



9-2014

July to September 2014

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Recommended Citation

"July to September 2014" (2014). *All Summaries*. 10.
<http://digitalcommons.osgoode.yorku.ca/summaries/10>

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July to September 2014

Organized Crime in Canada: A Quarterly Summary

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ENFORCEMENT

ORGANIZED CRIME ACTIVITIES

Contraband Tobacco Smuggling and Trafficking

On August 20, the Canada Border Services Agency (CBSA) made a seizure of 15,330 kilos of contraband tobacco at the Saint-Bernard-de-Lacolle port of entry in Quebec. Based on intelligence information, it was established that there was a smuggling risk associated with a tractor semi-trailer entering Canada from the U.S. Upon arrival at the port of entry, the driver and his vehicle were referred for a secondary inspection and it was during this inspection that border services officers discovered the bulk tobacco hidden behind boxes of fresh vegetables. The CBSA reports that since 2010, it has seized almost 300 tonnes of bulk tobacco at its land ports of entry in Quebec.

Source: [Government of Canada News Release, August 28, 2014, A shipment of over 15,000 kg of tobacco seized at the Saint-Bernard-de-Lacolle border crossing](#)

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According to the Atlantic Convenience Store Association, sales of illegal tobacco remain high in New Brunswick and are increasing in Nova Scotia. According to a July 31 press release, “Ongoing research commissioned by the Atlantic Convenience Stores Association continues to show that millions of illegal cigarettes are being sold in New Brunswick. “Three studies done in June and September last year and June this year show an average presence of illegal tobacco of 20 percent.” Similar research commissioned by the Association in Nova Scotia shows “that the average presence of illegal tobacco” in that province “has increased 40 percent in the span of one year.” In June of 2013, “research showed an average presence of illegal tobacco of 14.6 percent,” says Mike Hammoud, president of the association. “One year later that average has increased to 20.4 percent.” The research findings are based on the so-called “butt study” technique conducted by NIRIC, a Montreal-based research firm. In Nova Scotia, NIRIC analyzed 3,050 cigarette butts collected from 27 locations across the province during the spring and found that one in five were illegal.

Sources: [Atlantic Convenience Stores Association Press Release, July 29, 2014, Sales of Illegal Tobacco in Nova Scotia Rising](#); [Atlantic Convenience Stores Association, July 31, 2014, Sales of illegal tobacco in New Brunswick remain high](#); [The Chronicle Herald \[Halifax\], July 29, 2014, Use of contraband tobacco appears to be up in Nova Scotia: ‘butt study’](#)

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The Six Nations reserve in Ontario is mobilizing to defeat Bill C-10, the so-called contraband tobacco legislation introduced by the Harper Government. Introduced in the House of Commons in November of 2013, the bill will amend the Criminal Code to create a new offence of trafficking in unregulated tobacco and to provide for minimum penalties of imprisonment for repeat offenders. Many first nations communities in Ontario and Quebec have developed industries producing and selling tobacco products creating thousands of jobs and they say their economic livelihood is threatened by the legislation. Chief Ava Hill of the Six Nations reserve was among a group of concerned First Nations representatives who appeared before a Senate committee meeting in September to voice their opposition to the legislation. Speaking to senators, Hill called the bill unconstitutional and perhaps a human rights violation. “It will have a devastating effect on our economy,” she said, and it will force “honest, hardworking people onto welfare.” Hill also condemned the government for failing to consult with First Nations. “Tobacco has always been a sacred thing to us and it’s our inherent right to trade.” The Justice Department countered by saying the bill is necessary to keeping contraband tobacco off Canada’s streets. “Cheap, illegal tobacco can make it easier for children and teens to get cigarettes into their hands and start smoking,” said spokesperson Clarissa Lamb. “We have introduced legislation which will give law enforcement agencies the tools they need to target individuals who traffic in contraband tobacco.”

Sources: [Hamilton Spectator, Sept. 19, 2014, Six Nations fighting contraband tobacco legislation](#); [Parliament of Canada, Library of Parliament, Publications, Legislative Summary of Bill C-10: An Act to amend the Criminal Code \(trafficking in contraband tobacco\)](#)

Corruption

As the last witness appearing before the Quebec's Charbonneau Commission on public sector corruption, construction mogul Tony Accurso denied that he ever paid a cut to the Montreal mafia and said he never worked on projects that may have involved the mafia's now deceased don, Vito Rizzuto. "I don't have any link with organized crime," Accurso told the inquiry. "I've never ever paid a cent for any reason whatsoever to Mr. Rizzuto or a member of his entourage, or to an acquaintance of his." Testifying for a fifth and final day at the Commission, Accurso also insisted he was never implicated in a collusion system whereby public contracts were divided up among firms in Montreal. Accurso said his firms never deeded to pay off anyone to be successful on a public sector contract bid. He testified he always found diplomatic ways to get out of associating with those connected to the Rizzuto clan. "I never wanted to work for Mr. Rizzuto or any project he wanted to do, be it directly or indirectly," Accurso said. Accurso is currently facing criminal charges in several municipal corruption cases and is also charged with tax fraud.

Source: [Canadian Press, September 8 2014, Ex-construction mogul denies Mob links during Quebec corruption inquiry testimony](#)

Counterfeiting

In October, Parliament passed Bill C-8, the Combating Counterfeit Products Act. The legislation is intended to provide trademark and copyright owners with a clear framework for combating counterfeiting. The key provisions of the legislation include: The creation of a system to allow trademark and copyright owners to submit a "request for assistance" to the Canada Border Services Agency. Through this system, rights holders would request that border officers detain commercial shipments suspected of containing counterfeit goods, thus enabling the trademark owner to begin civil proceedings in court. Allowing trademark owners to seek legal recourse before counterfeit trademark goods are sold in the marketplace. Specifically, rights holders will be able to seek civil remedies for the manufacture, distribution and possession with intent to sell counterfeit goods. New criminal offences that prohibit the selling, distributing, possessing, importing or exporting counterfeit goods and for possessing and exporting counterfeit goods. According to Industry Minister James Moore, "Counterfeit goods that enter the Canadian market not only harm our economy and businesses but also can be a dangerous threat to our consumers and families. That is why our government introduced the Combating Counterfeit Products Act, which will give our border guards the tools they need to work with Canadian rights holders to stop illegal counterfeit goods from entering the country."

Sources: [Government of Canada Press Release, Oct. 4 2014, Statement by Industry Minister James Moore on the Passage of the Combating Counterfeit Products Act by the House of Commons](#); [Industry Canada web site, March 1, 2014, Fact sheet – What the Combating Counterfeit Products Act Means](#).

Drug Trafficking

Poly-Drug Trafficking

In September, the RCMP in New Brunswick announced they had disrupted a major drug trafficking network in the province. At a news conference, police said they believe the three-year drug investigation code-named Operation J-Tornado dismantled a network of three criminal organizations responsible for importing drugs into New Brunswick. Police told the media that cocaine, heroin and marijuana were supplied to two Saint John crime groups via routes from Montreal, Quebec City, Halifax and from another crime group in Moncton. The drugs were then re-distributed around Saint John and into other communities, including Fredericton, to street-level dealers. A police spokesperson said one of the criminal groups was trying to establish itself as the primary supplier of heroin in Saint John, a drug that's not widely available or used in that city. The RCMP along with the Saint John Police Force, and the Canada Border Services Agency, executed multiple search warrants and arrest warrants at several locations throughout southern New Brunswick as well as in Laval, Quebec City, and Halifax in September. The warrants resulted in 28 arrests in three provinces and the seizure of a large quantity of drugs, including cocaine, heroin and marijuana, as well as firearms and cash. The charges laid include drug trafficking, participating in the activities of a criminal organization, firearms offences and possession of the proceeds of crime.

Sources: Times & Transcript [Moncton], Sept. 12, 2014, Police release details of drug network; CBC News, Sept. 10, 2014, Organized crime-ring disrupted, 29 people charged after raids in New Brunswick; Telegraph-Journal, Sept. 12, 2014, Heroin seized during massive bust

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In September, two Canadian-Vietnamese dual citizens were charged with smuggling 88 kilos of heroin and 21 kilos of methamphetamine (collectively worth approximately \$75 million) into Australia. The illegal drugs were hidden in a consignment of 1.7 tonnes of frozen fish fillets shipped from Kuala Lumpur to Sydney. Officials found that ice packs hidden beneath the fish were filled with liquid forms of the illicit drugs. Police replaced the illicit drugs with harmless substances before the two men took delivery. They were then arrested in western Sydney. This case is emblematic of what the Canadian Press calls an "increasing Canadian presence in the Australian drug scene, where traffickers brave harsh enforcement for large profits in a 'high-risk, high-reward' market..." The Canadian Press cites an Australian Crime Commission report that says most of the cocaine brought into the country comes from Chile, with Canada second, climbing three spots since 2010. In recent years, there has been a spate of drug importation conspiracies linked to Canada and Canadians, including the conviction in June of a Canadian man who tricked an elderly Australian couple into becoming drug mules. In this case, a couple from Perth, Australia – aged 64 and 72 – travelled to Canada after being told they had won a free holiday, including seven nights' accommodation and new luggage. They became suspicious on their return to Perth and alerted Customs officers who found 3.5 kilos of methamphetamines hidden in each of their suitcases. A 38-year-old Canadian man was arrested at Perth airport and was charged with drug importation by police there. "The investigation has revealed a complex and highly organized scam in which older Australians appear to be targeted by a bogus Canadian-based tour company identifying themselves as Auscan Tours," Cmdr. David Bachi of Australian police was quoted as saying. One of the reasons Australia has become such an attractive destination for Canadian drug smugglers is that the street value of cocaine and other drugs are far higher there, resulting in much greater profits than if the drugs were sold in Canada.

For example, according to the Canadian Press a kilogram of cocaine is worth \$250,000, which can be up to five times higher than the price in Canada. The price of cocaine is higher in Australia because of strong enforcement and the country's distance from South America where it is produced. In addition to duping legitimate travellers to smuggling the drugs, Canadian traffickers have "significant connections" with Australian outlaw biker gangs and other criminal organizations, according to the Australian Crime Commission. Canadian drug traffickers and gang members have also been arrested in the Philippines and Mexico.

Sources: [Associated Press, Sept. 15, 2014, Two Canadian-Vietnamese dual citizens charged with smuggling drugs worth \\$68 million to Sydney](#); [The Canadian Press, Aug 31, 2014, Australian drug trade 'high-reward' for Canadian criminals, B.C. police say](#); [Australian Broadcasting Corporation, October 25 2013, Australian drug-mule scheme leads to Canadian's arrest](#); [Perth couple duped with free holiday into carrying 3.5 kg of meth home from Canada](#); [InSightCrime.com, Sept. 15 2014, Canada Drug Trafficking Groups Expanding Mexico Ties](#)

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A joint investigation between the RCMP and the CBSA has resulted in the arrest of three Greater Toronto Area (GTA) residents for illegally importing approximately 72.8 kilograms of Ketamine and 23.5 kilograms of Norephedrine into Canada. This investigation began when CBSA officers at the Port of Montreal inspected a Toronto-bound sea container containing over 500 sacks of rice that originated from India. Upon further examination of the container, they discovered a significant amount of Ketamine and Norephedrine concealed in a number of the rice sacks. CBSA officers contacted the RCMP in Montreal, which subsequently advised the RCMP in Toronto about the drug shipment. The RCMP and other local police agencies then conducted an investigation in order to identify those responsible for importing the illicit drugs into Canada. As a result of this investigation, on July 27, RCMP Toronto Airport Detachment investigators searched a commercial establishment in Toronto and arrested and charged three men from the GTA. The charges include importing a controlled substance, possession for the purpose of trafficking, and conspiracy. Ketamine is often mixed with other illicit drugs such as MDMA or methamphetamine. In the last several years, increased seizures and trafficking of Ketamine in Canada have indicated a renewed organized crime interest in the drug, according a RCMP press release. Norephedrine is often used as a precursor chemical to produce amphetamines, 4-methylaminorex and other illicit drugs.

Source: [RCMP Press Release, Aug. 7, 2014, Drugs found in a shipping container of rice; three arrested](#)

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In June, CTV News reported that three Edmonton men and two others from Chilliwack, B.C. were charged following what's being hailed as one of the largest drug seizures ever in Western Canada. The drugs seized on June 4 include 292 kilos of marijuana, 14.1 kilos of heroin and 6 kilos of hashish (with a combined value estimated at \$9 million). The five-month joint investigation, by the CBSA and the Alberta Law Enforcement Response Team (ALERT), culminated with the arrest of two men driving a semi-tractor trailer at the CBSA's Commercial

facility at the Edmonton International Airport. An inspection of the trailer yielded 197 kilograms of marijuana and 14 bricks of heroin. The heroin seizure is Alberta's largest ever, and the marijuana bust is believed to be the biggest in Western Canada.

Source: [CTV News, June 11, 2014, Two B.C. men arrested in \\$9M drug bust in Edmonton](#)

Cocaine

In August, members of the RCMP Toronto Airport Detachment arrested four residents from the Greater Toronto Area for importing approximately 37.5 kilograms of cocaine into Canada. The investigation began when CBSA officers at the Toronto's Pearson Airport intercepted the cocaine, which was concealed in three different shipments of machine parts, originating from Panama. CBSA officers contacted the RCMP about the shipment which led to an investigation to identify the individuals behind the illegal shipment. On August 7, the RCMP searched an apartment complex in Mississauga and arrested one man and one woman and on August 20 another two men were arrested in Mississauga and Milton. The charges against the four include importing a controlled substance into Canada, possession for the purpose of trafficking, and conspiracy.

Source: [RCMP News Release, Aug. 22, 2014, CBSA seizures of 37.5 kg of cocaine leads to four arrests](#)

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Fourteen people were charged after search warrants were executed in Mississauga and Brampton in late September in connection with an alleged international drug trafficking investigation. The arrests were made as part of a year-long, multi-force investigation dubbed Project Roadmaster, which targeted an organized crime network based out of Southern Ontario that was importing large quantities of cocaine from Mexico. The arrests came as about 200 officers from across Ontario executed 30 search and arrest warrants in several communities in Peel, Barrie and the Niagara region. Thirteen of those were arrested from Ontario, while one Mexican national was also arrested. The accused face charges of drug trafficking, participation in a criminal organization, and possession of the proceeds of crime. Niagara Regional Police (NRP) Staff Sgt. Shawn Clarkson characterized the criminal network as "widespread." It "involves associates of Mexican cartels and traditional organized crime mostly in Peel Region." The drug raids came less than two weeks after Nick Nero – who the NRP call a "Niagara-based drug kingpin" – was convicted for his role in trying to import large amounts of cocaine into Canada. Clarkson, said the people arrested appeared to be a separate group. "It's a different group with no ties to Nero," Clarkson said. "They're their own group and we believe they've been established for several years." The Niagara region of Ontario is growing as a conduit for illegal drugs from the U.S. according to Joe Maggiolo, a retired NRP staff sergeant who spent much of his 37-year policing career investigating drugs and organized crime. For him, Niagara's important role in the drug trade comes down to access. "It's a gateway," he said. "Niagara is surrounded by two lakes; we have the river and three international bridges with tractor trailers coming back and forth." The former investigator believes cocaine is flowing from the U.S. to Canada while ecstasy and marijuana is being shipped from Canada to the U.S. But NRP Staff Sgt. Shawn Clarkson, who

took over after Maggiolo retired, said the latest drug bust proves Niagara isn't the only point of entry for drugs. "This project uncovered information that yes, the border point in Niagara does have (drugs) coming through it, but it's also coming up through Montreal," he said, adding that drugs are also often shipped directly from Central and South America to Canada hidden in marine containers. There were suspects arrested in Niagara, Clarkson said "but the bulk of the players, the main players, are in Peel region and in Toronto."

Sources: [The Mississauga News, Sept. 25, 2014, Fourteen charged in Mexican drug cartel probe with tentacles in Peel](#); [The Canadian Press, Sept. 22, 2014, 14 arrested in Project Roadmaster probe into drug trafficking ring in Ontario](#); [The Tribune \[Welland, ON\], Sept. 23, 2014, Three from Niagara arrested in major drug sweep](#); The Standard [St. Catharines, ON], Sept. 23, 2014, Former NRP investigator says cocaine flowing over border; Niagara a drug 'gateway'

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On the morning of June 11, 2014, members of the RCMP Estrie (Quebec) Detachment arrested 17 people for their part in a conspiracy to import and traffic cocaine. Project Crypto, which was initiated in January 2011, targeted a criminal organization in the Estrie area that coordinated the importation and trafficking of cocaine from California to Canada using a network of truck drivers. The drugs were concealed in secret compartments inside refrigerated trucks before they left the United States. These trucks contained mostly fresh fruit and vegetable shipments from California that were destined to the Canadian food industry. The cocaine was destined to be distributed among various criminal organizations in Canada, according to the RCMP. It is estimated that the drug trafficking conspiracy imported more than 200 kilos of cocaine into Canada. Among those charged was the alleged leader of the organization, 60-year-old Denis Simoneau of East Bolton. The RCMP alleges that Simoneau orchestrated the transactions between suppliers in the United States and the Quebec and Ontario truck drivers who smuggled the cocaine into Canada.

Source: [Royal Canadian Mounted Police Press Release, June 11, 2014, Conspiracy to Import and Traffic in Cocaine: 17 Arrests](#)

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Eight people from the Simcoe, Ontario region, all with dual Mexican-Canadian citizenship have been charged by police for smuggling cocaine into the country. Police say that the group transported 12 kilos into Canada from the state of Chihuahua, which is located in northern Mexico. The cocaine was transported across the U.S. border at Windsor. Police say there were actually three cells – two of which smuggled cocaine and one that smuggled methamphetamines. Four people from Kitchener, Toronto and Arthur, Ontario were charged as part of the latter conspiracy. "It was three individual cells, operating independently," said OPP Det. Insp. Steve Clegg. Hollowed-out car batteries and other hiding spots were used to smuggle the drugs into the province, police allege. Language skills and dual citizenship helped the suspects travel easily across borders without suspicion, police contend. The cocaine was allegedly being imported directly from Mexico and then transferred to local traffickers in Ontario, including Oxford County, Norfolk County, Middlesex County, Waterloo Region and the Greater Toronto Area. As

part of their investigation, police seized 12 kilos of cocaine (worth an estimated \$1.2 million), 3.5 kilos of methamphetamine (worth \$280,000), \$89,955 in Canadian cash and \$38,000 in American cash. Four vehicles and one stun gun were also confiscated. Police characterize the smugglers as a part of the so-called Mexican Mennonite community; it is not the first time Mennonites have been implicated in the Mexican drug trade, according to The London Free Press. “Nearly two decades ago, border officials and police busted a large ring and said then a Mennonite pipeline was a major source of marijuana smuggled into Canada.” Many of the Mennonite community residing in Mexico moved there from Canada during the 1920s.

Source: [The London Free Press, May 22, 2014, Three Southwestern Ontario drug rings busted](#)

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Three significant seizures of cocaine took place at Toronto’s Pearson Airport over the summer. On July 9, the CBSA announced a seizure of 12 kilos on July 6, as CBSA officers monitored the offload of baggage arriving on a flight from Punta Cana, Dominican Republic. Officers observed anomalies with one of the bags and upon further examination, the officers discovered 10 bricks containing a substance that tested positive for suspected cocaine. Four people were charged after CBSA officials at Toronto’s Pearson airport say they seized 37.5 kilograms of cocaine. The CBSA says officers found the drugs hidden in three different shipments of machine parts that originated from Panama. Three men and a woman, all from the Toronto area, were arrested between Aug. 7 and Aug. 20 after a multi-agency investigation. “This is a large seizure coming in through the airport,” said Sgt. Richard Rollings of the RCMP. “I would like to say it’s uncommon, but it’s not. We do see a lot of drugs smuggled in through the airport.” On Sept. 25, 14 kilograms of cocaine were detected by CBSA officials at the Airport. The seizure occurred as customs officers monitored the offload of baggage arriving on a flight from Port of Spain, Trinidad and Tobago. Upon further inspection of one bag, they discovered 12 bricks concealed under clothing containing a substance that tested positive for cocaine.

Sources: [Canadian Government Press Release, July 9, 2014, CBSA officers seize 12 kg of suspected cocaine at Pearson Airport](#); [The Canadian Press, Aug 23 2014, Cocaine shipments seized at Pearson Airport, four charged](#); [The Mississauga News, October 6, 2014, Customs officers find 14 kg of cocaine at Pearson](#)

Hashish

In August, the CBSA announced it seized 858 kilos of hashish at its Port of Montreal Container Examination Facility. Officers intercepted the drugs on May 16, after having targeted a container arriving from Morocco for which the import documentation contained discrepancies. The drugs were concealed in boxes of ceramic tiles. The first boxes were x-rayed and, following examination of a number of other boxes, a border services officer noticed a difference in colour on the screen in one of the boxes. The officer also noted that the tiles were thicker than the tiles examined previously. As a result, he x-rayed the tiles one by one and discovered two separate masses. The hashish was found by breaking one of the tiles. In July, the CBSA seized another 209 kilos of hash at the Montréal-Trudeau International Airport. On July 10, during an X-ray examination of a shipment of 59 boxes of chocolates, border services officers detected anomalies

at the bottom of some of the boxes. A more in-depth examination led the officers to discover the drugs in 29 of the boxes. There were 199 packets of 1.05 kilos of suspected hashish in all, for a total of 208.95 kilos.

Sources: [Government of Canada News Release, Aug. 15, 2014, CBSA seizes 858 kg of hashish at the Port of Montreal](#); [Government of Canada News Release, July 24, 2014 CBSA seizes 209 kg of suspected hashish at the Montréal-Trudeau International Airport – Canada News Centre](#)

Marijuana

Waterloo Regional Police say 832 marijuana plants were seized in August after a search warrant was served on a grow-op in Cambridge, Ontario. The location is in an industrial area that is only about a three-minute drive away from Waterloo Regional Police headquarters. A 37-year-old Kitchener man was charged with production of a controlled substance and possession for the purpose of trafficking.

Source: [CBC News, Aug. 15, 2014, 832 pot plants seized in Cambridge grow-op](#)

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At the end of August, Ontario Provincial Police searched properties located in Cornwall, Ontario, which resulted in the seizure of 3,775 mature marijuana plants and 191 kilos of dried marijuana. In all, the street value of the products seized is estimated at more than \$4 million, police said. An “elaborate marijuana production drying system, which included several pieces of industrial equipment,” was confiscated according to an OPP press release. Three Canadians, all from Eastern Ontario, and three Mexican nationals, were arrested. They were each charged with possession of a controlled substance for the purpose of trafficking and production of a controlled substance.

Source: [Standard-Freeholder \[Cornwall, ON\], Aug. 29, 2014, Major Glengarry grow-op busted](#)

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About 900 marijuana plants and a pound of marijuana bud were seized in raid in September near Port Hope, Ontario. The OPP said the plants, which police found growing in a field, were “very well maintained.” The street value of the drugs is estimated at around \$890,000. Three Port Hope residents were arrested and have been charged with production of marijuana under the Controlled Drugs and Substances Act.

Sources: [The Peterborough Examiner, Sept. 18, 2014, \\$900K in marijuana seized](#)

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York Region police arrested two people in connection with a large-scale marijuana grow-op in Markham, Ontario. Officers searched a house in the city where they seized more than 1,100 marijuana plants at various stages of production. Police estimated street value of the plants at \$1

million. Police also found a hydro bypass in the home's basement, which they say helped the growers steal electricity. Two men were arrested in Toronto and charged with production of a controlled substance, possession of a controlled substance for the purpose of trafficking and theft of utilities.

Source: [Toronto Star, Oct. 9, 2014, Police bust \\$1M marijuana grow-op in Markham](#)

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In August, Winnipeg police dismantled two large-scale marijuana grow operations in that city. On August 6, police seized more than 2,000 marijuana plants from two homes. Two men and a woman were charged with producing and possessing marijuana as well as theft of telecommunications in both cases. Police say the two cases, worth a total of \$2.4 million, are linked. At one home, 1,006 marijuana plants with an estimated street value of \$1,126,720 were found while at the other 1,075 marijuana plants with an estimated street value of \$1,204,000 was seized. Around a month later, police in Winnipeg raided another home that was being used to shelter a marijuana grow-op. Inside the home they found more than 1,000 marijuana plants valued at about \$1.17 million. They also seized a few pounds of dry marijuana, \$22,000 worth of equipment and some Canadian and American currency. Two people were arrested and both face multiple charges including producing a scheduled substance and possession for the purpose of trafficking.

Sources: [CBC News, Aug. 8, 2014, Winnipeg police bust marijuana grow-ops worth \\$2.4M](#); [CBC News, Sept. 4, 2014, Marijuana grow-op worth \\$1.1M busted in Winnipeg's Seven Oaks](#)

Synthetic Drugs

The RCMP in Mission, B.C. say investigators discovered a total of approximately 60 kilograms of ecstasy – enough for 600,000 individual doses – that could be worth up to \$3 million on the street. In September, Mission Fire and Rescue Service crews were called to a building for a suspected structure fire. And while smoke was billowing from the structure, upon entering the building, crews found only a small fire – most of the smoke was coming from a chemical reaction. After recognizing products commonly used in clandestine drug labs, firefighters evacuated people from the building as well as from several nearby businesses. After confirming the existence of the drug lab, the RCMP say it appears to be the second biggest ecstasy seizure in B.C. history and, potentially, the biggest drug lab ever found and dismantled in the province. They also said the drug lab was storing enough volatile chemicals to level a city block in the event of an explosion. “It’s a large-scale operation and it’s sophisticated as well,” RCMP Staff Sgt. Rob Dixon said. “It looks like it’s been established for some time.”

Sources: [CBC News, Sept. 10, 2014, ‘Breaking Bad’ drug lab bust: 600K doses of ecstasy found in Mission](#), [Mission Record, Sept. 10, 2014, Sixty kilograms of suspected ecstasy seized from apparent drug lab](#)

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In July, a large consignment of synthetic drugs – including 72.8 kilo of Ketamine and 23.5 kilo of Norephedrine – was found in a marine container at the Port of Montreal. The RCMP charged three men for importing a controlled substance into Canada, possession for the purpose of trafficking and conspiracy to commit an indictable offence. This investigation began when CBSA Officers at the Port of Montreal, inspected a Toronto-bound sea container containing over 500 sacks of rice that originated from India. Upon further examination of the container, CBSA officers discovered a significant amount of Ketamine and Norephedrine concealed in a number of the rice sacks. As a result of a RCMP investigation, on July 27, three suspects were arrested in Toronto.

Source: [South Asian Observer, Aug. 15 2014, Large Consignment of Synthetic Drugs Found In Imported Rice From India](#)

Fraud

In its Annual Statistical Report for 2013, the Canadian Anti-Fraud Centre (CAFC) provided data on Canadian-based “mass marketing fraud” (MMF). This includes “statistics on Canadian based MMF operations targeting both Canadian and international victims as well as Canadians as victims of international based scams and Canadian Identity.” Some of the key findings of the report include the following:

- The CAFC saw an increase in the total number of MMF complaints received in 2013; however the total number of victims and MMF reported dollar loss has decreased.
- Total number of complaints by Canadian complainants on Canadian based MMF has increased; however the total number of victims and reported dollar loss has decreased
- Total number of complaints, victims and dollar loss by US and International complainants on Canadian based MMF has decreased.
- Based on complaints received at the CAFC, Ontario is identified as the principle base of Canadian based MMF operations.
- Based on total number of complaints “Telephone / Facsimile” is reported as the most prevalent solicitation method used to solicit Canadian consumers; however Canadian victims of an “E-mail Internet / Text Messaging” solicitation method have the highest total reported dollar loss.
- Based on the total number of complaints, Canadians between the ages of 50-59 are the most targeted by MMF operations. Canadian victims between the ages of 50-59 reported the highest dollar loss.
- Based on complaints received at the CAFC, Toronto is identified as the principle base of Canadian based MMF operations.
- The number of Canadian Identity Fraud victims has increased, however the total reported dollar loss has increased.

Established in January of 1993, the Canadian Anti-Fraud Centre is a joint forces operation consisting of the RCMP, the Competition Bureau of Canada and the Ontario Provincial Police. The CAFC is Canada’s central repository for data, intelligence and resource material as it relates to fraud.

Source: [Canadian Anti-Fraud Centre, \(no date\), Canadian Anti-Fraud Centre Criminal Intelligence Analytical Unit Annual Statistical Report 2013. Ottawa: CAFC](#)

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In July, CBC News reported that insurance fraud using staged car accidents are becoming “increasingly sophisticated” while the latest trend involves “organized groups gaining access to medical clinics to cash in on lucrative payouts for phoney insurance treatments.” The CBC quotes Rick Dubin, vice-president of the Insurance Bureau of Canada’s investigative services, who says, “We’ve seen a definite increase in identity theft within the medical clinics with regard to claiming accident benefits.” According to the CBC:

Dubin leads a group of 50 investigators who focus on probing organized auto-insurance crime for private insurers across the country. At any time, they are working on dozens of alleged staged collisions. Oftentimes, the phoney crash is just the “catalyst” for a larger scam that gets the so-called victims into the doors of compromised rehab centres and medical clinics. “This is where the real money is,” said Dubin. “And this is where it’s had a very serious impact in terms of the payouts by insurers, which again is passed on to the innocent customer.” In some cases, he says, owners or employees of medical clinics or rehab facilities are becoming involved in these fraud rings. They forge the signatures of real doctors or chiropractors, without their knowledge, to cash in on the resulting treatments for the faked whiplash and soft-tissue claims that result from the staged collisions.

Ontario experiences the largest number of what are called induced crashes, particularly in the Greater Toronto Area, which Dubin calls the “staged collision capital of Canada.” The insurance bureau says British Columbia also experiences a number of these fraudulent crashes, though not nearly as many. Manitoba’s public auto insurer says it’s a known problem there as well, but not one they track. “It’s very difficult for us to put a number on it. Is there a hundred a year, is there 200 a year? We don’t know,” said media relations coordinator Brian Smiley of Manitoba Public Insurance. “We do know they exist because we have had occasion where people have been charged and convicted.”

Last month, one of Britain’s biggest auto insurers, Aviva, revealed that the number of “induced accidents” rose by 51 per cent in 2013 and called for harsher penalties on perpetrators. In the past five years, there have been several large staged-crash rings uncovered in Canada, groups that racked up millions of dollars in fraudulent insurance claims. The largest auto insurance fraud in Manitoba involved nearly 40 suspects bilking the public insurer for almost \$1 million. The scammers bought used luxury vehicles cheaply, then rolled back their odometers to increase the value. Then they orchestrated thefts of the vehicles or used them in fake accidents.

At least three massive rings have been unearthed in the Toronto area in the past few years, with each involving dozens of people. Organized crime is often involved in these types of insurance fraud, some of which are getting more and more sophisticated. One \$4-million scam in the Toronto area resulted in hundreds of thousands of dollars in fines for four clinics that created false invoices. Another recent auto-insurance fraud operation in York Region involved those

working in the medical and legal professions. That case involves suspected identity theft at rehab centres across the greater Toronto area, says Dubin.

In the U.S., staged accident rings cost insurers billions of dollars for phantom injuries, according to the Coalition Against Insurance Fraud. Two years ago, the FBI arrested 36 people in New York – including 10 doctors and three lawyers — for their alleged involvement in a \$279-million auto insurance fraud, believed to be the largest ever of its kind for the state. The U.S. Attorney Preet Bharara called it a “colossal criminal trifecta” with tentacles reaching into the medical, legal and insurance systems. The alleged ring even operated its own chain of medical clinics and had ambulance chasers convincing real car-crash victims to seek unnecessary care at corrupt clinics in exchange for kickbacks. Dubin says his investigative unit believes certain individuals involved in that New York state ring have entered Ontario and are now involved in Toronto-area clinics.

Source: [CBC News, Staged collisions a ‘catalyst’ for larger insurance fraud – Canada](#)

Human Smuggling and Trafficking

In September, a B.C. court found Reza Moazami guilty on 30 charges related to human trafficking and living off the avails of prostitution. He has become the first person in B.C. to be convicted of the federal Criminal Code offence of human trafficking. Evidence heard at his trial showed that between February 2009 and his arrest on Oct. 7, 2011, Moazami lured, coerced and threatened 11 victims aged 14 to 19 into the sex trade. He targeted vulnerable girls; at least one was a runaway from the foster-care system, others lived in dysfunctional families, the judge noted in her decision. Once they were working for him, Moazami used threats and violence to keep them under his control. The 30-year-old had the teens and young women work out of hotels in Vancouver, Richmond and North Vancouver. He also took some of the victims to Victoria, Nanaimo, Edmonton, Calgary and Montreal to work.

Source: [Canadian Press, Sept. 15, 2014, Pimp nets B.C.’s first human trafficking conviction for teen prostitution ring](#)

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In July, Steven Blaney, Minister of Public Safety and Emergency Preparedness, announced the removal from Canada of 20 members of a human trafficking criminal organization that had operated in the Hamilton area. The individuals were all part of the extended Domotor-Kolompar criminal ring and were convicted of human trafficking charges under the Criminal Code. To date, it was one of the largest human trafficking rings in Canadian history. The most recent removals were completed in May 2014, when Gyoza Papai and Gizella Domotor were removed to Hungary. To date, 22 members of this criminal group have been convicted of crimes relating to human trafficking. The Domotor-Kolompar criminal organization recruited and/or transported as many as 19 victims from their native Hungary to the Hamilton area with promises of a better life. Once in the country they became indentured slaves; they were forced to work illegally, lived in deplorable conditions without adequate food, and were intimidated or attacked repeatedly. In April 2012, the kingpin of the human trafficking ring, Fernec Domotor, was sentenced to nine

years after he pleaded guilty to various charges including conspiracy to traffic in human beings and participation in a criminal organization.

Sources: [Government of Canada News Release, July 22, 2014, Minister Blaney announces the removal from Canada of 20 convicted human traffickers](#); [CBC News, July 22, 2014, 20 Hamilton human trafficking ring members deported](#)

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In July, the Scarborough Mirror reported that 11 people had been charged in connection with an alleged human trafficking and prostitution ring that stretched from Toronto to Montreal. According to police, teen girls were forced to work as prostitutes out of hotels and motels in the Greater Toronto Area and Montreal by associates of the Galloway Boys gang, which is based in Scarborough. Victims were typically recruited in their neighbourhood, police allege. “These pimps will groom them, they will build a relationship with them, they’ll try to build a trust with them, and in most cases they try to make the victim believe that they’re in love with them,” Insp. Joanna Beaven-Desjardins told a June 6 news conference at Toronto police headquarters. The investigation, dubbed Project Dove, began in March. Ten people were arrested in June and on July 2, police arrested a 21-year-old man from Toronto who faces 15 charges, including trafficking of a person under the age of 18 and living on the avails of juvenile prostitution. The CBC also reported in October that police in Ontario say another organized street gang – North Preston’s Finest, which is based out of Nova Scotia – is actively recruiting girls and women from the Maritimes and forcing them into a life of prostitution in Toronto and other cities across Canada. According to the CBC, “The notorious gang, with roots in the small Nova Scotia community of North Preston, northeast of Halifax, was first identified by police in Toronto in the early 1990s. Det. Thai Truong of York Regional Police, north of Toronto, said it’s common to run into pimps who say they’re from North Preston or have ties to North Preston, and women who’ve been moved from the Maritimes to regions around Toronto.”

Sources: [Scarborough Mirror, July 7, 2014, Police arrest 11th suspect in connection with human trafficking ring linked to Galloway Boys street gang](#); [CBC News, Oct. 8, 2014, North Preston’s Finest gang funnels girls to Ontario for prostitution: police](#)

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A recent study commissioned by Public Safety Canada documents how women and girls are forced into the sex trade by pimps acting as boyfriends, small, loosely defined gangs and even members of their own families. And the 2014 report, obtained by The Canadian Press under the Access to Information Act, also emphasizes how aboriginal women and girls are particularly easy prey for human traffickers because they are more likely to suffer from poverty, drug addictions and mental-health problems. The report asserts that “A number of participants believed that the trafficking of aboriginal women and girls was part of a wider ‘Canadian crisis... This crisis was a continuum of related phenomena involving the criminal victimization of aboriginal women and girls.” This larger criminal victimization is “evident by the large numbers of aboriginal women and girls who are subjected to physical and sexual violence, are trafficked, and who go missing or are murdered.” According to the Canadian Press, “the

previously unreleased research is bound to add fuel to the fire raging in Canada over the Conservative government's refusal to hold a national inquiry into murdered and missing aboriginal women and girls." **Source:** [The Canadian Press, Sept. 18, 2014, Aboriginal women, girls targets for human trafficking, says new report.](#)

Violence

Ducarme Joseph, who police once described as Montreal's most powerful organized street gang leader, was murdered in the middle of the road within view of his mother's home in the neighborhood of St-Michel. The forty-six-year-old Joseph led the 67 gang – so-named for a bus route that ran through the neighbourhood. Some believe Joseph was trying to fill a power vacuum created by wide-spread enforcement action against the Hells Angels and the Rizzuto mafia clan, the two most powerful criminal organizations in the city. According to the *Globe and Mail*, "The high-profile murder may finally be the execution of an old vendetta from the Montreal Mafia, or may be the Hells Angels sending a message to street gangs that the bikers are back after several years on their heels." Police analyst Stéphane Berthomet told Radio-Canada that more than one criminal organization could have reason to kill Joseph. "All hypotheses are still open. There is the Mafia, the bikers, and other gangs. The possibilities are vast," said Berthomet. Some have speculated that Joseph was linked to the 2009 shooting of Nick Rizzuto, the son of deceased Montreal Mafia leader Vito Rizzuto. Nick's death came at the height of a war within Montreal's organized crime. Police believe Mr. Joseph drove the getaway car, *La Presse* reported. Montreal police took the unusual step several years ago of publicly warning Joseph that a contract had been put out on his life. In their book, *Mafia Inc.*, André Cédilot and André Noel suggest the Rizzuto clan had put a \$200,000 price on Mr. Joseph's head. In 2010, two men were killed and two others were injured after gunmen opened fire in a store owned by Joseph. He wasn't injured in the shooting and escaped through the back door. His bodyguard and store manager, however, were both shot and killed in the attack.

Sources: [Globe and Mail, Aug. 4 2014, Montreal gangland killing shatters tenuous underworld peace](#); [CBC News, Aug. 2, 2014, Reputed gang leader Ducarme Joseph fatally shot in Montreal – Montreal – CBC News](#); [La Presse, Aug. 2, 2014, Ducarme Joseph pourrait avoir été la cible de la mafia](#)

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After serving 13 years of a life sentence for three counts of second-degree murder that began in the late 1990s, Ken Murdock has been released on full parole under a new name and identity. Murdock was responsible for the 1997 murders of Johnny (Pops) Papalia, the long-time Mafia boss from Hamilton, and his associate Carmen Barillaro. Murdock had been contracted by the rival Musitano crime family in Hamilton. Murdock went to trial in 1999 in Hamilton where he struck a plea bargain and admitted that the Musitano crime family had ordered him to kill his two victims. Both Musitano brothers were sentenced in 2000 to 10 years for ordering the murder of Carmen Barillaro. In 2007, they were granted parole.

Source: The Tribune [Welland, ON], July 12, 2014, Murdock out on full parole after three murders

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Cody Haevischer and Matthew Johnston were found guilty of multiple counts of first-degree murder and conspiracy in relation to the gang slayings of six people in a Surrey, B.C. apartment on October 19, 2007. The trial heard they'd been sent there by the leadership of the Red Scorpions gang to kill a rival drug dealer named Corey Lal. Three of the other victims were associates of Lal and were in his apartment at the time. Two of the victims — Christopher Mohan and Ed Schellenberg — were innocent bystanders. Police said they happened to be in the wrong place at the wrong time. Schellenberg was in the building to service fireplaces while Mohan, was a student who lived next door with his mother. They were killed to eliminate any witnesses. Like the others, hoods were placed over their heads before they were shot execution-style. The trial took a year and heard from 73 witnesses. The witness list included Michael Le, one of the leaders of the Red Scorpions who ordered the murder, as well as several former gangsters involved in the plot. Le had already pleaded to conspiracy; in return for a 12-year sentence, the Crown dropped a first-degree murder charge against him. His sentence was subsequently reduced to three years and one month after credit for time served. He then went on to testify against his former gang mates. In May of 2015, former Red Scorpions leader Jamie Bacon is scheduled to go to trial for conspiracy and one count of first-degree murder in relation to the deaths. The Surrey murders were part of a gang war that spanned several years. The trial ended as Vancouver Police announced that homicides related to gangs and organized crime were down by nearly half in Metro Vancouver. In early October, Staff Sgt. Jennifer Pound of the Integrated Homicide Investigation Unit says 21 per cent of homicide investigations between January and September were connected to organized crime compared to 41 per cent during the same period last year. The annual report of B.C.'s Combined Forces Special Enforcement Unit, released in September, also indicates there has been a substantial decrease in gang-related crime over the last year. Chief Officer Kevin Hackett told the media there has been a "significant decline" in gang-related crime over the last year, with slayings dropping to 13 in 2013 from the peak of 35 victims in 2009 at the height of B.C.'s gang wars. RCMP Chief Supt. Dan Malo said he believes increased community policing and new policing tactics has helped prevent inter-gang violence in the Lower Mainland. "We're down in the statistics," Malo told delegates in Surrey at the Acting Together gang prevention conference organized by Kwantlen Polytechnic University. "A number of [gangsters] are in jail, a number of them are dead, a number of them have changed their behaviour and others we have forced to change their behaviour."

Sources: [The Globe and Mail, Oct. 2 2014, B.C. men found guilty of first-degree murder, conspiracy in Surrey Six slayings](#); [Canadian Press, Oct. 2, 2014, Surrey Six Trial: Cody Haevischer, Matthew Johnston Found Guilty](#); [The Province \[Vancouver\], Sept. 9, 2014, Gang crime in B.C. is significantly declining, police report finds](#); [The Surrey Leader, July 24, 2014, Anti-gang tactics working, Mountie tells conference](#)

ORGANIZED CRIME GENRES

Italian

On September 9, 44-year-old Antonio Coluccio was arrested while sleeping at a home in

Siderno, Italy, a stronghold of the Calabresse Mafia, otherwise known as the 'Ndrangheta. This arrest, according to the National Post, has put "another dent in his hope of returning to his home and family in Canada." As Adrian Humphreys writes,

Coluccio lived in Richmond Hill, north of Toronto, until he was pressured to leave in 2010 by Canada's immigration authorities who said he was involved in organized crime, accusations he denied. He left behind his wife and five children, all Canadian citizens, planning to one day return. His arrest is part of a large joint investigation by Italy's authorities.

Mr. Coluccio and 26 others are accused of muscling in on public works contracts for infrastructure and waste management along the Ionian coast, including school renovations and a dam construction, said a senior police officer involved in the investigation.

"Antonio Coluccio is an important figure. He is the most important personality in [his home town of] Gioiosa Jonica and in 'Ndrangheta," said an official with the Polizia di Stato in Reggio Calabria who did not wish his name published. He said Mr. Coluccio, as the only one of three Coluccio brothers not in prison, had become the family's main figure in a three-clan alliance that became the most important crime organization in Italy's south.

"He had an important role with Giuseppe Commisso and with Rocco Aquino. These are the most important families of Calabria, of 'Ndrangheta. There is an alliance with these families."

The accusations include extortion and collusion between the mob and politicians, both in public procurements and in elections. Antonio Macri, a politician and former president of Siderno city council, was among those arrested. The municipality was dissolved last year by the government because of accusations of Mafia infiltration. Most firms in the area were victimized and under the clans' control, authorities said. The firms were made to pay a bribe of 3% on the value of the work. The bribe dropped a bit in value because the companies bidding on the work were considered 'friends' of the men of the 'Ndrangheta," officials said.

He is charged with Mafia association, as he was in 2010 shortly after he arrived back in Italy from Canada. He was acquitted of that earlier charge. The 2010 arrest came during a huge probe, Operazione Crimine, charging more than 300 men in an attack against the 'Ndrangheta, including several men with strong ties to Canada. One of those men nabbed in 2010 was Vincenzo "Vince" Tavernese, 59, of Thornhill, Ont., who recently returned to Canada. Italian prosecutors said at the time he was the head of one of seven 'Ndrangheta clans in the Toronto area.

According to the Toronto Star, Coluccio's two older brothers Giuseppe and Salvatore, who are already in prison in Italy on Mafia-related charges, are also former residents of the GTA. His father-in-law, Carmelo Bruzzese, is in custody in Canada fighting his deportation to Italy. Italian authorities accuse the 65-year-old Bruzzese of being the head of 'Ndrangheta clan there. Bruzzese faces an admissibility hearing before Canada's Immigration and Refugee Board to determine if he should be deported from Canada as a foreign national engaged in organized crime.

Sources: [National Post, Sept. 11, 2014, Former Toronto-area man arrested in Italy, called dangerous Mafia clan's 'most important personality'](#); [Toronto Star, Sept. 9, 2014, Mafia association charges: Former Richmond Hill man arrested in Italy](#); [National Post, July 23 2014, Canadian police ignored Interpol alert for alleged mob boss though they knew where in Canada he lived](#)

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Vincenzo (Jimmy) DeMaria, who police in Canada and Italy allege is a senior member of the 'Ndrangheta in the GTA, has had his parole revoked in July. He was returned to custody after police reported seeing him associating with known criminals, a violation of his parole conditions. The 59-year-old De Maria had been on full parole for the past 25 years after a 1982 conviction for second-degree murder. According to the NPB, "We believe that the information ... which comes from numerous police agencies, is reliable and persuasive; that is, there was police surveillance of each of these social events and that the individuals named by police sources are members of a Traditional Organized Crime group," the parole decision said. DeMaria was arrested for similar parole violations in November of 2013 and in April 2009, a parole board report said.

At the time of his 2009 arrest, he was accused of associating with a member of the 'Ndrangheta. Just a few weeks later, DeMaria's 39-year-old son Carlo, a Toronto-area businessman who runs a payday loan and foreign exchange business, was arrested as part of what police are calling an ongoing fraud investigation. Carlo DeMaria, who lives in Maple, Ontario, which is north of Toronto, faces 10 criminal charges, including fabricating evidence, identity theft, laundering the proceeds of crime and possession of property obtained by crime. DeMaria was charged along with 32-year-old Frank Di Nardo of Brampton, Ontario, who is the owner of SwiftX Foreign Exchange and Di Nardo Financial Inc.

Both men are being investigated in relation to a number of cash transactions in excess of \$100,000, police said. Business records in relation to the transactions were turned over to police through a court order, but police accuse the two of provided forged and fabricated documents. "Subsequent investigation led investigators to conclude that the provided materials were, in fact, altered, forged or otherwise fabricated records that had been created to divert suspicion away from the accused and other conspirators while falsely implicating certain other persons in criminal activity," Det.-Const. Sarath Thayalan, a Toronto police fraud investigator said.

One of the Cash House locations named by police on Rogers Road in Toronto is the same location from which Jimmy DeMaria ran his former financial services business Invicta Financial. It was at Invicta where Jimmy DeMaria was arrested in April 2009 for parole violations.

Sources: [Toronto Star, July 7, 2014, Mississauga mob killer has parole yanked](#); [National Post, July 25, 2014, Son of suspected Ontario Mafia boss charged after police fraud investigation](#)

Organized Street Gangs / Independent Crime Groups

At the end of July, Cory Lesperance, who police allege is a member of the B.C.-based gang the Red Scorpions, was arrested by police in Alberta as part of an ongoing drug investigation that is attempting to disrupt the flow of illegal drugs from B.C. into Alberta. Police accuse the 29-year-old Lesperance of heading a drug trafficking network in Alberta. Police say their enforcements efforts have hampered moves by the Red Scorpions to expand into central and southern Alberta. Police believe Alberta has become very attractive to B.C.-based drug traffickers who want to capitalize on the growing wealth and disposable income there, especially among young men working in the oil patch. “In Alberta the drug market has been strong. Recently we have seen B.C.-based gang members trying to gain a foothold in the Alberta market,” said Staff Sgt. Martin Schiavetta of the Alberta Law Enforcement Response Team. Lesperance was arrested, just outside Red Deer, and faces a total of 14 drug and weapons related charges. Search warrants executed in Airdrie, Red Deer and Calgary also led to the arrests of three other men, who police characterize as associates of the Red Scorpions.

Sources: [CBC News, July 28, 2014, Red Scorpions gang member, associates, arrested in Alberta B.C. drug trafficking operation was expanding into Alberta, RCMP say](#); Red Deer Advocate, Aug. 15, 2014, Gangs seizing chance to grow

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A press release from the Combined Forces Special Enforcement Unit (CFSEU) of British Columbia states that in late August they arrested an associate of the United Nations gang and in the process discovered a cache of stolen property along with drugs, cash, and a gun on a rural Dawson Creek property. The 32-year-old man’s name was not released. The CFSEU-BC’s North District office began an investigation in mid-August into a group of drug dealers who had established a foothold on a large property outside Dawson Creek. This group was reportedly made up of gang members from the Grande Prairie, Alberta area that had set up in Dawson Creek and led by the UN gang associate. Information was quickly developed that indicated that the rural property, which is about 400 acres in size, held a significant amount of high-value stolen property, as well as drugs and guns. On Friday, August 30, a search warrant was executed on the property. The suspect, who had been inside a stolen travel trailer, fled on foot and then on a nearby ATV. It took officers chasing on foot, RCMP K9’s, and the help of Air Services about four hours to finally capture him. When he was arrested, the man was caught carrying a bag that held a loaded Smith & Wesson .22 calibre handgun, approximately \$35,000 in cash, five ounces of crack and powder cocaine, about half an ounce of methamphetamine, and several opiate pills. A search of the property revealed a large amount of stolen property that included a Sea Doo boat, a late model 32 foot travel trailer, two pickup trucks, a late model Polaris quad ATV, and a Yamaha R1 motorcycle. The combined value of the stolen property is conservatively estimated at about \$200,000.

Source: [Combined Forces Special Enforcement Unit Press Release, Sept. 9, 2014, UN Gang Associate Facing Numerous Charges Following Arrest Near Dawson Creek](#)

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In early July, the CFSEU of British Columbia began an investigation into the alleged drug trafficking activities of the Langley-based “856 gang.” Later that month, the CFSEU-BC arrested one man outside of an apartment building in Langley. A search of the man resulted in officers seizing significant quantities of both cocaine and methamphetamine. The CFSEU estimated the wholesale value of the drug at \$400,000. While officers were on scene, two other men targeted by the investigation arrived in a vehicle. One of the men was arrested and the other fled on foot, before being caught several hours later by an RCMP K9 unit with the help of RCMP Air One and the Langley RCMP. On July 23, a search warrant was executed on an apartment in Langley where they found large quantities of drugs and drug-related items, including a 20-ton press used for re-pressing kilogram bricks of cocaine. The drugs seized by police included 2.514 kilos of cocaine, 3.846 kilos of methamphetamine, 522 grams of heroin and 123 Oxycontin tablets. Three men were arrested and all are believed to be high-ranking members of the 856 gang, according to the CFSEU. According to the CFSEU, the “856” gang is named for the phone prefix in the Aldergrove area and is made up of members and associates living and operating in the Lower Mainland and as far away as Fort St John, the Yukon, the Northwest Territories, Alberta, and even Ontario. They have been in existence for close to a decade and have been involved in numerous assaults, drugs, weapon-related, property-related, and other types of crimes. Sgt. Lindsey Houghton, a CFSEU spokesperson told the media that the gang began “as a bunch of young punks and thugs in Aldergrove doing street level drug dealing.” But they have grown, and continue to recruit new members. They aren’t at the level of other gangs in the area like the Red Scorpions but have become the dominant drug trafficking gang in the Yukon, Yellowknife, parts of Alberta and Fort St. John. “They will muscle their way into a market that is kind of untapped and take it over,” said Houghton. Late last year, seven people were arrested in Yellowknife as part of an investigation into the gang’s drug trafficking activity up north. At the height of their operations before the December 2013 busts in Yellowknife, the gang was flying three people up from B.C. every week to work seven day shifts, according to a RCMP spokesperson Staff Sgt. Craig Peterson. “They were bringing their own people in to sell their own product. That way, there’s a lot less chance of skimming and stealing,” he said. “After the arrests, it took them some time, but they managed to convince more people to come up.” They have expanded up north and to Alberta in part because the Lower Mainland drug market is controlled by established gangs, said Peterson. Even with the backing of the Hell’s Angels – who allow the 856 gang to work in return for the exclusive rights to supply their drugs – the newcomers are not strong enough to compete in the metro Vancouver markets. Peterson added that the gang has also come to the North because the Yellowknife market is lucrative – drug prices, just like everything else, are higher here than in the south.

Sources: [Combined Forces Special Enforcement Unit Press Release, July 30, 2014, Gang-Related Arrests & Searches Yield Close To \\$400,000 In Drugs](#); [Northern News Service, Aug. 20, 2014; Gangs disrupted, not finished: RCMP](#)

Outlaw Motorcycle Gangs

Ottawa’s CFRA News Talk Radio reported in August that the Hells Angels have been showing their colours in the Ottawa-Gatineau area in recent weeks. A group of Hells Angels members were spotted at a bar in Gatineau in August and in mid-July dozens of members and associates gathered in Carlsbad Springs. Police say the group is showing off. “It’s their turn,” said Acting

Det. Staff Sgt. Len Isnor with the OPP Biker Enforcement Unit. “What happens is the Hells Angels will gather in each other’s territories. There’s 13 Hells Angels chapters across the province and lately it has been Ottawa’s turn.” The local chapter of the Hells Angels are known as the Nomads and Isnor told CFRA there were a lot of visiting Hells Angels from out of town. “Hells Angels members are very territorial,” he added. “They’re always presenting themselves in the public eye. They’re basically sending a message, basically saying ‘this is our area. This is our territory.’”

Source: [580 CFRA News Talk Radio, August 12, 2014, Hells Angels mark territory in Ottawa-Gatineau](#)

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The Chronicle Herald newspaper reported in September that the Hells Angels are showing signs of re-establishing a chapter in Halifax. Their one and only chapter in the city was shut down in 2003 due to police enforcement actions. “It’s reasonable to say that they’re coming,” RCMP Const. Cindy Cullen of the combined forces intelligence unit told the newspaper. “I’d be comfortable (saying) within five years. I suspect it might be sooner.” Furthermore, according to the Chronicle Herald:

She said some recent moves in Nova Scotia demonstrate an increased interest by the Angels. There’s been a rapid expansion of their puppet club, called the Gate Keepers. The first Gate Keepers chapter opened in Musquodoboit Harbour in February 2013 and has 18 to 20 members, Cullen said.

The second chapter came into existence four months later when Bridgewater’s Darksiders patched over to become Gate Keepers, which now has nine members. A New Glasgow Gate Keepers chapter started with nine members this April, and a chapter with six or seven members opened in Centreville, Kings County, at the end of July. They’re self-proclaimed as a prospect club by the Hells Angels,” Cullen said of the Gate Keepers, whose emblem has the same colour scheme as the Angels.

“They wear red and white, which is a clear indication that they have been sanctioned by a Hells Angels club.” The London, Ont., chapter of the Hells Angels sanctions all four of Nova Scotia’s Gate Keepers chapters, plus one in Middlesex, Ont. Cullen said a London member of the Hells Angels has visited Nova Scotia at least eight times since the spring.

The Dartmouth Darksiders are also a Hells Angels support club and are friendly with the Gate Keepers, she said. Cullen would not say if police currently have any investigations underway or suspect any illegal activity in association with the clubs. She said it’s “realistic” to think some Darksiders and Gate Keepers would become Hells Angels if a chapter opens in Nova Scotia.

“We see them here more often and for longer periods with the Darksiders and the Gate Keepers,” Cullen said of the Angels. “Nova Scotia is definitely an interest to them.” Cullen said both of those support clubs appear to have smoothed over some differences they had with Bacchus,

Canada's second-oldest motorcycle club, which is independent and has two chapters in Nova Scotia: Harrietsfield (nine members) and McGraths Cove (seven members).

“When the Gate Keepers came in, the information we had initially was (that) there was tension between themselves and the Bacchus,” she said. “What we’ve seen . . . through the summer, the riding season, they’ve seemed to (have) fixed whatever tensions were there. They’re both showing each other respect and standing and talking to each other. I would hope that if/when the Hells Angels open here, violence would be the last resort for them.” Currently, the all-important back patches worn by Bacchus has Nova Scotia written in the bottom rocker, which claims Nova Scotia as its territory. Cullen said police will be keeping an eye on the patch. “I wouldn’t say they would be subservient or under the Gate Keepers or Darksiders at this point. If that rocker were to change, that would make it very clear that someone else is claiming Nova Scotia as their territory.”

The original Hells Angels chapter in Halifax collapsed after almost 20 years in existence. Formed in December 1984, the chapter was decimated by Operation Hammer, which resulted in 20 arrests in a December 2001 raid at the old Hells Angels clubhouse on Dutch Village Road. By August 2003, four of its seven members were in jail, the Crown had seized the clubhouse and the chapter was done.

Stephen Schneider, a Saint Mary’s University criminology professor, said the Sherbrooke, Que., Hells Angels kept an eye on Atlantic Canada immediately after 2003 but became overwhelmed by police investigations and other issues. The London chapter then took Atlantic Canada under its wing. London’s Hells Angels chapter is not that old. It started in 2005 and has about 12 members, according to Staff Sgt. Len Isnor of the Ontario Provincial Police biker enforcement unit.

Isnor keeps abreast of biker developments in Atlantic Canada and hasn’t heard anything about a Hells Angels chapter coming to the region. “Could it happen?” he asked. “Yes.” However, he believes if it does happen, it would not be for some time. “There’s a process, and it’s a lengthy process. It has to go for a vote and so on and so forth. It’s just not done overnight.” He said support club bikers want to be in the Hells Angels and are often tested for their loyalty.

Isnor, Cullen and Schneider all agree that Halifax’s port makes it attractive to the Hells Angels. Schneider said the Angels, as of late, generally prefer to expand via puppet clubs and not new chapters. He believes Halifax could be an exception because of its port and, to a lesser extent, its proximity to ports in Saint John, N.B., and St. John’s, N.L.

Source: [The Chronicle Herald, Sept. 18, 2014, Hells Angels building up for return to Halifax](#)

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Former Hells Angel Donald (Pup) Stockford of Ancaster, Ontario has been granted parole from a Quebec prison after serving 10 years for conspiracy to commit murder, drug trafficking and participation in a criminal organization. The National Parole Board placed strict parole conditions on Stockford for the next five years, when his 15-year sentence expires. Stockford,

who was eligible for statutory release after completing two-thirds of his sentence, must reside in a halfway house and is not allowed to wear clothing associated with the Hells Angels or any other criminal organization. He is also barred from associating with anyone with a criminal record and must provide his parole officer with financial statements and work or attend training full-time. Along with fellow Hells Angel member Wolodumyr (Walter, Nurget) Stadnick, Stockford was sentenced to 20 years in prison in September 2004. Stadnick remains behind bars and there is no indication if he will also be paroled soon. Both men were members of the Montreal Nomads charter of the Hells Angels headed by Maurice (Mom) Boucher, who is serving a life prison term for the murders of two prison guards in Quebec. The two men were implicated in a number of murders resulting from the so-called biker war that took place in Quebec during the 1990s. In passing sentence, Quebec Superior Court Justice Jerry Zigman called them “hardened criminals who show little or no hope of being able to straighten out their lives and cease participating in criminal activities.”

Source: [Toronto Star, Sept. 18, 2014, Former Hells Angels boss Donald \(Pup\) Stockford paroled from Quebec prison](#)

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Forty-six-year-old Sylvain Tétreault, a member of the Hells Angels in Quebec, was arrested by police in July in Bois-des-Filion, Quebec after being on the lam for the last five years. Quebec provincial police spokeswoman Christine Coulombe said Tétreault was charged with conspiracy to commit murder. Tétreault was one of many Hells Angels members and associates targeted by police in Operation SharQc. Sixty-five of the 156 indicted in April 2009 pleaded guilty. Tetreault was involved in a 1998 murder attempt on a member of the Dark Circle, a group of drug dealers opposed to the Hells Angels. Tetreault was sentenced to six years for this offence, while another man Rock Delaney was sentenced to five years in January 2000, after the two were found in a stolen Dodge Caravan that contained a machine gun equipped with a silencer. They were trying to kill Jean-Jacques Roy of the Rock Machine’s Dark Circle gang of Laval. Tetreault was made a Hells Angels prospect in 2001 while serving a six year sentence. His parole was revoked in 2004 for breaking conditions after it was found he had been in contact with Hells Angels members.

Sources: [CBC News, July 25, 2014, Hells Angel Sylvain Tétreault to be charged with conspiracy to commit murder](#); [CTV News, July 24, 2014, Police nab longtime most-wanted-list biker](#)

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Jean-François Émard, the alleged leader of the Rock Machine in Quebec, was charged with drug, weapon possession in early October. He pleaded not guilty to a variety of charges – including possession of cannabis, possession of methamphetamine with the intent to distribute, and possession of a dangerous weapon – after being arrested by Quebec provincial police. The Sûreté du Québec arrested him in Valleyfield, about 45 minutes west of Montreal, after stopping him for a traffic infraction. In September Émard stated publicly he was trying to revive a Rock Machine chapter in Hawkesbury, Ontario, just across the Quebec-Ontario border and not far from Valleyfield. Since then, authorities in and around Hawkesbury have been actively working

to dissuade the reformation of the gang on their territory. He also told the media in Quebec that he is trying to open new chapters in several places in Quebec, including Montreal. Writing in 24 Hours Vancouver web site, Leo Knight reported that Rock Machine patches have also “been showing up in the Lower Mainland in the last year, a clear provocation to the Hells Angels ...”

Source: [CBC News, Oct. 6, 2014, Rock Machine biker gang boss Jean-François Émard charged with drug, weapon possession](#); [QMI Agency, Sept. 20, 2014, Experts fear the start of a new Quebec biker war](#); [24 Hours Vancouver, Aug. 20, 2014, Budget cuts hit gang unit](#)

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Five men convicted for their involvement in the murder of members of the Bandidos motorcycle club in April 2006 at a farm near London, Ontario are appealing their convictions. Delmar Doucette, the lawyer for one of the men, Marcelo Aravena, told the Ontario Court of Appeal that his client feared he might be killed if he didn't follow the orders of his gang brothers. While in hindsight Aravena recognized he could have called 911 after the night took a deadly turn, concern for his own safety kept him from acting at the time. Aravena suspected the others – three of whom had been meeting in secret throughout the night – might turn on him. He even begged them not to shoot him in the face if they decided to kill him off, Doucette told the Appeals Court in September. Given the implied threat he faced, Aravena should have been allowed to use the duress defence at trial, Doucette argued. This defence is used when an accused is subjected to a threat of death or serious bodily harm directed at the accused or another person like a spouse or a child. Aravena is one of five men challenging their murder convictions that resulted from an internal cleansing of the Bandidos motorcycle club that left eight members of its Toronto chapter dead. In all, Aravena and five other men were convicted of 44 counts of first-degree murder and four counts of manslaughter in the 2006 slaying. The bikers' bodies were found stuffed into cars and abandoned at a rural property near London. All six men – including the purported mastermind, Wayne Kellestine, on whose farm the murders took place – filed notices of appeal shortly after their convictions in 2009, but appeal court documents show only five are now proceeding. Most are arguing on appeal that they should have been allowed to use the defence of duress at their trial.

Source: [CBC News, Sept. 16, 2014, Bandidos member convicted of murder feared he himself might die](#)

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In July, three men who police say were associates of the Hells Angels in British Columbia, were convicted of manslaughter in the murder of Dain Phillips. Justice Mark McEwan found brothers Matthew and Daniel McRae, as well Anson Schell, guilty for their roles in the brutal attack. The 51-year-old Phillips was beaten to death in Kelowna, B.C., in June 2011 by a group of men, including two members of the Hells Angels who already pleaded guilty to manslaughter in January of this year. Hells Angels members Norman Cocks and Robert Thomas pleaded guilty earlier this year and were each sentenced to 15 years. It was the first time in B.C. that members of the Hells Angels were convicted of killing someone. Justice McEwan described how “a seemingly trivial and childish feud” between the McRae brothers and Phillips' sons Kody and

Kaylin escalated to the point where the father was beaten with a hammer and bat on a Kelowna roadside. Dain Phillips was hoping to make peace with the McRaes and their full-patch Hells Angels friend Norman Cocks, who lived with his dad Robert and fellow Hells Angels member Rob Thomas.

Sources: [The Canadian Press, July 11, 2014, Three more manslaughter convictions in B.C. beating death linked to Hells Angels](#); [Vancouver Sun, July 11, 2013, Three men linked to Hells Angels convicted of manslaughter in Kelowna beating death](#)

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Joseph Bruce Skreptak, a member of the Kelowna chapter of the Hells Angels, and his associate Cory Montemurro were found guilty in September of a number of firearms charges. The charges were laid in 2010 when Skreptak was arrested alongside Montemurro for possession of a restricted firearm and other gun-related charges. At the time of their arrest, Skreptak was a passenger in a Jeep Cherokee being driven by Montemurro. When they were pulled over, police found a cache of weapons, including several loaded handguns, a sawed-off shotgun, a bulletproof vest, balaclavas, latex gloves, a baseball bat, an axe handle, knives, clubs, bear spray and a radio jamming device. Skreptak testified that he had merely been looking for a home for himself and his wife when he got tangled in something he had no knowledge of. Justice Geoff Barrow clearly did not buy this story and convicted Skreptak on all of the charges. Two other men, who police say are linked to the Hells Angels, were also in the vehicle when it was pulled over. The charges against them were stayed.

Source: [Capital News \[Kelowna\], Oct. 1, 2014, Hells Angel found guilty](#)

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About 150 Hells Angels from throughout Alberta were scheduled to meet in Lethbridge the weekend of August 22. However, when police heard of the prospective gathering they took steps under provincial legislation to deny them access to local facilities. Under provincial legislation, police are able to remove criminals, gang members or gang associates from licensed establishments and in this case, they informed local area bars that they wouldn't hesitate to do so. Section 69.1 of the Alberta Gaming and Liquor Act states that gang members, criminal associates, people wearing gang gear or colours, or anyone associating with gang members could be forced to leave a licensed premise at the request of a police officer. "We took some proactive steps to disrupt (the Hells Angels') planned activities," a police spokesperson said. The Hells Angels ended up changing their plans and convened at a clubhouse in Red Deer instead, said Randall Irons of the Calgary chapter. When 50 members of the Hells Angels did spend time in Lethbridge in late September, two were arrested by police for refusing to leave the licensed premises. A police spokesperson said that normally when police officers enforce that legislation, the individuals targeted do leave. In this case, the two individuals did not agree to leave, so they were arrested.

Sources: [Calgary Sun, August 20, 2014, Lethbridge police cite provincial legislation to preemptively stop biker meetup](#); [The Lethbridge Herald, Oct. 1, 2014, ALERT spoils Hells Angels' evening out](#)

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In early October, Manitoba became the first government in North America to designate the Hells Angels as a criminal organization, as the result of Bill 25, The Manitoba Evidence Amendment Act (Scheduling of Criminal Organizations), which became law in 2011. The change does not affect Criminal Code of Canada and other federal statute prosecutions, but it is expected to make it much easier for the province to seize property from gang members and evict them from houses. Up to this point, Crown prosecutors had to prove the gang was a criminal organization during each court case.

Source: [Thompson Citizen, July 4, 2013, Designating the Hells Angels](#)

ENFORCEMENT

Federal, provincial and territorial Ministers responsible for Justice and Public Safety met at the end of September to discuss key justice and public safety issues. According to a federal government news release three initiatives relevant to combating organized crime were discussed: 1) The Minister of Public Safety Canada confirmed that the federal government is engaging in consultations on the issue of firearms marking and stated that there are no plans to ratify the United Nations Protocol. 2) Ministers discussed a recommendation to amend section 193 of the Criminal Code relating to appropriate sharing of wiretap information for provincial law enforcement purposes, such as civil forfeiture proceedings. 3) Ministers discussed the challenges for law enforcement with medical marijuana grow operations (MGOs) and noted that Health Canada is considering changes to the regulations concerning medical marijuana, including the possibility of establishing a new supply and distribution system that would only use licensed commercial producers.

Source: [Canadian Intergovernmental Conference Secretariat News Release, Oct. 1, 2014, Federal/Provincial/Territorial Ministers Conclude Productive Meeting on Justice And Public Safety](#)

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Two provincially funded sections of the RCMP are being told they are in a budget deficit and have to cut \$4.2 million from their operating budgets to get things back in line. The Combined Forces Special Enforcement Unit will see \$2.8 million cut from its budget and this includes the elimination of Team 6 – the unit that specializes in gathering intelligence and investigating outlaw motorcycle gangs. Budget cuts are also being made to the air support unit, which flies fixed-wing surveillance aircraft, used to augment ground surveillance teams.

Source: [24 Hours Vancouver, Aug. 20, 2014, Budget cuts hit gang unit](#)

