



3-2014

## January to March 2014

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### Recommended Citation

"January to March 2014" (2014). *All Summaries*. 11.  
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# January to March 2014

## Organized Crime in Canada: A Quarterly Summary

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## ORGANIZED CRIME ACTIVITIES

### Auto Theft

The CBC reported in early April that police in Alberta dismantled an organized automobile theft conspiracy that was allegedly responsible for stealing more than 100 high-end trucks, SUVs, and luxury sedans from Quebec motorists. After the vehicles were stolen in Quebec, the legitimate vehicle identification numbers would be replaced with fake ones. Using the counterfeit VINs, the vehicles were registered in Alberta and other provinces under the ownership of numbered companies using fraudulent bills of sale. The vehicles would then be re-registered in Quebec and sold at steep discounts through a network of associates. Most of the vehicles were sold in Canada (Quebec and Alberta in particular) while others were shipped through the Port of Montreal to Africa or Central America for re-sale.

According to a spokesperson with the Alberta Law Enforcement Response Teams (ALERT), which led the investigation, the auto theft ring was well organized, with a distinct division of

labour; some of the offenders were assigned to stealing certain makes of vehicles, others were tasked with manufacturing the counterfeit vehicle identification papers, while others were responsible for registering the vehicles.

By the end of the investigation, 53 of the stolen vehicles were recovered, mainly in Quebec, but also in Edmonton, Calgary and Fort McMurray. Seven were traced to Ghana in Africa, and two more were intercepted en route to Costa Rica. The estimated value of the recovered vehicles exceeds \$3 million.

The investigation lasted more than a year and was initiated in November 2012 when an official with Quebec's vehicle registry noticed some peculiarities involving the fake VINS. As a result, "they were able to determine that these vehicles have never been manufactured," according to the ALERT spokesperson.

Several suspects in Alberta and Quebec have been identified, and at the time of this report, police were in the process of recommending charges in consultation with crown prosecutors.

**Source:** [CBC News, March 13 2014, International auto theft ring busted in Alberta, Quebec](#)

## **Arms Smuggling and Trafficking**

An investigation by the Combined Forces Special Enforcement Unit of British Columbia (CFSEU-BC) resulted in a significant seizure of guns, ammunition, and prohibited firearms-related devices in early March.

Acting on a tip that a number of guns were hidden at a home in Prince George, police executed a search warrant on a residence in that city on March 6. This search warrant resulted in the seizure of seven handguns including a 9 mm Glock semi-automatic pistol, a .40 calibre semi-automatic pistol, a .44 magnum revolver, and an M12 machine pistol with a silencer. In addition to the handguns, 11 rifles were seized including three SKS semi-automatic military-style rifles, two .22 calibre Mossberg semi-automatic rifles made to resemble M-16-type assault rifles, an AK-47-type semi-automatic military-style rifle, and a pistol grip shotgun. Along with the firearms were six prohibited high-capacity magazines and approximately 2,000 rounds of assorted ammunition.

No one was in the residence at the time of the search warrant and, to date, no one has been arrested as a result of the seizure. However, police believe the home may be linked to one or more Prince George-area gang members.

"We believe that this seizure represents a significant blow to the capabilities of certain gang members in the Prince George area to cause fear or commit acts of extreme violence," CFSEU-BC spokesperson Sergeant Lindsey Houghton told the media.

Just a few months earlier, in December of 2013, the CFSEU-BC arrested a 31-year-old man from Courtney, following the seizure of a number of firearms and weapons. According to the CFSEU-BC, the man has connections to at least one Vancouver Island organized crime group, has as a

criminal record for violence-related offences, and was allegedly active in drug trafficking on Vancouver Island.

At the time of his arrest, police seized just over six grams of crack cocaine, a machete, and equipment believed to be used for the sale of drugs. In addition, a search of two homes in Courtney by police turned up 19 firearms (five handguns, eleven rifles, three shotguns), including one loaded 9mm semi-automatic handgun and a sawed-off shotgun. Also recovered were thousands of rounds of ammunition, several firearms parts, a Taser, a baton similar to what police officers carry, and brass knuckles.

**Sources:** [Combined Forces Special Enforcement Unit of British Columbia Press Release, March 13, 2014, Prince George Search Warrant Results In Significant Gun Seizure](#); [Combined Forces Special Enforcement Unit of British Columbia Press Release, December 23, 2013, Guns Seized After Courtenay Man Arrested For Firearms-Related Offences](#)

## Corruption

Benoit Roberge, a former Montreal police investigator, pleaded guilty in March to one charge of breach of trust and one charge of participating in a criminal organization for selling information to the Hells Angels biker gang (see [October to December, 2013](#) for background information). On April 4, Roberge was sentenced to eight years in prison. With time served factored in, he will serve seven years and three months.

“The former sergeant-detective, who was assigned specifically to investigate organized crime and who had been facing accusations of selling sensitive police information to the Hells Angels,” was arrested in October of 2013, according to a CBC report. “His defence lawyer said he leaked information to members of the outlaw motorcycle club because he and his family were threatened with violence and blackmail... Roberge’s defence told the court that he received a total of \$125,000 in exchange for the information. Montreal police have recovered around \$115,000.”

“My life is ruined,” the fifty-year-old Roberge told the court after entering his guilty pleas. “My message to police officers: If you feel alone in the turmoil and the pressure, ask for help and trust in a better solution.”

The CBC also reported that Roberge “may not be the only Montreal police officer who allegedly gave sensitive internal information to the Hells Angels.” According to the CBC, “The officer, who worked closely with Roberge on the team of investigators specialized in fighting organized crime, failed a lie-detector test following Roberge’s arrest in early October 2013.” Furthermore, according to the French-language Radio Canada, the officer in question and Roberge “often exchanged information.”

The Montreal Gazette reported that “An experienced organized-crime investigator with the Montreal police for decades has been re-assigned to less important duties while he continues to

be subject to a criminal investigation that has been going on for years.” A spokesperson for the Montreal Police confirmed this saying that the re-assignment stems from ongoing investigations into corruption within the city police.

The Gazette further reported that the police officer in question is also a sergeant-detective and has been under investigation for “many years.” A story posted on the web site of the Journal de Montréal indicated that the police officer is being investigated for supplying information to an Iranian-Canadian businessman in Montreal. According to the Montreal Gazette, “The businessman appears to be the same man The Gazette interviewed in 2002 as part of a story about a gang of men who were shaking down businesses in the West Island for money. The businessman was the victim of an extortion attempt and Philippe Paul was the investigator for the Montreal police in the case.”

As a result of recent allegations of police corruption, senior officers in the Montreal Police are pushing to require organized crime investigators to take random, unannounced polygraph tests, according to the QMI News Agency. Chief of Police Marc Parent himself has pledged “more aggressive” ways to “prevent deviant behaviour” among investigators.

Surprise lie detector tests are standard practice at the CIA and the FBI.

The Montreal Police Brotherhood, which represents 4,500 officers, stated that it strongly opposes polygraph tests for its members. “These tests are not 100% reliable and the slightest mistake would have serious implications for the careers of our members,” union president Yves Francoeur said.

**Sources:** [CBC News, March 13, 2014, Benoit Roberge pleads guilty in Hells Angels leak case](#); [Toronto Star March 14, 2014, Ex-Montreal cop guilty of selling info to Hells Angels](#); [CBC News, January 22, 2014, Alleged police leak to Hells Angels may include 2nd officer](#); [Journal de Montréal, April 1, 2014, Philippe Paul suspendu par le SPVM pour mauvaises fréquentations](#); [Montreal Gazette, January 29, 2014, Organized crime officer under investigation is assigned to less important duties](#); [QMI Agency, January 31, 2014, Montreal police want random polygraphs to root out moles](#); [CJAD News, January 31, 2014, Police Brotherhood opposes use of polygraphs](#); [CBC News, April 4, 2014, Benoît Roberge, ex-cop, sentenced to 8 years for gangsterism](#)

## **Drug Trafficking**

### **Poly Drug Trafficking**

In March, the Ontario Provincial Police announced that several Ontario residents were facing charges following a lengthy investigation into illegal drug trafficking, as well as bookmaking and gambling. Based on information linked to previous OPP Organized Crime Enforcement Bureau

(OCEB) investigations in the Greater Toronto Area, Project Helensburgh targeted another organized crime group in the Windsor area.

On March 6, police executed nine search warrants at five residences and four vehicles in the Windsor area as well as locations in the Town of Amherstburg and the City of London. As a result of the investigation, police seized one kilogram of cocaine, 16 kilograms of marijuana, two prohibited weapons (one handgun and one set of brass knuckles), \$6,000 in cash, \$45,000 worth of jewellery, and two vehicles.

Eleven people ranging in age from 21 to 43 years have been charged with 43 drug trafficking, illegal gambling, proceeds of crime, extortion and weapons offences.

**Source:** [Ontario Provincial Police News Release, March 7 2014, Joint probe takes down illegal drug and gambling operations. Eleven Charged; Illegal Drugs and Weapons Removed From Supply](#)

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On March 5, 2014, an investigation into inter-provincial drug trafficking between Alberta and Saskatchewan began in Kindersley, Saskatchewan. The investigation led to a vehicle stop by police in that province where a number of individuals were arrested while in possession of over a kilogram of cocaine, several ounces of methamphetamine, ketamine as well as five kilograms of marijuana. Other police searches were conducted in Kindersley and Saskatoon which led officers to arrest another individual and seize hash, hash oil, cocaine, several ounces of methamphetamine, marijuana, cash and a sawed off shotgun.

Subsequently, police in Edmonton executed a search warrant at a residence of an individual who was allegedly supplying the drugs destined for Saskatchewan. As a result of this search, officers seized just over 5 kilos of marijuana, 1000 millilitres of GHB (the “date rape” drug), a small quantity of ecstasy, dozens of containers and vials of various steroids, on-half a kilo of Ketamine and a quantity of cash. As a result of the Edmonton search, RCMP officers charged a 29-year-old male with a number of drug trafficking and proceeds of crime offences.

The arrest is indicative of a strategy being undertaken by Edmonton Police – and the Edmonton Drug and Gang Enforcement unit (EDGE) in particular – which is to target individuals who are responsible for coordinating the wholesale of illegal drugs coming into Edmonton. Staff Sgt. Carlos Cardoso of the EDGE Unit was quoted by the Edmonton Sun as saying, “It wasn’t that we weren’t looking at the bigger players, it’s just we realized once you hit the bigger players, it has that ripple effect throughout the whole group...it has a bigger affect.”

Targeting the higher level organized crime groups and their leaders means more complex investigations that take more time. And while the number of individuals arrested under this new strategy is down, these numbers do not reflect the “high value targets” being caught. According to the Edmonton Sun, the strategy has also realized other important milestones. “The unit also seized its highest amount of cocaine last year at 55 kilograms, and officers uncovered new trends such as increased seizures of GHB and Super Buff — a cutting agent used to increase profits in

relation to cocaine trafficking ... Heroin seizures have also increased, (300 grams in 2013), which police say may likely be due to the development of a non-injectable form of oxycodone.”

Cardoso told the Sun newspaper that there are approximately 30 to 35 gangs in Edmonton. However, the gangs are very fluid and can disappear as quickly as they appear while members of various gangs are increasingly cooperating with one other.

**Sources:** [Netnewsledger.com, March 12, 2014, Edmonton RCMP: Inter-cooperation lead to drug bust](#); [Edmonton Sun, March 19, 2014, Edmonton Drug and Gang Enforcement unit is focusing more on criminals coordinating drug supplies](#)

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Police say that a covert operation based out of Winnipeg, dubbed Project Sideshow, has led to the arrest of 14 people allegedly linked to high-level drug trafficking. The operation began in the spring of 2012 when the organized crime unit of the Winnipeg Police began targeting a group, with connections across Canada, which was importing cocaine, meth, and ecstasy into Winnipeg for further distribution. Police referred to them as “the highest-level drug traffickers in Winnipeg.”

The investigation culminated in 19 simultaneous raids on February 5. The man accused of being at the centre of the organization was arrested and is facing 12 drugs and weapons charges. Of the 14 arrested, nine are from Winnipeg, one is from Manitoba, three are from B.C., and one suspect splits her time between Winnipeg and Toronto. According to police much of the drugs coming into Winnipeg were from B.C. Police intercepted multiple kilograms of cocaine at the Winnipeg airport which were being flown into the city from Vancouver and Toronto.

In addition to the drugs, police said their investigation revealed the suspects were allegedly using privately-owned ATMs located in four Winnipeg establishments to launder money. As a result, police seized six ATM machines. Winnipeg Police told the media the ATMs were located in licensed establishments “where our targets are known to frequent and their associates.”

During the course of Project Sideshow, police say during their investigation the criminal group was involved in trafficking 92 kilograms of cocaine, 3.5 kilograms of meth, a kilogram of ecstasy. Collectively the drugs generated more than \$4.3 million in cash sales. Of that, police said they seized five kilograms of cocaine, more than \$300,000 in cash, 1.5 kilograms of ecstasy, and other drugs and weapons. “As far as scope of project goes, this is probably one of the longer running investigations and we certainly saw a great quantity of drugs and cash changing hands compared to other projects,” a police spokesperson said.

**Sources:** [CBC News, February 7, 2014 Winnipeg police seize ATMs, cocaine in organized crime raid](#); [Netnewsledger.com, February 15, 2014, Winnipeg Police Report on Project Sideshow](#)

## **Cocaine**

On February 7, the Canada Border Services Agency announced that its officers had seized 244 kilograms of cocaine at the Port of Montreal. The narcotics were found on January 30, hidden in a container on a ship coming from Paraguay. Acting on information received provided by foreign sources, the CBSA intelligence unit was able to identify the container in which the drugs were located. The declared goods were scrap metal. However, an X-ray inspection conducted by the CBSA showed the presence of a dense mass at the back of the container. When the contents were searched, border services officers discovered 16 metal boxes containing the cocaine. This is the third significant seizure of cocaine in the past 12 months at the Port of Montreal, according to the CBSA.

On March 25, the CBSA announced the seizure of over 40 kilograms of cocaine, found concealed within eight suitcases at the Toronto Pearson International Airport. The seizure occurred on March 6, when CBSA officers selected a suitcase off a flight from the Caribbean for further examination. As part of the exam, a detector dog indicated positively for suspected narcotics. When the suitcase was opened, officers discovered a false bottom. Subsequently, seven more suitcases belonging to the same female traveller were examined and were found to also have cocaine secreted in false bottoms. The female traveller was arrested and turned over to the RCMP along with the suspected cocaine. According to the CBSA, for the year 2013, there were 367 seizures of illegal drugs at Pearson Airport. Of this total, 108 involved approximately 420 kilos of cocaine.

**Sources:** [Canadian Government News Release, February 7, 2014, CBSA seizes 244 kg of suspected cocaine at the Port of Montréal](#); [Canadian Government News Release, March 25, 2014, CBSA officers seize suspected cocaine found concealed in eight suitcases at the Toronto Pearson International Airport](#)

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Meanwhile in the Caribbean Basin, the Canadian naval vessel HMCS Glace Bay recovered 97 bales of cocaine during a patrol – worth an estimated \$80 million wholesale – as part of Operation CARIBBE, on March 15. The Kingston-class coastal defence vessel, in cooperation with her embarked U.S. Coast Guard Law Enforcement Detachment (USCG LEDET), identified a suspect fishing vessel while patrolling the Caribbean Sea. The USCG LEDET boarded the vessel but did not find contraband onboard. The fishing vessel subsequently caught fire and the USCG LEDET disembarked six crewmembers from their vessel after the fire spread from the engine room to the fuel tank causing the vessel to sink. Once it sank, the 97 bales containing approximately 2,400 kilograms of cocaine were found floating in the water.

Operation CARIBBE is the name for Canada's support to Operation MARTILLO – a multinational task force involving nations of the Western Hemisphere and Europe to prevent illicit trafficking in the Caribbean basin, the eastern Pacific Ocean, and the littoral waters of Central America.

**Source:** [Government of Canada News Release, March 24, 2014, Her Majesty's Canadian Ship Glace Bay Recovers Large Narcotics Shipment.](#)



## **Crystal Meth**

In January, Philippine drug enforcement agents arrested four Canadians for allegedly trafficking crystal meth from Mexico in that country. The suspects have alleged links to a Mexican drug cartel. "This is the first time we have encountered a syndicate composed of Canadian nationals," said Rommell Vallejo, of the Philippine's National Bureau of Investigation.

The four suspects were arrested in separate raids on three posh condominiums in Manila where a large quantity of drugs (worth more than 100 million pesos or CDN \$2.25 million) was found. The suspects face life imprisonment if convicted of drug trafficking.

Vallejo said the Canadian group was selling crystal meth at half the price offered by the dominant Chinese drug trafficking groups. Undercutting the Chinese traffickers in the Philippines could lead to a violent drug war in that country, according to Vallejo. "There are so many Chinese syndicates involved in drugs, and some of them will feel threatened by these cheap drugs," he said. "I believe that if we don't check it, this will lead to a drug war."

**Source:** Toronto Star, January 17, 2014, Four Canadians arrested in Philippines drug bust; Suspects have alleged links to Mexican cartel

## **Heroin**

On January 31, a 44-year-old man returning to Canada, via London, was referred for a more in-depth examination at the Calgary Airport. CBSA officers examined two suitcases and uncovered false bottoms in each that contained approximately 6.7 kilograms of heroin. This was the largest drug seizure for the CBSA in Prairie Region in January. In all of 2013, CBSA officers at the Calgary International Airport seized 20 kilos of suspected heroin.

On February 6, the CBSA announced a significant seizure of heroin at Toronto's Pearson International Airport. The seizure occurred on February 2, during a routine inspection of passengers. CBSA officers monitored the baggage offload on a flight from Pakistan and selected a backpack for further examination. When the backpack was opened, six wrapped bricks weighing 19 kilograms were discovered inside. After probing the packages, officers found a substance that tested positive for heroin. The estimated street value of the heroin is close to \$4 million.

On February 20, the CBSA seized 2.6 kilograms of heroin at the Montréal-Trudeau International Airport. The drugs were found in the false bottom of a suitcase of a passenger who was on a flight from Belgium. Upon arrival, he was referred for a secondary examination, at which time CBSA officers discovered the false bottom. After making an incision in the false bottom they discovered the heroin. The next day, the RCMP brought charges against the 23-year-old male. In 2013, the CBSA in the Greater Toronto Area Region made 78 heroin seizures totaling close to 160 kg.

**Sources:** [CBSA News Release, February 6, 2014, Suspected heroin seized at Calgary International Airport](#); [CBSA News Release, February 6, 2014, CBSA officers seize 19 kg of](#)

[suspected heroin at Toronto Pearson International Airport; CBSA News Release, February 28, 2014, CBSA seizes 2.6 kg of heroin at Montréal-Trudeau Airport](#)

## **Marijuana**

In an affidavit filed in the federal court of Canada, RCMP Corporal Shane Holmquist stated that police investigations have revealed various abuses of the federal medical marijuana program, including trafficking for personal gain and the involvement of organized crime. According to the affidavit, there is an “overwhelming temptation” for growers of medical marijuana to supplement their income under the current system by illegally selling marijuana on the black market.

The court submission by the RCMP was requested by the federal government to support its plans to revamp the medical marijuana system. The renovation of the program is due, in part, to concerns about the diversion of medical marijuana to the underground market and the infiltration of medical marijuana production by criminal entrepreneurs. In the RCMP affidavit, Holmquist writes that there has been numerous instances of licensees trafficking marijuana they grow. A 2009 RCMP review found 40 cases of licence holders selling excess marijuana for profit.

Holmquist contends that criminal groups have been known to pay terminal cancer patients to obtain a marijuana grow licence. The group then operates the grow-op on a for-profit basis. Global News in British Columbia reported that a barn that burned to the ground in Surrey at the end of March was at one time the site of a licensed medical marijuana production facility. There was some speculation that the grow-op was being run by associates of the Hells Angels.

**Sources:** [Vancouver Sun, February 18, 2014, RCMP argue medical marijuana regime breeds criminal and safety concerns](#); [Global News, March 31, 2014, Surrey Barn Grow op fire tied to the Hells Angels](#)

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The Toronto Star reported in January that the Toronto Police Service is involved in seizures involving thousands of marijuana plants every year. Staff Inspector Randy Franks, who is the officer in charge of the Toronto Police Service Drug Squad told the Star that approximately 25 per cent of drug investigations by the 120-officer unit are concerned with marijuana grow-ops.

Based on their interview with Franks, the Star writes, “Illegal grow-ops run by organized crime are hidden in industrial parks and neighbourhoods across the GTA, feeding the cycle of drugs, guns and violence. Many are linked to kidnappings and murders perpetrated by rivals in the illegal drug trade ... Much of what they don’t find is exported to the United States in exchange for cocaine and guns ... Some busts haul in hundreds of plants from home grows, while others involve thousands found in industrial storage units.”

Even with the number of grow-ops in Toronto, the city still imports thousands of kilos of marijuana into the city to supply demand. One recent case of marijuana trafficking in Toronto demonstrates this point while also showing how profitable these large-scale commercial operations can be. In February, police seized more than 200 kilograms of marijuana as well as

\$2.4 million cash as part of a drug trafficking investigation named Project Green Giant. “We’ve had larger marijuana seizures...but never in conjunction with this amount of cash,” Staff Insp. Franks told reporters during a press conference on February 24. “This is the largest one-time cash seizure that we’ve been involved with.”

The investigation began in early 2013 when a courier company contacted police about a box that had opened in transit. As a result, police seized 138 kilos of marijuana that was being shipped from British Columbia to Toronto for distribution. A search warrant was executed at the storage locker in Toronto where another 44 kilograms was found. The investigation also led to an industrial unit in Rexdale, which housed a large-scale hashish production lab, according to Franks. Three kilos of hash was seized at this site.

Much of the cash seized was secreted in safety deposit boxes. The cash include \$1.9 million in Canadian currency, \$462,131 in American cash, 1,050 British Pounds and 330 Euros. “It’s mostly hundreds and fifties,” Franks said of the bills.

A number of individuals were charged with drug trafficking and proceeds of crime offences.

Around the same time, Peel Regional Police seized 1,113 marijuana plants and 13,911 grams of marijuana from what they describe as a “highly-sophisticated” grow-up located in a commercial building in Mississauga. The drugs seized had a street value estimate at \$1.5 million. A 31-year-old man was arrested and charged with possession for the purpose of trafficking and production of a controlled substance.

A month earlier, in January, police in Halton, Ontario discovered a grow-op with 1,605 marijuana plants. Police also seized 13.6 kilos of dried marijuana. The street value of the haul was estimated at \$1.3 million. Police were alerted to the grow-op by a landlord who had become suspicious of the amount of electricity one of the apartments in her residential building was using.

**Sources:** [Toronto Star, January 13, 2014, Toronto drug squad looking to bust the bigger fish in the pond](#); [East York Mirror, February 26, 2014, Police seize 200 kilos of marijuana, \\$2.4 million in cash as part of Project Green Giant](#); [NewsCanadaPlus, February 25 2014, Project Green Giant, Nets equivalent of \\$2.4 million, 205 kilograms of marijuana, three kilograms of hashish](#); [Mississauga News, February 19, 2014, Police bust \\$1.5M marijuana grow-op on Sismet Rd](#); [Oakville Beaver, January 11, 2014, Halton police seize \\$1.3 million worth of marijuana in Oakville raid](#)

## **Proceeds of Crime / Money Laundering**

The CBC reported that at the end of March, the Edmonton Police Service seized more than \$800,000 in cash as part of a drug investigation. This was one of the single largest cash seizures by police in that city. The cash seizure was the product of one of six separate drug trafficking investigations completed over a 10-day period during March, according to Edmonton police. The

majority of the cash was found in one home. The money was seized under the provincial Victims Restitution and Compensation Payment Act. If the courts force the defendants to forfeit the cash it will be used to “compensate victims of crime and disrupt the business of organized crime,” according to an Edmonton Police news release. Four men between the ages of 22 to 35 face several drug-related charges. Five other separate investigations led to the arrest of seven more people. Also seized during the investigations were seven guns, a Taser, another \$100,000 in cash, and drugs with an estimated street value of \$390,000.

**Sources:** [CBC News, March 28, 2014, Drug police seize \\$800K, amongst largest cash takes ever](#)

## Theft

In February, police in Calgary and Vancouver wrapped up a joint investigation into retail crime conspiracy, noting that highly organized retail crime is becoming increasingly “common.” On display in Calgary for the media was \$230,000 worth of high-end clothing, wallets, purses, coats, sunglasses and baby items that were stolen from retailers in the Calgary area and recovered in a Vancouver apartment. In total, there were 1,570 items stolen.

The anti-fencing unit of the Vancouver Police Department seized the stolen items, based on a tip provided to them. According to the Calgary Herald, a police raid of a local apartment found about 10 people inside trying on jackets from clothing racks that were being “fenced” for deep discounts relative to their retail price. “There was a dressing room, a display room lined with clothing, a room dedicated to children’s clothing and kitchen counters covered in brand-name goods inside the 500-square-foot apartment. The kitchen cabinets were full of designer wallets and perfume, according to Vancouver police.”

Two Vancouver women were arrested for being in possession of stolen property worth more than \$5,000. However, they are not the only ones involved in the thefts. Police acknowledge several other people were involved on the “fringes,” some of whom were responsible for organizing the thefts. According to the Calgary Herald, the organizers

... hire small-time crooks to fill orders of goods — high-end clothing, purses, food — that they want stolen from retailers. They pay the low-level thieves with cash, usually 30 cents on the dollar, or with drugs. Teams of shoplifters raid stores during the day, distracting staff, grabbing jackets worth maybe \$3,000 and escaping undetected, the items concealed in bags rigged to evade sensors. Once their underlings have stolen enough loot over a period of days or months, the organized retail crime rings approach a middleman, a fence, to sell the products. It could be through online auction sites, including eBay and Kijiji, or some other means, such as shipping the goods to other jurisdictions for sale.

Calgary police told the media that they have identified “several pockets” of offenders running at different levels of organized retail crime recently. “It is very common,” a police spokesperson said. “We’re finding them, whether it be through straight product or through counterfeit credit cards to purchase merchandise or other gift cards. And we see it on a daily basis.”

**Source:** [Calgary Herald, February 19, 2014, Organized retail crime 'very common,' Calgary police say after big bust](#)

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## **Tobacco Smuggling**

On January 27, the Canada Border Services Agency announced the seizure of three shipments of contraband cigarettes at the Air Cargo commercial operations of Toronto's Pearson Airport. The first seizure took place on January 14. During an examination of a shipment declared as "wooden doors," CBSA officers discovered 2,160 cartons of cigarettes, concealed within the doors. On January 15, CBSA officers conducting secondary inspections of two cargo shipments found 262 cartons of cigarettes inside four boxes hidden under clothing. In 2013, border services officers in the Greater Toronto Area made 514 tobacco seizures. According to the CBSA press release, "The illicit tobacco market is dominated by various criminal organizations. CBSA officers at Canadian ports of entry ensure that negative impacts to the Canadian economy, via the loss of millions of dollars in tax revenue that contribute to the monetary gain of criminal enterprise, are stopped."

Also in January, the CBSA announced large-scale seizures of tobacco smuggled into the country through land border crossings in Quebec in 2013. In total, almost 30,000 kilos of contraband tobacco were seized in two separate incidents. In both cases, the loose tobacco was packaged in 132 cardboard boxes, indicating that they were connected. The first instance took place on the night of September 26, 2013 when a border services agent noticed a strong tobacco smell emanating from boxes loaded on a tractor-trailer. After investigating further, officers discovered 14,775 kilos of loose tobacco in 132 boxes. In the second instance, which occurred just after midnight on November 21, CBSA officers at a different border crossing also smelled tobacco coming from boxes in the back of a trailer. On that occasion, 14,369 kilos of loose tobacco (also contained in 132 boxes) was seized. The drivers of both trucks were arrested. The company that employed the driver of the second truck was also charged.

**Sources:** [Canada Border Services Agency News Release, January 27, 2014, CBSA officers intercept smuggled contraband cigarettes at Toronto Pearson International Airport](#); [Today's Trucking, January 30, 2014, Smuggling Smokes Drags Quebec Truckers Down](#); [Public Safety Canada News Release, January 30, 2014, Minister Blaney congratulates Canada Border Services Agency on significant tobacco seizures and arrests](#)

## **ORGANIZED CRIME GENRES**

### **Asian**

At the end of February, the CBC reported that seven people connected to an Asian organized crime group from Montreal and Laval were arrested and charged with drug trafficking. Three men also face charges of attempted murder and conspiracy. All the men charged were of Vietnamese origin.

As part of the police operation, seven homes and two businesses were raided and the following was seized: 6 kilograms of ecstasy; 140 kilos of dried marijuana, 670 marijuana plants, \$26,000 in cash and one gold bullion piece.

The police raids were part of an investigation into an alleged attempted murder that occurred at the end of December, 2013 in Montreal's north end neighbourhood of Saint-Michel. Montreal police made seven arrests of alleged street gang members following an investigation into the attempted murder that, at the time, was "related to Asian organized crime." The investigation stems from a stabbing that took place outside on December 28. The victim, a 22-year-old man, was severely injured. Police said blood spatter led them to a nearby house, where they found a marijuana grow-op. Police now believe that two suspects were trying to get inside that residence, possibly to steal the marijuana plants.

**Sources:** [CBC News, February 27, 2014, Seven suspected gang members charged in Montreal courtroom](#); [CBC News, February 26, 2014, Montreal street gang linked to St-Michel attempted murder](#)

## **Indo-Canadian**

In January, two men that police say are associated with the former Dhak/Duhre gang in B.C. were recently charged by Crown prosecutors following an investigation by the Combined Forces Special Enforcement Unit of British Columbia. The investigation by CFSEU-BC was initiated in May of 2013 and focused on the criminal activities of one alleged member of the Dhak/Duhre crime group, after receiving information that he was allegedly operating a drug dealing enterprise in the Lower Mainland and on Vancouver Island. It was also believed that he had taken control of the former drug operations of two former members of the gang, both of whom who are now deceased.

As the investigation progressed, police identified an associate who was also allegedly involved in the drug trafficking enterprise. Evidence gathered during the investigation identified several residences allegedly used as stash houses for drug trafficking. Both men were arrested in June of 2013.

Subsequent searches by police were conducted at three residences in Surrey. During the searches, police discovered 259 grams of cocaine, 80 grams of heroin, 158 grams of opium, 708 grams of MDMA, 876 grams of Fentanyl, 342 grams of Phenacetin, approximately 1.3 kilos of packaged marijuana, 200 Oxycodone pills, numerous small plastic bags of pre-packaged heroin and crack cocaine, a loaded .40 caliber Taurus semi-automatic pistol, approximately \$32,000 in Canadian currency, and money counters.

**Sources:** [CFSEU Press Release, January 22, 2014, Two Gang Associates Arrested and Charged Following CFSEU-BC Investigation](#)

## **Italian Organized Crime**

As part of testimony to the Charbonneau Commission on corruption in Quebec, it was learned that the Montreal mafia under the Rizzuto family did not invest any money in construction and real estate deals, but still earned generous revenues with when the projects were finished. This information came to light while the Charbonneau Commission was examining the role that the late Mafia boss Vito Rizzuto played in organized crime's infiltration of the construction industry in Quebec.

Eric Vecchio, an investigator with the Commission testified that Vito Rizzuto and other members of his family never had a direct financial stake in construction projects. Instead, they acted as "consultants" and brokered deals, which generated their revenue. "Organized crime [takes] a profit from the construction industry," Vecchio said. "In the end, they don't really get involved, they don't invest any of their own money, but they take away a consultant's or arbiter's fee."

The Commission also heard audio recordings of Vito Rizzuto, who died of natural causes in December of 2013 (see [October to December, 2013](#)). The recordings were gathered by police during a major investigation into the Montreal mafia between 2002 and 2004. According to a Canadian Press report, "The intercepted conversations concerned Rizzuto's attempts to salvage a prestigious Old Montreal luxury riverfront condo project when developer Tony Magi risked not being able to finish it because of financial problems. Some of Magi's partners urged Rizzuto to get involved. The Mafia boss saw an opportunity to make money in the role of arbiter, with many of the conversations focused on negotiating between partners, finding financing and ensuring the project is completed."

One of the intercepted calls was recorded in 2004 while Rizzuto was serving time in an American prison. In other calls, his son, Nick Rizzuto Jr. (who was murdered in 2009) can be heard talking to Magi.

Vecchio called Rizzuto a "man of compromise" who was more interested in mediating and playing referee than relying only on violence. The investigator said Rizzuto's ability to keep everyone happy explains his long reign as the most powerful crime boss in the province. "Mr. Rizzuto always made sure there was enough cake for everyone to have a slice," Vecchio said. "Obviously, he never talked about how big the piece each one would get."

As the Montreal Gazette chronicles, the Rizzuto family had long been involved in Montreal's construction industry. Vito's father, Nicolo, was active in Montreal's construction industry as far back as the 1960s, as an owner of a construction company that won municipal contracts in Montreal.

Rizzuto's resumé included in his company's bidding documents at the time claims he even participated in the construction of Montreal's cherished Expo 67, the Universal and International Exposition of 1967 that put the city on the world map. The company, Grand Royal Asphalt Paving, also landscaped, paved and laid sewers and pipes in a dozen public parks in Montreal under four municipal contracts between 1963 and 1966 that The Gazette discovered in the city's archives. ... Grand Royal Asphalt Paving's resumé also vaunted projects for the municipalities of Laval, Pierrefonds and St-Léonard and "miscellaneous work" for Ville de Jacques-Cartier, a

town that was known as one of the most corrupt municipalities on the South Shore at the time and is today absorbed into Longueuil.

**Sources:** Canadian Press, March 13, 2014, Mob reaped real estate rewards, probe hears; [Global News, March 12, 2014, Quebec corruption inquiry looks into Mafia boss Vito Rizzuto's links to construction](#); [Montreal Gazette, January 30, 2014, Rizzuto's construction links traced to '60s Montreal](#)

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In March, Daniel Gasbarrini, who was linked to the mafia in Southern Ontario, died in March at the age of 93. Gasbarrini was believed to be a member of the Canadian operations of Stefano Magaddino, the powerful mafia boss based in Buffalo. Evidence of Magaddino's involvement in Ontario's heroin trade began to emerge in 1938 with the arrest of Luigi Gasbarrini and his son and Dante (Dan) on drug trafficking charges. Stephen Schneider recounts Dan Gasbarrini's early forays in drug trafficking and organized crime:

That year, information was obtained by the RCMP drug squad that heroin being sold on Toronto streets was coming from a source in Hamilton. On November 3, 1938, members of the RCMP followed a street level trafficker from Toronto to a house on Sheaffe Street in Hamilton. When he left the house, the man was stopped by the Mounties and relieved of five capsules of heroin. The RCMP then raided the house where they discovered Luigi Gasbarrini, his wife, and their daughter. Twenty minutes later, their son Dan arrived. After searching the home, police found 162 capsules of heroin, each around 2.5 grams in quantity. The father and son were placed under arrest and, following their trial, Luigi received a six-month sentence while Dan was acquitted.

Dan Gasbarrini, who would go on to become a member of the Magaddino crime family, had come to Hamilton from Italy with his parents in 1926 at the age of six. By thirteen, he had dropped out of school and, following some odd jobs, he embarked on a career as a teenage bookie. During the Second World War he was stealing and fencing war bonds. When he was hauled before the courts on theft charges, the main witness for the Crown failed to appear (and was never heard of again) and the charges were dropped. Gasbarrini became firmly entrenched in Ontario's Calabrian Mafia when he married the daughter of Tony Sylvestro. The marriage also pulled Gasbarrini deeper into Sylvestro's and Magaddino's heroin trafficking universe. By the 1940s, classified reports from the U.S. Bureau of Narcotics and the RCMP documented the flow of Mexican brown heroin from Buffalo to Hamilton and then onto Toronto and Vancouver, as well as Turkish heroin that was moving from Ontario to Buffalo and then to the eastern seaboard. In May of 1949, two of Sylvestro's main distributors, Carmen Chiovitti and Dan Gasbarrini, were arrested on drug charges in a Vancouver hotel after the RCMP obtained an adjoining room to conduct surveillance. The two were supplying heroin to the Vancouver market and before the bust, police traced a large amount of funds that were being wired from B.C. to Dan Gasbarrini in Hamilton. On October 11 of that year, ten men were put on trial in Vancouver on drug charges and, before the end of the month, five of the conspirators, including Chiovitti and Gasbarrini, were found guilty. After appeals by the two men were dismissed by a higher court, each was sentenced to seven years



Gasbarrini was also a close associate or another infamous Hamilton-based gangster, John Papalia. They went to school together and by the 1950s the two partnered on lucrative illegal gambling operations. Gasbarrini was first publicly identified as a member of the Magaddino crime family in 1963 by a U.S. Senate committee on organized crime. Gasbarrini married the daughter of Tony Sylvestro, one of three Mafia dons who worked for Magaddino and controlled loansharking, gambling and narcotics across southern Ontario from the 1930s to the 1950s.

**Sources:** [The \[Hamilton\] Spectator, March 13, 2014, Reputed Mafia boss dies at home at 93](#); Stephen Schneider. (2009). *Iced: The Story of Organized Crime in Canada*. Toronto: John Wiley Canada.

## Outlaw Motorcycle Gangs

In early February, two full-patch members of Hells Angels chapters in B.C. were sentenced on charges of manslaughter. Both received 15 years minus time served after each pleaded guilty to one count of manslaughter each. The two were originally charged with second-degree murder. Their victim, Dain Phillips, was beaten to death with hammers and baseball bats in Kelowna in June 2011. Phillips was beaten to death when he went to make peace in a dispute between his sons and two other men. He was attacked by several men and later died in hospital.

Members of the Hells Angels in B.C. have been convicted of serious criminal offences involving drugs, extortion and assault. However, the court ruling marks the first time two full-patch members of the Hells Angels club have been convicted of killing someone in British Columbia, according to a provincial Crown prosecutor.

Four other men are facing second-degree murder charges in relation to the attack on Phillips. All four are believed to be members of motorcycle clubs associated with the Hells Angels. One of the men is the president of the Throttle Lockers, a Hells Angels puppet club.

**Sources:** [24 Hours Vancouver, February 5, 2014, Hells Angels sentenced for Kelowna death](#); [CBC News, January 30, 2014, B.C. Hells Angels Kelowna members plead guilty to manslaughter](#); [The \[Vancouver\] Province, January 30, 2014, Two Hells Angels the first to be convicted in a killing in B.C.](#)

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In March, an influential member of the Hells Angels in Quebec was sentenced to 25 years in prison after pleading guilty to conspiracy to commit murder. The 44-year-old was also sentenced to two years for participating in a criminal organization. This sentence is to be served consecutively to the other, bringing his total sentence to 27 years. The full-patch member was at one time president of the Trois-Rivières chapter of the Hells Angels. He was originally charged in 2010 with 22 counts of first-degree murder, but pleaded guilty to the lesser charge. The murder charges and convictions stem from a bloody conflict over who controlled cocaine trafficking in Quebec, which pitted the Hells Angels and numerous rivals from 1994 to 2002.

**Source:** [Montreal Gazette, March 18, 2004, Hells Angel member sentenced to 25 years in prison.](#)

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Edmonton police concluded a three-month police investigation that resulted in 39 drug and weapons charges against 10 people, including a full-patch member of the Hells Angels.

The investigation, undertaken by Edmonton's Combined Forces and Special Enforcement Unit, targeted cocaine trafficking and included simultaneous raids on four homes in the city at the end of January. Police seized 12 ounces of cocaine, oxycodone pills and drug trafficking materials, a Hells Angels motorcycle club vest that contained illegal drugs in a hidden pocket, two rifles, a loaded 40-calibre Glock handgun with ammunition and other gun parts, four body armour vests, a working police scanner, two fake driver's licences, \$25,000 cash and two vehicles.

The 32-year-old Hells Angels member, who was the main focus of the investigation, was arrested at a north Edmonton home where police seized a loaded handgun with a defaced serial number. The man faces 11 charges, including possession of a loaded prohibited firearm and other weapons charges, possessing body armour, possessing drugs and possessing identity documents.

"Unfortunately, this is not going to stop very much," Insp. Darcy Strang, the officer in charge of the Combined Forces and Special Enforcement Unit, told the media. "There is a lot more where this comes from and we have a lot more work to do," said Strang. "Back in 2009, we had three OMG (outlaw motorcycle gang) clubs in Alberta ... We now have 23 OMGs in Alberta, therefore, they've grown exponentially ... Because they've grown so much, we've had to take a look at them seriously and determine what caused the growth and what activity they're involved in."

The Hells Angels are the largest and most active outlaw motorcycle gang in the Edmonton area and has ties to many other one percenter motorcycle clubs in the province.

**Source:** [Edmonton Journal, February 6, 2014, Ten charged with drug and weapons offences in motorcycle gang investigation](#)

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Hells Angels across Canada have been selling off their assets to avoid having them seized in civil forfeiture or proceeds of crime cases, according to Det. Sgt. Len Isnor, of the Ontario Provincial Police Biker Enforcement Unit. "Some of them are saying it's not worth it and they are selling their assets ... It seems to be a new trend in Ontario." Isnor was referring to instances in Ontario where one percenter motorcycle clubs have begun renting rather than own their clubhouses. This is a result of court cases in that province that have ordered Hells Angels clubhouses forfeited as instruments or proceeds of crime.

He also referred to move by the Nomads chapter in B.C. to sell off its Burnaby clubhouse. Isnor speculated that the Nomads chapter may rent a new location or meet at the East End Hells Angels clubhouse on East Georgia.

**Source:** [Vancouver Sun, February 25, 2014, Biker expert says Hells Angels selling their assets](#)

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The Hells Angels had been deemed a criminal organization in Manitoba following a lengthy legal process in that province. The designation means that the one percenter motorcycle club will be added to Manitoba's Schedule of Criminal Organizations. Manitoba Justice Minister Andrew Swan announced his province would become the first jurisdiction in North America to list the biker gang as a criminal organization, eliminating the need to repeatedly prove the designation when enforcing provincial laws. The designation is intended to help civil forfeiture applications involving the Hells Angels in that province. In other words, prosecutors will no longer have to prove the Hells Angels is a criminal organization in each case where gang-related charges are laid under provincial law. In turn, this will make it easier for the province to seize property from gang members under provincial civil forfeiture laws.

The Saskatchewan government announced it is considering following Manitoba's lead by declaring the Hells Angels a criminal organization in that province. Saskatchewan Justice Minister Gordon Wyant said he thinks "there may be some merit" to the idea.

**Sources:** [Globalnews.ca, February 21, 2014, Manitoba lists Hells Angels as a criminal organization](#); [The StarPhoenix, March 31, 2014, Province may label Hells Angels as criminal](#)

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In January, the Supreme Court of Canada ruled that a group of Hells Angels members who received a stay of proceedings in a Quebec court because of lengthy delays in their case will not have to go through another trial. In its decision, the Supreme Court upheld a ruling by Quebec Superior Court Justice James Brunton who ordered the stay of proceedings for 31 Hells Angels members and associates in 2011. The Supreme Court ruled that Justice Brunton did not err in exercising his discretion to order a stay in the case. It agreed that defendants would be prejudiced by the lengthy delays and that they would not face a trial within a reasonable time, as required by the Charter of Rights and Freedoms.

The defendants were arrested as part of the 2009 police investigation in Quebec, Operation SharQc, which targeted the Hells Angels and their associates. They were charged with various drug-related offences.

Quebec's director of criminal prosecutions appealed the Quebec Superior court decision to stay the charges, which led to the case going to the Supreme Court of Canada.

Organized crime specialist and former La Pressed reporter, André Cedi lot, said the release of those arrested on drug charges is worrisome, although only five out of the 31 are actual Hells Angels members. "The [rest] are associates, but they are normally more active on the street," Cedi lot said. "Those guys are wannabes and they do the dirty work for the Hells Angels."

**Sources:** [CBC News, January 21, 2014, Hells Angels win ruling from Supreme Court](#); [CBC News, June 1, 2011, Quebec to appeal release of 31 accused bikers](#)

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Associates of the Rock Machine – which first gained notoriety in Canada when they fought the Hells Angels in Quebec’s so-called Biker War of the 1990s — are threatening to set up chapters in British Columbia, according to the Province newspaper in Vancouver. The newspaper was acting on a tip from a purported Rock Machine associate who contacted a reporter, claiming the gang plans to set up a full chapter in Vancouver. The man predicted trouble with the Hells Angels, claiming that potential members wearing Rock Machine “support” gear have been threatened recently. An unnamed senior police officer confirmed as much when he said that while the Rock Machine is not currently active in B.C., several individuals wearing Rock Machine colours have been spotted in the Lower Mainland. The police officer said he has heard “rumblings” since 2005 that Rock Machine members wanted to break into B.C., but the Hells Angels would vigorously oppose such a move. “(The Hells Angels) will not take this at all lightly, if they start seeing people riding around displaying a Rock Machine patch,” the officer said. Right now in B.C., any person wearing a “three-piece” patch that denotes a one percenter motorcycle gang member must first receive permission from the Hells Angels, the police officer told the newspaper.

At the other end of the country, police in Newfoundland said that the Hells Angels were trying to set up a chapter in that province, but was stopped from doing so by police.

**Sources:** [The \[Vancouver\] Province, March 28, 2014, Rival gang the Rock Machine eyes Hells Angels’ turf in B.C.](#); [VOCM.com, February 7, 2014, Major Drug Bust in St. John’s](#)