Operazione Crimini, prosecutors in Italy unveiled sweeping arrest warrants for several of the men in 2010 which alleged there were seven dominant mob families in the Toronto area, each with a boss who sits on an influential board of control. The indictment made the names of the alleged bosses public for the first time.

On March 8, 2011, Italian authorities issued an arrest warrant for Verduci for the crime of associating with the mafia. He was one of eight Canadians named on a warrant from Italian authorities charging him with Mafia ties. He could not be deported to Italy, however, because no crime of mafia association exists in this country.

Verduci is known to be a very close associate of Carmelo Bruzzese, who is a senior member of one Canadian ’Ndrangheta cell (see below).

There is strong evidence that the ’Ndrangheta cells in Canada, whose members are mostly from the Calabria region of Italy, were increasingly at odds with the Montreal Mafia, which was headed by Vito Rizzuto whose family is from Sicily. It was this conflict that contributed, at least partially, to the bloodshed that includes the unsolved murders of Vito’s father and his son. Based on a police source, The Star speculated that “Verduci was a prime target for Montreal assassins because he tried to encroach on turf which the Rizzutos considered their own...”

In addition, the media reported that Verduci was also part of a group that became involved with Sal Montagna, a member of the Bonanno mafia family of New York City, who was attempting to take over the Montreal mafia while Rizzuto was imprisoned in the U.S. Montagna was murdered near Montreal in November 2011.

The speculation is that Verduci was mostly likely targeted for death by the Rizzuto mafia family in Montreal. And while Vito Rizzuto died in December of 2013, this did not let Verduci off the hook. As Peter Edwards writes in the Toronto Star:

At the time of his death, Rizzuto was bent on revenge against at least a half dozen GTA mobsters, police sources say. Verduci's murder is a loud message to his old associates in the GTA and Hamilton underworld, police officers who specialize in organized crime said Friday. To me it's a huge message," one officer said. "It's not over just because Vito's dead. . . . Certain people have to die before business gets done."

Sources: [Toronto Star, April 25, 2014, Rizzuto revenge suspected in murder of GTA mobster Carmine Verduci in Woodbridge](#); [National Post, April 25, 2014, Carmine Verduci — the man who exposed Mafia's 'Canadian cell' — was gunned down near Toronto yesterday](#); [Canoe.ca, April 25, 2014, Deadly GTA shooting has Rizzuto Mafia ties: Sources](#)

&&&

At the end of June, the National Post was reporting that 64-year-old Carmelo Bruzzese, who lives in the GTA, "was declared by an investigator with Rome's anti-Mafia police to be the head of a powerful mob clan taking refuge in Canada."

Bruzzese was born in Italy, but came to Canada in 1974. He became a permanent resident but not a citizen and returned to Italy in 1977. He then travelled back and forth between the two countries.

"Carmelo Bruzzese has been found by the judge [in Italy] to be the head and organizer" of a clan of the 'Ndrangheta, according to Major Giuseppe De Felice, a commanding officer with the Carabinieri, a national paramilitary police force in Italy. Major De Felice told the hearing that investigators in Italy secretly recorded members of the 'Ndrangheta saying Mr. Bruzzese is the boss in Grotteria, Italy. "He assumed the most important roles and decisions. He gave the orders," De Felice said. "The 'Ndrangheta is a global phenomena. It is a huge organization. In Canada there are many families from Calabria that belong to the 'Ndrangheta."

De Felice was testifying from Italy via teleconference as part an Immigration and Refugee Board hearing to determine whether Bruzzese is inadmissible to Canada. The government is trying to deport him due to allegations of his ties to organized crime the 'Ndrangheta specifically.

Bruzzese was quoted in the National Post as saying in a private conversation during a break in the hearing, "This man from Italy is a big liar, eh?" ... This is a big lie. I don't know how much they pay him."

Bruzzese was also appearing at the hearing through a video link from a prison in Lindsey, Ontario.

Bruzzese, returned to Canada in 2009 shortly after being acquitted of a charge in Italy of being associated with the mafia (a criminal offence that does not exist in Canada). According to the

National post, “The acquittal, however, did not clear him of underworld ties: The Italian judge said evidence of Mr. Bruzzese being part of the Sicilian Mafia was undone by evidence he was — instead — a member of the ’Ndrangheta ... By the time a new arrest warrant was issued, accusing him of ’Ndrangheta membership, Mr. Bruzzese was already settled in a suburban home north of Toronto with his wife.”

Source: [National Post, June 25, 2014, Man living in Canada is Italian mob boss, member of Rome’s anti-Mafia police tells deportation hearing](#)

&&&

In April, Frank Papalia died at the age of 83 at a nursing home where he spent the last years of his life. Frank was brother to John Papalia, one of the more infamous mafia figures in Canadian history and who was murdered in 1997. Frank was underboss to his brother’s Hamilton-based mafia cell and, according to Adrian Humphreys, John Papalia’s biographer, “Although often seen as the smart one, Mr. Papalia seemed to accept his place with John as the boss and took his place at John’s right hand as the underboss of John’s empire and as the dutiful brother within the family.” When his brother was in jail – which was frequently – Frank was the one delegated the responsibility of looking after his rackets and his investments.

According to CBC News, Frank Papalia often seemed the complete opposite of his brash, violent, drug-dealer brother. “Frank Papalia wasn’t known for the flashiness or the bluster of his older brother Johnny. He managed his family’s dealings from behind the scenes and served, as one crime writer has put it, as a “rock” for the formidable Hamilton, Ont., clan. ... He settled in a secluded home on Hamilton’s West Mountain, swore infrequently and had a reputation for conducting business in a polite, gentlemanly manner.”

Frank Papalia was born in 1930 to bootlegger Antonio and wife Maria. Like his brother he was part of the Ontario wing of the Buffalo-based Magadinno mafia family.

While his brother spent much of his life in and out of jail, Frank rarely ran afoul of the law. In the early ’80s, he was charged with procurement by arranging for his mistress to have sex with his later, but later pleaded guilty to the lesser charge of obstruction of justice. Papalia also faced fraud charges for allegedly defrauding the Canadian government through the family’s home insulation company, but the case was eventually dropped.

Frank saw himself less as a gangster and more of a businessman. He was influential in steering his brother towards, semi-legitimate businesses, as Adrian Humphrey’s writes. “His company placed thousands of cigarette vending machines around southern Ontario before regulation ruined that gold mine. They switched to food dispensers, pinball machines and coin-operated arcade games. One former client of the Papalia’s pinball business says that at Christmas, Frank and Mr. Monaco would show up at his office with a case of Canadian Club whisky as a gift.”

Sources: [CBC News, April 18, 2014, Frank Papalia was ‘the rock’ of Hamilton mafia family ‘Conservative’ younger brother to Johnny Papalia dies at 83](#); [National Post, April 18, 2014, His](#)

[brother was Ontario's pre-eminent Mafia boss, but long-suffering Frank Papalia was still his keeper](#)

Middle Eastern

Citing Canadian Security Intelligence Service (CSIS) reports and documents, the QMI News Agency is reporting that Hezbollah members in Canada are involved in organized crime. Members of the group — which was banned as a terrorist entity in Canada in 2002 — also are secretly engaged in fundraising, procurement of materials and intelligence gathering, according to a 2012 threat assessment report prepared by CSIS.

The assessment said that Hezbollah “has had a presence in Canada” and that its supporters “conduct fundraising, procurement and intelligence activities in Canada, and are involved in organized crime, including fraud.”

Hezbollah's presence in Canada was also one of the topics that CSIS included in a “top secret” 10-page memo written in 2013 to the new Public Safety Minister Steven Blaney. The letter described ongoing programs and threats and said “Hezbollah is widely considered to be one of the most operationally capable terrorist organizations in the world.

In March, federal prosecutors in the U.S. alleged that a Hezbollah “cell” in Charlotte, North Carolina provided material support and resources, including cash and equipment, to the Islamic militant group. The allegations were part of an indictment handed down by a federal grand jury that charged four people with conspiring to provide the Lebanon-based group with cash, night vision goggles, global positioning devices, mine detection equipment, cell phones and blasting equipment.

“We hope to send a clear message that North Carolina, the United States and Canada are off-limits for illegal funding and procurement activities by individuals or organizations that support terrorism,” Chris Swecker, special agent in charge of the FBI's Charlotte office told the media.

In 2013, the same grand jury indicted 18 people on charges of cigarette smuggling, money laundering and immigration violations. The indictment named six new defendants, three of whom are accused of aiding Hezbollah while the other three face charges including cigarette smuggling and money laundering. The three accused of helping Hezbollah were identified as Ali Adham Amhaz and Mohamad Hassan Dbouk, last reported to be living in Vancouver, B.C. and Hassan Hilu Laqis, whose last address was unknown. The fourth man, Said Mohamad Harb, is among the group charged in July and has been held without bond in federal custody since then.

The government contends that Mohamad Youssef Hammoud, named in the original indictment, led a Charlotte-based group of Lebanese immigrants who bought cases of cigarettes in North Carolina, which has a low cigarette tax, and sold them at a profit in other states. Prosecutors said the group diverted some of its profits to Hezbollah.

Sources: [QMI News Agency, June 3, 2014, Hezbollah tied to organized crime in Canada, says spy agency](#); [Canada.com, February 5 2013, Canadian accused in deadly Hezbollah-linked bus bomb attack in Bulgaria](#); [ABC News, March 28, 2014, Feds: Hezbollah Cell in N.C](#)

Organized Street Gangs

At the end of May, Police in Toronto launched a series of coordinated pre-dawn raids against two rival gangs in the city, arresting more than 50 people. Both gangs — the Sic Thugs and Asian Assassins — are well organized and sophisticated with a with “a much bigger footprint than normal gangs “ in Toronto, Acting Toronto Police Chief Mark Saunders told a news conference. The gangs have ties throughout the GTA, Southern Ontario and even as far as Alberta, according to the Vaughn Citizen newspaper.

In addition to the arrests, police seized 35 firearms, 1,100 rounds of ammunition, eight pieces of body armour, \$350,000 in cash, and an assortment of drugs, including crack, cocaine, heroin, methamphetamine, MDMA, Ketamine and several pharmaceuticals, the Toronto Sun reported.

The charges laid by police include trafficking of firearms, drugs and humans; firearm possession; armed robbery; conspiracy to commit robbery, and participation in a criminal organization.

Another 30 people allegedly linked to the gangs had been arrested prior to the raids, according to Saunders.

Because the gangs are believed to be tied to shootings across the city, homicide charges may be laid, Acting Police Chief Saunders told the media. Police said Sick Thugs are linked to a shooting inside the Eaton Centre food court in June 2012, which killed two men and injured six others, including a 13-year-old boy. The shooter, Christopher Husbands and the two victims, Ahmed Hassan and Nixon Nirmalendran, were members of the Sic Thugs gang and that the shooting had been the result of internal gang strife, the police told the media. According to the Toronto Star, “based out of Regent Park, the Sic Thugs have been on the police radar for years, believed to have come out of the now-defunct Point Blank Soldiers gang, which was linked to the 2005 Boxing Day shooting death of bystander Jane Creba.”

The Asian Assassins are connected with the 2013 execution-style killing of 23-year-old Michael Nguyen who was known to police as a member of Asian Assassins gang. In the wake of the arrests, Michael Chuttleburgh, author of *Young Thugs: Inside the Dangerous World of Canadian Street Gangs*, said that the Asian Assassins is a low-level gang connected to more traditional organized crime groups. “These ‘Asian Assassins’ aren’t a big crew, have never been,” said Chuttleburgh. “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.”

Sources: [Toronto Star, May 28, 2014, Dawn raids target two rival gangs in broad swath, arresting more than 50](#); [Globe and Mail, May 28, 2014, Toronto police arrest 50 in citywide guns-and-drugs crackdown](#); [Toronto Sun, May 29, 2013, A ‘snapshot’ of what was seized in Toronto raids](#); [CBC News, April 4, 2014, ‘Asian Assassins’ not a major crime group, expert](#)

says; [Vaughan Citizen, May 29, 2014, Vaughan, Thornhill men among dozens arrested in gangs bust](#)

Outlaw Motorcycle Gangs

For the first time in Alberta, criminal organization charges have been laid against the Hells Angels,” Insp. Darcy Strang of the Alberta Law Enforcement Response Team (ALERT) told the media. The charges accompanied the arrest of six men in late April as part of a series of police raids. One of the raids was on the clubhouse of the Westridge chapter of the Hells Angels in Edmonton.

“Criminal organization charges” refer to Section 467.1 of the Criminal Code, which contains various offences that can be charged against individuals who participate in and/or commit crimes on behalf of a criminal organization. Any penalties accruing from the successful prosecution of such charges are served consecutively with other charges.

Dominic DiPalma, 33, Darcy Allan Lee, 38, Troy Jerrett Pawluk, 43, Eduardo E. Bartolozzi, 34, Roy Samuel Radies, 50, and Dustin Lowry, 35, were all charged with robbery, assault and committing an offence for a criminal organization. As well, Di Palma and Lauren Wispinski are charged with possession of marijuana for the purpose of trafficking, possession of a controlled substance (ketamine), unauthorized possession of a firearm relating to a .380 handgun, possession of a firearm without a licence relating to the .380, possession of body armour, and unauthorized possession of an operable Taser.

Addressing the media, Strang said the operation was the result of a “complex investigation” into Hells Angels activities in the greater Edmonton region. Strang said ALERT became involved following a robbery and violent assault that took place in February. That incident was triggered by a turf war, he said.

“Although the focus of this investigation was not guns or drugs, police also seized 26 lbs of marijuana and two handguns. This is a clear indication of the criminal ties and propensity for violence of this criminal investigation.” Police also seized 19 Hells Angels vests as evidence in their investigation.

Strang said the ALERT investigation into the club’s activities is ongoing, and added that more arrests may still be made.

Sources: [CBC News, April 25, 2014, Hells Angels investigation a first of its kind in Alberta](#); [QMI News Agency, April 24, 2014, Hells Angels raids lead to organized crime charges](#)

&&&

CTV News reported in May that the Hells Angels and the Red Devils motorcycle clubs were targeted in 49 police raids. Some 650 police officers were involved in the raids, which arrested 65 suspects in Saguenay, the Laurentians and Laval, Quebec. The Red Devils are a puppet club for the Hells Angels in Quebec and elsewhere, including Ottawa and South Carolina.

The raids were part of Operation Macaque a multi-agency police operation targeting drug networks in Saguenay, Montreal and the North Shore. These particular raids were mainly directed at targets in the Saguenay area where the accused were suspected of crimes, including extortion, arson and kidnapping.

Among those arrested were Daniel Labrie, 41, of Terrebonne, Daniel Bouchard, 40, of Jonquière, Éric Bleau, 32, of Saint-Eustache, Pierre Chayer, 50, of Rawdon and Normand Girard, 60, of Laval.

One of the cells of this network was suspected of producing marijuana for the Quebec market, while another was believed to have been exporting marijuana to the U.S.A. at a rate of 20 kilos per week, for a revenue of about \$1.2 million.

According to CTV News, Operation Macaque, which began in January of this year, has led to the seizure of 20,000 marijuana plants, 260 kilos of dried marijuana, 1.7 kilos of hashish, three kilos of cocaine, 180,000 tablets of methamphetamine, 19.7 kilograms of methamphetamine, 27 firearms, more than \$500,000 in Canadian cash and \$20,000 in American cash, 20 vehicles, a boat and a tablet press capable of producing 1,400 tablets per minute.

Sources: [Sûreté du Québec news release, May 7, 2013, Projet Macaque – Plus de 60 arrestations](#); [LaPresse, May 8, 2014, Opération Macaque: dur coup porté au crime organisé](#); [CTV Montreal, May 7 2014, Police arrest 65 in major biker gang drug bust](#)

&&&

Troy Scholder, a 33-year-old member of the San Diego chapter of the Hells Angels was deported from Canada, according to the May 17 blog of Vancouver Sun reporter Kim Bolan. Scholder is wanted in the United States on charges related to kidnappings, assaults and robbery.

According to Bolan, Scholder was caught during a routine traffic stop in Langley, B.C on May 8. The alert police officer noticed the letters “H A M C” tattooed across the fingers of his right hand (which stands for Hells Angels Motorcycle Club), and “D A G O” across the fingers on his left hand (which stands for San Diego chapter).

In May, the Immigration and Refugee Board ordered that Scholder be deported and could not re-enter Canada because of his criminal history and because the Hells Angels qualifies as a criminal organization under Canadian immigration laws.

The San Diego chapter is believed to have worked with the B.C. Hells Angels in a cocaine smuggling operation that led to the arrests of two full-patch B.C. members, as well as two associates in Spain in 2013.

Source: [Vancouver Sun, May 17, 2014, Fugitive Hells Angel deported to U.S. after Langley arrest](#)

&&&

The QMI News Agency is reporting that Maurice “Mom” Boucher – one of the most infamous leaders of the Hells Angels in Quebec – is no longer a member of the motorcycle club. According to QMI, the 60-year-old Boucher was officially expelled from the gang because “he has exhausted all legal recourses and he is no longer useful to the gang.”

Boucher, who is currently serving a 25-year sentence in a maximum security prison for the murder of two prison guards, learned his membership was being revoked in March. QMI reported the decision to expel Boucher “was reached at a recent East Coast meeting of the Hells Angels chapters. Sources tell QMI Agency these meetings are used as a forum for conflict resolution between different chapters.”

Boucher was a member of the Hells Angels for nearly three decades and later became the leader of Quebec’s powerful Nomads chapter. He was almost single-handedly responsible for initiating the bloody biker war of the 1990s where more than 150 people died over Boucher’s attempt to monopolize the cocaine market in Quebec. He was later convicted of murder and sentenced to a life sentence. Boucher will be eligible for parole in 2022.

QMI quoted a source indicating that Boucher did not have the respect of the newer members of Quebec’s HA chapters. “The younger members were not happy with the way Boucher ran the Hells Angels when we were at war with other gangs,” QMI was told.

Sources: [Le Journal de Montréal, April 17, 2014, Maurice Boucher n’est plus un Hells](#); [Toronto Sun, June 8, 2014, Former boss booted from Hells Angels](#)

&&&

The Hells Angels has lost in its bid to hang on to its old clubhouse in east end Toronto. In June, the Ontario Court of Appeal dismissed a court challenge by the motorcycle club to regain possession of their clubhouse at 498 Eastern Ave. The clubhouse was seized and forfeited to the Crown in 2006 as part of a major drug investigation into the HA 2007. The clubhouse was owned by a corporation that was run by members of the downtown Toronto chapter. The Hells Angels now has the option of attempting to convince the Supreme Court of Canada to hear their case. Barring a successful appeal of the Court of Appeal decision, the Ontario Government can sell off or develop the property.

Source: [Toronto Star, June 13, 2014, Hells Angels can’t keep Eastern Ave. clubhouse, Ontario’s top court says](#)

&&&

In April, CBC News reported that Jesse Bitz, a member of the Hells Angels in Saskatoon, will stand trial on charges he threatened to kill Leonard Banga, the owner of Xtreme Mining and Demolition. Bitz was an employee with the firm but had a falling out with Banga, which led to his firing and then the subsequent alleged threats.

After firing Bitz, Banga changed his hiring guidelines and also fired other members of the motorcycle club that were on his payroll. "Xtreme Mining and Demolition enacted a new hiring policy in the fall of 2013 to prevent individuals with a history of violence and/or involvement in organized crime from working in safety sensitive situations," he told the media. Three of the Hells Angels fired after the policy change are now threatening legal action for wrongful dismissal.

Source: [CBC News, April 3, 2014, Hells Angel Jesse Bitz to stand trial in October for death threats](#)

&&&

The British Columbia Court of Appeal has reversed a stay on criminal charges for Robert Frederick Widdifield, a full-patch member of the Hells Angels, sending the case back to trial. Widdifield was accused of extortion and theft, in connection to a stolen boat. His trial was delayed a number of times and, as a result, in June of 2013, BC Supreme Court Justice Robert Johnston stayed the charges, ruling that the Crown was responsible for the delays that denied Widdifield his right to a speedy trial. BC Court of Appeal Justice David Frankel over-ruled Justice Johnston arguing that the Crown was responsible for only some of the delays, and that Widdifield's defence counsel was partially responsible for other delays.

Source: [Canadian Press, May 1, 2014, Alleged Hells Angel should go to trial on theft, extortion charges: BC court](#)

&&&

In May, the Fredericton Daily Gleaner reported that a full-patch member of the Bacchus Motorcycle Club and his common-law spouse had been charged with drug offences in New Brunswick. Forty-seven-year-old Ronald Gerald Richard and 32-year-old Amanda Dawn Miller were arrested when the RCMP raided their home at the end of April. They both face charges of possession of Oxycodone, Dilaudid and methamphetamines, all for the purpose of trafficking, as well as counts of possession of marijuana and hashish. They appeared in Fredericton provincial court for a bail hearing, and then were released back into the community on conditions.

The police search uncovered 15 prescription pill bottles, only a few of which were in Richard's and Miller's names. Documents presented in court by the Crown indicate that the RCMP found "a bulk quantity" of marijuana in a large Ziploc bag, with smaller amounts in smaller bags "believed to be packaged for resale." They also found four grams of hashish. The couple faces no charges related to the marijuana or hashish, however, because Richard has a licence from Health Canada to produce and possess medical marijuana.

The Crown opposed the couple's release due to Richard's membership in the Bacchus Motorcycle Club. The Crown told the hearing that the RCMP found several items with the Bacchus name and symbol found in the home, including photos and items of clothing.

“I have read an opinion of a police officer from a biker enforcement unit and believe that Bacchus Motorcycle Club is recognized as a criminal organization,” one RCMP officer wrote in a court brief. “The Bacchus MC wear the 1% diamond patch on their colours and have self-proclaimed themselves to be an outlaw motorcycle club that do not abide by society rules,” the brief said.

Testifying at the hearing, Richard admitted he has been a member of the Bacchus Motorcycle Club for five years and is currently a full patch member. He told the court the “mother chapter” in the region is in Moncton, and there are other chapters in Saint John, St. George, Nova Scotia and Prince Edward Island. Richard’s defence lawyer suggested there had been no criminal convictions of Bacchus MC members in Canada and characterized Bacchus as “a fraternal organization.”

Source: The Fredericton Daily Gleaner, May 1, 2014, Couple with ties to biker club facing drug charges

&&&

At the end of May, the Bacchus motorcycle club’s lone Nova Scotia chapter moved to Halifax and now has a new lakeside clubhouse in Harrietsfield, a rural residential community in the western region of the Halifax Regional Municipality. The single-storey building its logo affixed to the front door and a sign above the door indicating it is the home of Bacchus Halifax.

RCMP Const. Cindy Cullen of the combined forces intelligence unit said recent changes in the gang’s membership made it more convenient for them to relocate their old chapter in Hants County (about 45 minutes outside of Halifax) in favour of their new home. “Some members left, some new members came in and they essentially moved to Halifax. I think it’s more logistical for them.” The numbers occasionally change, but there are thought to be 12 members in the gang, she said.

There are several Bacchus chapters in Atlantic Canada — one in Nova Scotia, three in New Brunswick, one in Prince Edward Island and two in Newfoundland. While Cullen said the Bacchus club maintains good relationship with the Hells Angels, its move to Halifax may also be part of a defensive maneuver in case the HA want to re-establish a chapter in that city. As stated in a CBC News report, “The Bacchus Motorcycle Club appears to be cementing its grip in the Halifax area...”

The Hells Angels do not have a chapter in Nova Scotia, but the province is home to four puppet clubs of the HA. Three of them are chapters of the Gatekeepers and are based in Pictou County, the Eastern Shore and Bridgewater. The Bridgewater bikers were once called Darksiders. Cullen said they are all on friendly terms and intermingle at gatherings. The main difference between Bacchus and the others is that Bacchus members wear the 1% patch that implies membership in an outlaw motorcycle gang. “They’ve essentially classified themselves as an outlaw (group),” she said. “The Darksiders and Gatekeepers have simply chosen not to do that.”

The Glasgow News also reported in June that a store in New Glasgow, Nova Scotia is selling Hells Angels clothing, which means it has official ties to the motorcycle club. According to the newspaper, “police warned last year that the Hells Angels were trying to regain control of Nova Scotia from the existing Bacchus outlaw motorcycle gang. Although some say that Bacchus is a Hells Angels puppet group too.”

Sources: CBC News, May 22, 2014, Bacchus motorcycle gang moves into Halifax area, despite reputation, neighbour says ‘we feel safer with them here’; [Chronicle Herald, May 30, 2014, Bacchus motorcycle gang moves to Halifax](#); Glasgow News, June 2, 2014, Motorcycle group with alleged ties to Hells Angels setting up in Nova Scotia town