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October to December, 2015

Organized Crime in Canada: A Quarterly Summary

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ORGANIZED CRIME ACTIVITIES

Auto Theft

Staff Sgt. Kristie Verheul, the head of the Calgary police economic crimes unit, says organized crime and the reorganization of police resources are factors in a 60 percent increase in car thefts during 2015.

The surge in stolen vehicles began in December 2014 and affects the entire city, with about 5,000 vehicles reported stolen this year compared to about 3,000 in 2014. Police say the increase can be blamed on several factors but are primarily tied it to other crimes, including organized crime.

“Vehicle crime tends to facilitate other crimes,” said Verheul. “Overall we are seeing an increase in property crimes across the board.”

That means once they’re stolen, the vehicles are used for transportation – moving drugs, guns and stolen goods around – as well as committing further crimes like robberies.

Around 80 per cent of cars and trucks are recovered, but it's the other 20 percent that concern police.

Although the economic crimes unit primarily investigates fraud, it's now tasked with policing car thefts. This is because the Calgary Police Service disbanded its High Enforcement Auto Theft Team (HEATT) and reallocated those resources to bolster its intelligence unit. Verheul says the reorganization has likely affected the theft rate as a "small contributing factor."

Source: [Government of Alberta news release, December 23, 2015, Vehicle thefts in Calgary leap 60% in past year](#)

Corruption

On November 24, the report of the Charbonneau Commission, which was charged with investigating corruption in Quebec's public sector construction tendering process, was delivered to the provincial government and released to the public. In her report – entitled the *Rapport de la Commission d'enquête sur l'octroi et la gestion des contrats publics dans l'industrie de la construction (Report of the commission of inquiry on the granting and managing of public contracts in the construction industry)* – Justice France Charbonneau concluded corruption and collusion are far more widespread and systemic than most people expected. "The investigation confirmed that there was a real problem in Quebec and that it was broader and more deeply rooted than we believed," Charbonneau told the media upon delivering her final report.

Speaking at a news conference, Justice Charbonneau said the commission found that among other systemic problems that encouraged corruption and influence peddling in Montreal, organized crime had indeed infiltrated the construction industry and profited from public sector contracts.

According to Charbonneau, "a culture of impunity" was evident throughout Quebec's public construction sector in which organized crime, political figures and bureaucrats, political parties, unions and entrepreneurs all worked to skim public funds for illicit ends.

Both the Italian mafia (in particular the Rizzuto crime family) and outlaw motorcycle gangs (specifically, the Hells Angels) infiltrated the construction industry, gaining access to public and private contracts and influencing private company's and union pension funds.

The report documented how the Rizzuto family helped a limited number of construction firms collude to determine who would be the winning bidder on a particular government construction contract. The collusion resulted in price-fixing that increased the costs of contracts to the government while delivering a cut to senior members of the Montreal mafia.

Charbonneau said that witnesses testifying to the commission "revealed that the mafia had infiltrated Quebec's construction industry. Cartels formed so as to prevent other companies from bidding on public contracts. Construction company owners revealed they were victims of threats,

intimidation and assaults. Certain members of organized crime attempted to take control of legitimate companies so as to launder dirty money derived from illegal activities.”

Charbonneau also said that the province’s largest trade union, FTQ-Construction, “solicited individuals tied to the mafia and Hells Angels, who wanted to gain access to the FTQ’s finance and investment arm, its real estate arm, and the province’s union of electrical workers. These individuals had close ties with FTQ Construction’s director general, as well as its president.” Corruption within Quebec’s labour unions was deemed to be the result of the action of a few individuals and was not widespread.

Organized crime expert Antonio Nicaso complimented the commission for bringing to light the connections between organized crime, on the one hand, and legitimate private sector, public sector, and union officials, on the other. What makes organized crime so powerful is its ability to infiltrate institutions and public administrations. “The mafia, without its relations with power, would be just a bunch of hooligans,” he was quoted as saying in the *Canadian Labour Reporter*. “We have to be very careful in analyzing this type of connection between mobsters, civil servants and labour unions.”

Nicaso said he was surprised to learn from the commission that the Rizzuto family skimmed 2.5 percent from construction contracts, which was 0.5 percent less than the corrupt politicians. “That was a bit of a surprise,” Nicaso was quoted as saying. “Usually, they (Mafia and politicians) share the same percentage.”

The 1,741-page report from the commission contains 60 recommendations for the Quebec government. Nearly two-thirds of the recommendations would tighten rules for tendering public contracts, including the establishment of a new government body to oversee the process.

Other recommendations include the following:

- creation of an independent authority to oversee public contracts.
- enacting a law similar to New York State’s False Claims Act, under which companies and individuals who defraud the government may be found liable
- more protection for whistleblowers, including shielding their identities and providing more support for their efforts, including financial support, if necessary
- extending the power of the ethics commissioner to oversee municipal governments and other public sector organizations
- requiring construction companies report acts of intimidation or violence, and
- increased penalties for construction companies that break the law, up to and including cancelling their licence under Quebec’s building authority.

Sources: [CBC News, November 24, 2015, Charbonneau commission finds corruption widespread in Quebec’s construction sector](#); [Globe and Mail, November 24, 2015, Quebec corruption report flags ‘culture of impunity’ in construction industry](#); [Toronto Star, November 24, 2015, Corruption in Quebec construction industry ‘far more widespread’ than originally believed, report says](#); [Montreal Gazette, November 24, 2015, Recap: Charbonneau report finds organized crime has infiltrated several sectors of Quebec’s economy](#);

[Macleans.ca, November 24, 2015, No one can deny it now: Quebec is facing a corruption crisis;](#)
[Montreal Gazette, November 24, 2015, Editorial: Lessons from the Charbonneau inquiry;](#)
[Canadian Labour Reporter, December 7, 2015, Quebec unions targeted by organized crime](#)

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In October, the British newspaper The Daily Telegraph cited a report from the International Centre for Sport Security (ICSS) claiming the Canadian Soccer League (CSL) is awash with match fixing involving organized crime. According to the 31-page report, almost 60 results in CSL are alleged to have been fixed, with all 12 teams in the league involved in “suspicious” matches at one time or another.

On its website, the Mississauga-based Canadian Soccer League characterizes itself as “Canada’s Professional League” and is “third tier soccer,” below the Major League Soccer and the second tier North American Soccer League.

The ICSS report, entitled *Canadian Soccer League (CSL) 2015 Season*, includes allegations that all 12 of the league’s first matches “showed signs of suspicious betting activity,” resulting in an estimated £4.5 million in “fraudulent betting profits.” The report concludes, “In the experience of the ICSS, the CSL has become a type of ‘rogue league’ that has not been seen before.”

The ICSS report said the alleged corruption of the CSL — which includes accusations of wholesale match-fixing, betting fraud and “quite possibly” money laundering — has likely “been led by organized crime groups based in Europe involving a complex network of individuals within the league and most likely Asian-based illegal sport betting operators.”

According to the Telegraph, the ICSS report states, “On the basis of the information and analysis obtained to date, the ICSS’s preliminary conclusion is that the existing CSL competition is being operated for the main purpose of perpetrating a highly organised and endemic betting fraud; the inordinately high number of matches featuring extremely suspicious betting activity is the main indicator of this ... It seems that the fixers have become greedy in 2015 and have looked to fix as many matches as possible.”

The Telegraph reported that the accusations have become so well known this year, that bookmakers stopped taking bets on CSL games.

The ICSS confirmed the existence of the report in a statement, saying it was written for law enforcement and sports investigators. “Whilst it is regrettable that this intelligence report has been made public, this apparent conspiracy has grave ramifications for (organized) sport and sport betting well beyond the mere cumulative size of the frauds,” the statement read.

The report was submitted to national and international authorities, including the RCMP, Interpol, Europol and FIFA.

This is not the first time allegations of match-fixing were directed at the CSL. The Toronto Star notes, “the league was previously named in one of Europe’s largest match-fixing investigations out of Bochum, Germany, when fixer Ante Sapina admitted to rigging a 2009 match.”

The CSL was expelled from membership of the Canadian Soccer Association in early 2014 for failing to fulfill its member obligations and for violating the association’s rules and regulations, according to a statement released by Canada Soccer at the time.

Vice.com followed up on the ICSS report with its own investigative reporting into one instance of match-fixing in the CSL. “For the first time, Canadian Soccer League players, as well as a long-time CSL coach—all from Niagara United—have agreed to speak on the record about what they’ve seen and heard, specifically from an October game, which the club was so convinced was being fixed by its opponents, that it invited the other team to score. And when the United’s opponent, SC Waterloo, wouldn’t, Niagara did the unfathomable and tried to score on its own goal to disrupt the allegedly fixed result. Niagara’s attempts, however, were thwarted by Waterloo.”

Sources: [The Daily Telegraph, October 14, 2015, Revealed: Entire ‘rogue league corrupted by match-fixing’](#); [The Toronto Star, October 15, 2015, Canadian Soccer League rife with match fixing, according to report](#); [Vice Sports, December 29, 2015, Soccer match fixing has infiltrated Canada](#).

Counterfeiting

At a news conference on December 1, Toronto Police Service officials said an 18-month investigation, conducted in conjunction with other law enforcement agencies and private partners, resulted in the confiscation of \$12 million worth of counterfeit items. As the CBC reported, “some of the fake items include Toronto Blue Jays post-season tickets and fake sports jerseys. Other illegitimate products include knock-offs of Coach, Gucci, Hermes, Louis Vuitton, Prada, Chanel, Kate Spade, Tiffany & Co., Michael Kors and Ugg.”

Acting Staff Supt. Bryce Evans told reporters, “Public bulletins, documents and literature by national and international law enforcement groups indicate that the sales of counterfeit goods financially supports organized crime and terrorist groups.”

There were even examples of groups putting fake CSA stickers on ovens, Evans said.

The police operation, code-named Project Pace II (Partners Against Counterfeit Everywhere), targeted people and groups selling pirated products, including a number of retailers from across the GTA and Montreal that were active in selling counterfeit products. Toronto police estimated the retail value of pirated goods seized from vendors at the Canadian National Exhibition in Toronto during the summer was \$1 million. “Fakes of Luxury brands like Tory Burch, Michael Kors, Gucci, Prada and Rolex were found for sale” by vendors at the CNE according to CBC News.

Project Pace II resulted in a number of people being charged with Criminal Code offenses.

Project Pace I was concluded in 2013 and resulted in the seizure of counterfeit goods valued at approximately \$6.5 million and more than 100 charges being laid against 21 people. The counterfeit goods, which police said were “substandard and potentially hazardous” included fake versions of Viagra and Cialis as well as makeup, contact lenses, ice wine, and even TTC tokens (police said the fake TTC tokens were smuggled to Canada from China inside shower curtain rods).

Sources: [CBC News, December 1, 2015, Toronto police seize \\$12M in counterfeit goods](#); York Guardian, December 1, 2015, Toronto police display \$12-million in counterfeit goods seized in Project Pace; [CBC News, August 30, 2015, CNE raid collects \\$1M worth of counterfeit goods](#); [CBC News, November 29, 2013, Fake goods valued at \\$6.5M seized in Toronto](#)

Cyber-Crime

On December 2, the RCMP publicly released its strategy to combat cyber-crime.

The growing threat of digital-age criminality demands “a paradigm shift in how crimes are understood and policed,” the document states.

The strategy outlines a “response that addresses the criminal element in cyberspace while complementing broader government and industry security measures.”

The goal of the Cybercrime Strategy “is to reduce the threat, impact and victimization of cybercrime in Canada through law enforcement action.” To this end, the strategy encompasses three pillars meant to guide the RCMP’s efforts in combating cybercrime:

Identify and prioritize cybercrime threats through intelligence collection and analysis;

Pursue cybercrime through targeted enforcement and investigative action; and,

Support cybercrime investigations with specialized skills, tools and training.

These pillars are to be operationalized through a 15-point “Action Plan,” to be implemented by 2020. Specific measures include the creation of a federal “cybercrime team” and a dedicated “intelligence unit to identify new and emerging cybercrime threats.” New personnel will be hired based on their technical investigative abilities and enhanced training will be provided. In total, 40 police officers and civilians are to be dedicated to carrying out the strategy with \$30.5 million in federal funding over five years. Other tactics emphasized in the 15-point plan include the following:

- Improve digital evidence capabilities for cybercrime investigations.
- Expand cybercrime investigative training opportunities for Canadian law enforcement
- Strengthen public-private partnerships and other liaison efforts in combating cybercrime.
- Examine ways to improve the collection and analysis of suspicious cybercrime incidents involving Canada’s critical infrastructure and other vital cyber systems.
- Improve the intake and triage of reported cybercrime incidents.

- Examine integrated enforcement models for combating cybercrime.
- Expand international collaboration with close allies to better understand and combat cybercrimes that are transnational in character.

The RCMP strategy follows a Toronto Star/Scripps News story in November detailing how enhanced privacy measures are allowing drug traffickers, criminal groups and child molesters to hide their crimes from police. Police say stronger privacy laws and regulations can increase the ability of criminal offenders to avoid electronic surveillance by police. The OPP can only now access about 20 percent of the digital communications it collects with search warrants because of encryption.

Sources: [Royal Canadian Mounted Police, 2015, RCMP Cybercrime Strategy, Ottawa: RCMP](#) ; [Toronto Star, December 2, 2015, RCMP unveils plan to tackle cybercrime](#); [Toronto Star, November 5, 2015, Privacy measures allow criminals to hide their dirty deeds from police](#)

Drug Trafficking

Cocaine

At the end of November, the RCMP arrested two Toronto-area men for allegedly importing approximately 44 litres of liquid cocaine concealed in more than 40 cartons of orange juice. The RCMP estimated that this quantity of liquid cocaine could be converted to 24 kilos of powdered cocaine. Canada Border Services Agency (CBSA) officers working at the Port of Halifax discovered the liquid cocaine inside a marine container they were inspecting. The container was filled with different food products originating from Trinidad and Tobago. Border agents seized the cocaine and contacted the RCMP in Halifax. The information was then passed along to the RCMP Toronto Airport Detachment, which arrested the two men following an investigation. Both men have been charged with possession for the purpose of trafficking and importing drugs into Canada under Canada's Controlled Drugs and Substance Act. They have also been charged with conspiracy under the Criminal Code.

Source: [CBC News, December 15, 2015, 2 GTA men arrested for smuggling liquid cocaine in orange juice cartons](#)

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In December, Crown prosecutors announced that they will not be proceeding with a preliminary inquiry against six men arrested by the RCMP in January for allegedly smuggling cocaine from Panama through the Port of Halifax. All six men from the Halifax area were charged with conspiracy to traffic cocaine, attempting to import cocaine, attempting to traffic cocaine and attempting to possess cocaine for the purpose of trafficking. Two of the men, 47-year-old Warren Patrick Clark and 23-year-old Justin Carleton work at the port.

Another of the accused, 60-year-old Paul Matthew Arthur, once worked as a crane operator on the waterfront. In 2003, Arthur was sentenced to 12 years in prison for his part in smuggling almost \$100 million worth of drugs through the port.

Prosecutor Mark Donohue offered no explanation as to why the Crown declined to proceed with the case, which was scheduled to be heard in Halifax provincial court. The stay means the Crown has one year to reactivate the charges.

After learning the group was interested in importing 200 kilograms of cocaine through the Port of Halifax, the RCMP set up an undercover operation that resulted in the arrests. The RCMP said they had information the group would be importing a “substantial amount of cocaine,” but no drugs were actually imported or seized, which may account for why the charges were stayed.

Source: [The Chronicle Herald, December 9, 2015, Cocaine smuggling case comes to crashing halt in Halifax courtroom](#)

Hashish

On December 10, Canada Border Services Agency officers at the port of Montreal seized more than 1,300 kilos of suspected hashish. The drugs were found in a marine container arriving from Malawi filled with floor boards and wooden handcrafted furniture. The drugs were detected inside the laminated floor pieces by a CBSA detector dog. A subsequent X-ray exam revealed suspicious forms inside the floor pieces. These forms revealed to be thin packets of suspected hashish. Border services officers removed a total of 3,046 packets of suspected hashish by breaking the floor pieces.

Source: [CBSA News Release, December 24, 2015, The CBSA seizes over 1.3 ton of suspected hashish in the Port of](#)

Montreal

Marijuana

The RCMP in Nova Scotia and British Columbia arrested more than a dozen people at the end of November, following a five-month investigation into drug trafficking and money laundering. As part of Operation Hagrid, police seized 296 marijuana plants, more than 90 kilograms of dried marijuana, cocaine, and hash oil. In addition, 14 luxury vehicles, more than \$232,000 in cash, and 16 firearms were seized. Seven men were arrested in the Lower Mainland area of B.C. and five men and one woman were arrested in the greater Halifax area. Those arrested face various drug trafficking, possession of proceeds of crime and money laundering charges.

The investigation targeted a suspected drug trafficking network that was based in the Lower Mainland but extended across Canada, the RCMP said in a news release. “These individuals had an established network operating a sophisticated drug distribution chain that has ties to organized crime,” Insp. Mike Payne of the Nova Scotia RCMP said in the news release. Despite linking the accused to “organized crime,” police were unable to “uncover sufficient evidence” to lay criminal organization charges.

The RCMP allege those arrested were conspiring to move a significant volume of drugs from one location to another in Canada via the commercial airlines. In particular, they were believed

to be distributing marijuana from Greater Vancouver to Toronto; Montreal, Halifax and St John's. Payne told the media the smugglers were taking between 14 and 23 kilos of marijuana in one checked bag at a time. Some suitcases were also used to transport cash.

Sources: [CBC News, October 30, 2015, National marijuana trafficking network busted in Operation Hagrid](#) ; [Chronicle Herald, October 30, 2015, 13 arrested after probe into drug trafficking, money laundering](#)

Gambling

At a press conference held on October 9, Staff Sgt. Andrew Eckland of the Toronto Police Service said that 28 illegal gaming houses and five illegal casinos were known to be operating in the Kennedy Road and Finch Avenue area in Scarborough. Eckland said police are seeing the "same people" at the different locations and believes the illegal gambling operations are linked to organized crime within the Asian community.

Three of the casinos were shut down by police while another nine gaming houses apparently closed on their own, presumably due to news of the ongoing police investigation, Eckland said. Police have also charged three people with keeping a common gaming house: 34-year-old Alexander Ly, 50-year-old Bao Li, and 43-year-old Mei Huang. Approximately 30 others were caught inside the illegal gaming houses during police raids; however they were released without being charged.

As part of the raids, police said they seized cash, drugs, firearms, Baccarat and Mahjong tables, slot machines and other gaming equipment.

The size and sophistication of the gaming operations identified by Toronto Police have varied; Eckland said that the smallest ones accommodated between 15 and 20 people at a few tables while the larger ones resembled fully operational casinos with eight to 10 large tables and a number of slot machines. Some even have bars, lounges, massage rooms and dealers who wear matching white shirts, vests and bowties. Eckland added that most of the illegal gaming houses were located in commercial properties and are leased out under the guise of being a social club.

"These aren't your little mom-and-pop operations and these aren't a couple of guys in garage gambling. These are miniature versions of casinos," he said.

At his press conference, Eckland also noted that the illegal gambling operations have led to an increase in violence in the neighbourhood.

"People have been assaulted, brutally beaten and robbed in front of these locations," Eckland said. "We have had a double shooting at a location near Passmore Avenue and Kennedy Road, we had a robbery at a location on Montezuma trail and we have had people that have been assaulted, brutally beaten and robbed outside these locations."

The push to shut down illegal gaming houses was in fact due to a spike in violence that police have seen in and around the locations. "We are concerned for the safety of community members

that live in the area around these locations and we are concerned for those who are attending these locations. There is a criminal element out there that are going to these locations and robbing the people inside.”

Sources: [CP24.com, October 9, 2015, Police say illegal gaming houses in Scarborough area may be linked to organized crime](#); [CityNews, October 9, 2015, Police say spike in illegal gaming houses linked to organized crime](#); [CTV News, October 9, 2015, Spike in violence linked to illegal gaming houses, casinos in Scarborough: police](#)

Human Trafficking and the Sex Trade

Forty-seven people were arrested and charged with 137 offences related to human trafficking as part of a Canada-wide crackdown on the illegal sex trade in October. Police said the charges laid in the investigation include trafficking in persons, forcible confinement, child pornography and sexual assault with a weapon.

Representatives from some of the 40 different police services involved in the investigation – code-named Operation Northern Spotlight – announced the arrests at a news conference in Vaughan, Ontario, the morning of October 22.

In addition to the 47 arrests made, police rescued 20 people who had been working in the sex trade as minors or against their will. Most of the victims were under 19 years of age while some were as young as 14.

Timea Nagy, who appeared at the news conference, told the media how she was brought to Canada from Hungary as a 20-year-old in a separate human trafficking conspiracy more than a decade ago.

“I came to Canada thinking I’d be doing janitorial work, maybe babysitting, and when I got to the airport with no English, I was informed that I was actually there to do exotic dancing,” she said.

Nagy said she was denied food and forced to work in a strip club for 20 hours a day. She was also not allowed to leave a motel where traffickers kept her when she wasn’t working.

“I would go down from 125 pounds to 89 pounds in the first two weeks,” she said.

Law enforcement agencies across the United States, led by the FBI, conducted similar operations aimed at combatting human trafficking. That initiative, dubbed Operation Cross Country IX, resulted in the recovery of numerous children and the arrest of several suspects. Joseph Campbell, of the FBI Criminal Investigation Division, said their partnerships with Canadian law enforcement agencies allows them to share best practices and intelligence.

“As a result of this collaboration and sharing, both U.S. and Canadian law enforcement agencies rescued children and arrested those involved in the trafficking of children,” he said.

Sources: [CBC News, October 22, 2015, Human trafficking crackdown on sex trade across Canada yields 47 people charged](#); The Standard [St. Catharines, ON], October 23, 2015, Human trafficking victims rescued in police operation

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A report by a provincial legislative committee in Ontario says that province has become a “major hub” for human trafficking and sexual violence in Canada, with most of the victims being local underage girls and young women. The report calls upon the Liberal government to increase funding for the justice system and create a co-ordinated, province-wide strategy to combat the problem.

The committee’s report says sexual exploitation is the most common form of human trafficking in Canada, and Ontario is acting as a focal point nationally.

The Minister of Children and Youth Services, Tracy MacCharles, who is currently responsible for a sexual violence and harassment bill that is currently before the provincial legislature, said the committee’s recommendations will help strengthen the bill. The legislative committee travelled across Ontario and heard stories and testimony from more than 140 women who were victims of rape or sexual harassment.

According to the Kinston Whig Standard, “The committee found almost 60 percent of sexual assault victims in Canada are under the age of 18, and a quarter of them are under the age of 12. Most victims – 92 percent – are women, and the overwhelming majority of attackers – 99 percent – were men. It also found Ontario lacks up-to-date statistics about the incidence of sexual harassment and childhood sexual abuses and doesn’t have a standardized system to track cases of human trafficking.”

Source: [Canadian Press, December 13, 2015, Ontario urged to fund anti-human trafficking task force, fight sexual violence](#)

(Contraband) Tobacco

In a press release issued in November, the National Coalition Against Contraband Tobacco (NCACT) said that one in three cigarettes purchased in Ontario is illegal. The press release also discusses the findings of a survey among a sample of Ontarians indicating that almost half of those surveyed are unaware of the scope, nature, and impact of contraband tobacco trade and the role played by criminal organizations in the trade.

The provincial survey – entitled *The Guns and Drugs in Our Backyards: What Ontarians Don’t Know About Illegal Tobacco*, reveals the need for greater awareness and action around this important and dangerous public safety issue, the NCACT contends.

The results of the survey indicate that almost half of the population (46%) was not concerned about the sale of illegal tobacco in their communities and most said they knew either very little or nothing about the issue. Just over half of the population (51%) was unsure if illegal tobacco was linked to organized crime. Once they were informed that funds raised from the sale from illegal tobacco were fueling gang activity, respondent concern jumped by 30 points to 76 per cent.

Most Ontarians polled (88%) expressed concern when informed that the RCMP has reported that profits from illegal tobacco help fund the movement of drugs and weapons. After discussing these facts, more than three-quarters (77%) were in support of investing more public funds and police resources to combat organized crime's trafficking of illegal tobacco and 75 per cent support tougher penalties for traffickers.

The problem in Ontario is especially severe, with the results from the NCACT contraband tobacco monitoring survey revealing one in three cigarettes purchased is illegal, in comparison to other provinces and countries where only about one in 10 cigarettes purchased is illegal. The sale of illegal tobacco in Ontario is fueled by many things, including misconceptions about "legal" purchase of cigarettes from reserves, insufficient enforcement and penalties, the involvement of organized crime and the low cost of contraband smokes. The price of a taxed (legal) carton of cigarettes in Ontario is \$88.64 while the sale of the same number of illegal cigarettes can cost as little as \$6 to \$20.

The RCMP has estimated there are as many as 50 illegal factories in Ontario and Quebec operating outside of any government regulation that are able to produce up to 10,000 cigarettes each minute. "With the emergence of illegal factories and the distribution of illegal tobacco by organized crime, this is a much different and larger problem than it has been in past decades. Awareness is a critical first step in addressing this, not just among consumers but among the public and government. We must all work together to stop the production and sale of illegal tobacco to help keep our communities safe," says Grant.

The production and sale of illegal cigarettes in Canada is a highly lucrative enterprise. Researchers at Carleton University estimated that this industry pulls in \$75 million in profit a year while the RCMP says approximately 175 criminal groups and gangs in Canada are involved in the contraband tobacco trade. Nearly half of these groups are based in Central Canada.

"Organized crime has carved out an increasing share of profits from the sale of illegal cigarettes over the last decade and much of that is being reinvested into guns and drug trafficking," explains NCACT spokesperson Gary Grant, a veteran of the Toronto Police Services and founder of Toronto Crime Stoppers. "This issue is making a mockery of tobacco regulation and helping fuel the gun and drug trafficking that impacts communities, families and cities across the province, including the GTA."

Source: [The National Coalition Against Contraband Tobacco press release, November 19, 2015, Taking the oxygen out of organized crime: Three-quarters of Ontarians want tougher penalties for illegal tobacco traffickers](#)

Violence

The CBC in Calgary is reporting that “turf battles over drugs” in the northeast part of the city “have escalated into a gang war.” Moreover, according to local police officials, the violence is taking place amid a changing criminal landscape.

“We can refer to it as a gang war,” said Staff Sgt. Quinn Jacques of the guns and gangs unit. “We often wonder if they even know why they’re fighting. It appears to be so mired in hatred and confusion.”

One of the ways the violence differs from past gang wars is the sheer number of shootings. “Calgary is on track to double the number of shootings this year over last,” according to the CBC. “By Dec. 15, 2014, there had been 50 shootings. This year, Calgary is currently sitting at 94, with most shootings taking place in the northeast ... Of the 32 homicides in Calgary this year, 15 were shootings, though some of those are not related to organized crime.”

Jacques contrasts the current violence with Calgary’s last gang war, which was between the FOB and the FK gangs, and claimed more than two dozen homicides from 2002 to 2009. While this conflict was certainly bloody, Jacques said the latest inter-gang violence is different; while the attacks during the previous gang war were often planned, the current gunplay appears to be more impulsive.

It’s an “instant escalation to firearms” now, said Jacques. “It just became this arms race where potentially people forgot what the original conflict was over ... They just know that they’re completely opposed to another group of guys that happen to be dealing dope in their neighbourhood.”

Most of the crime associated with the violence is taking place in Calgary’s northeast. The guns and gangs unit of the Calgary Police Service has identified six to seven gangs and singled out 59 men who are considered “high level” participants in the gangs. These individuals are mostly young men of Middle Eastern descent, who were born in Calgary and grew up together in the northeast. Like the Asian street gangs of the early 2000s, however, they’re not exclusively one ethnicity.

As the CBC describes, “Though gang members are often linked by ethnicity, their connection has far more to do with geography. For the most part, they were born and raised in Calgary and attended high school together in the northeast.” The CBC also noted that a high proportion of the young men involved in gangs are brothers and cousins.

“Many of those young men grew up with older siblings and cousins who are involved in the drug trade – which has escalated to retaliatory violence – and know no other lifestyle. But this isn’t mafia-style family versus family violence. In one recent case, a suspected gangster faces a number of weapons-related charges, accused of shooting at his first cousin from a moving vehicle.”

Membership in Calgary gangs is also highly fluid with some members moving between different gangs.

Jacques believes the “fentanyl phenomenon” has allowed the gangs to thrive in the City. Other violent gangs in Calgary, dealt in large quantities of cocaine. Now, many of the major players are dealing fentanyl but in smaller quantities – “nickle and dime deals,” said

Jacques. Calgary police recently seized thousands of fentanyl pills in eight raids at properties throughout the city. It’s believed much of the current gang-related violence in Calgary is tied to fentanyl trafficking.

The proliferation of guns, of course, is also contributing to the violence. Calgary police estimate that around 60 percent of the firearms used in the nearly 100 shootings this year were stolen in break and enters. The rest, are mostly smuggled into the country from the United States, Montana, Washington, Alaska and Arizona in particular.

Sources: [CBC News, December 14, 2015, Calgary faces all-out gang war defined by impulsive gun violence](#); [CBC News, December 16, 2015, Calgary’s new gang war marked by close family ties, police say](#)

ORGANIZED CRIME GENRES

Multi-Organizational

In November, the Sûreté du Québec announced it had conducted raids that targeted an alliance among the Hells Angels, the Mafia and street gangs in Montreal that resulted in the arrest of a number of high-ranking organized crime and gang figures.

Charges against those arrested include drug trafficking, conspiracy to commit murder, as well as those related to criminal organization offences. The arrests were part of a drug trafficking investigations, code-named Project Magot and Mastiff, which began in 2013.

In total, 48 people were arrested and charged the morning of November 19 in a major police operation involving 200 officers. As Cherry wrote in the Montreal Gazette, “The alleged new heads of the Montreal Mafia were arrested in a major roundup of a veritable who’s who of organized crime in the region.”

During a news conference, representatives of the Sûreté du Québec said they had arrested Leonardo Rizzuto, son of former Montreal Mafia leader Vito Rizzuto, as well as Stefano Sollecito. Both men are now “leading figures” in the Montreal Mafia, Insp. Bélanger of the SQ told reporters. Police believe the two are part of a group loyal to Vito Rizzuto that was heading the Mafia in Montreal, following his death in 2013.

The 46-year-old Leonardo Rizzuto is the second son of Vito Rizzuto; his brother, Nicolo Jr., was murdered in 2009.

Stefano Sollecito is the son of Rocco Sollecito, “a man who was proved to hold considerable influence in the Mafia in Montreal after he was arrested in 2006 in Project Colisée,” according to Paul Cherry of the Montreal Gazette. “In past years, police sources said it appeared Rocco Sollecito acted as an interim leader and held the organization together long enough for Vito Rizzuto’s return to Canada after his incarceration in 2012.”

Rizzuto and Sollecito are charged with taking part in two different conspiracies to traffic cocaine between January 1, 2013, and November 16, 2015. The pair has also been charged with committing indictable offences for a criminal organization.

Another high-profile underworld figure arrested was 62-year-old Maurice (Mom) Boucher, the former head of the elite Nomads chapter of the Hells Angels in Quebec. Boucher gained infamy during the 1990s when he spearheaded a bloody war against his drug-dealing rivals in Quebec that left more than 160 people dead.

He was arrested while occupying a cell in a high-security wing at the Sainte-Anne-des-Plaines penitentiary, north of Montreal. For the last 15 years, he has been serving a life sentence after he was found guilty of ordering the murder of two prison guards.

Boucher and his daughter, Alexandra Mongeau, who was also arrested, were charged with conspiracy to commit murder after the two were heard plotting the assassination of a rival. The plot, which was discussed in coded language between the two, took place while she visited his father in prison. Chief Inspector Patrick Bélanger of the Sûreté du Québec told reporters that the rival targeted by Boucher was Raynald Desjardins, another prominent underworld figure who has been in custody since 2011 after he was charged with the first-degree murder of Salvatore Montagna, a member of New York’s Bonanno mafia family. Montagna met his demise in Quebec after arriving there in a bid to take over the leadership of the Montreal mafia while Vito Rizzuto was in an American prison.

Desjardins was a former lieutenant of Vito Rizzuto but was on the outs with the Montreal mafia following suspicions that he was plotting to overthrow the Rizzuto family leadership. He was targeted by Boucher both as a drug trafficking rival and “out of vengeance,” said Lieutenant-Detective Benoit Dubé of the SQ. The murder plot was unexpectedly uncovered by police as part of the wider drug trafficking investigation.

According to Dubé, Boucher used his daughter to relay messages to Gregory Woolley, a former member of the Rockers, a Montreal-based motorcycle gang under control of Boucher during the 1990s. Woolley was also the reputed leader of the Syndicate, a street gang formed by the Hells Angels during the 1990s. The plan was to have Woolley arrange to have Desjardins killed while he was behind bars.

Woolley, who also acted as Boucher’s bodyguard during the biker war, was arrested at his house on the South Shore. According to Cherry, “Woolley was part of a Hells Angels underling gang during the 1990s and came to notoriety after he was acquitted in two different murder cases. In recent years, police sources have described him as someone who appears to act as a go-between for the Hells Angels, the Mafia and many street gang members.”

“He was a cornerstone of the alliance,” Lieutenant-Detective Dubé was quoted as saying.

Those arrested “are all key figures in the volatile underworld power struggles that followed the 2013 death of Vito Rizzuto,” contends one Globe and Mail article. In the wake of Rizzuto’s death, the Mafia, the Hells Angels and street gangs formed an alliance to control the cocaine trade in Montreal and split the revenue between them, according to police. The groups also worked together in laundering the proceeds of their drug trafficking ventures.

Also arrested was Loris Cavaliere, a long-time lawyer for the Rizzuto family. According to the Montreal Gazette, “An organizational chart presented at the press conference by the SQ indicates that Cavaliere acted as a go-between for the Mafia and members of street gangs. His office was allegedly used for meetings between high-level members of organized crime.” Police raided the Cavaliere & Associés offices in Montreal on November 19 after it had been under surveillance for some time. Cavaliere is charged with “participating or contributing to the activity of a criminal organization with the goal of increasing the organization’s facility” to commit a crime. He is also charged with trafficking in cocaine, along with nine other men including Gaétan Sévigny, a man police said has ties to the Hells Angels in Quebec.

Another man arrested was Salvatore Cazzetta, who police say is one of the most influential members of the Hells Angels in Quebec. The 60-year-old Cazzetta was a founding member of the Hells Angels rivals’ the Rock Machine back in the early 1990s. After being extradited to Florida for cocaine trafficking, Cazzetta eventually returned to Canada and joined his former enemies, becoming a full-patch member of the Hells Angels. In this latest case, police allege he handled the money for the alliance. Cazzetta is charged with drug trafficking, money laundering and criminal organization offences. He is also accused of violating the conditions of a release he was granted in 2009 after his arrest in a case involving contraband tobacco. One count in the new indictment alleges Cazzetta met with fellow members of the Hells Angels on January 13, contrary to the conditions of his release.

During the investigation, police seized \$1.2 million in cash. The raids held in November resulted in the seizure of 41 guns, 122 cell phones, one Harley-Davidson motorcycle and seven kilograms of cocaine. Police argue that the arrests will have a major impact on organized crime in Montreal, given the leadership role played by those arrested.

Sources: [Globe and Mail, November 19, 2015, Major police operation targets high-ranking mobsters in Montreal](#); [Montreal Gazette, November 19, 2015, Leonardo Rizzuto arrested, fingered as Montreal Mafia leader](#); [CBC News, November 19, 2015, ‘Mom’ Boucher, daughter charged with conspiracy to commit murder](#); [Montreal Gazette, November 25, 2015, Major players arrested in Mafia investigation last week will remain behind bars for another week](#)

Italian Organized Crime

Six federal prisons in Quebec purchase their coffee from a company belonging to a family linked to a mafia group. CBC News reported in October that “Caffè Cimo, owned by the Caruana family and located in the Montreal neighbourhood of St-Leonard, has been the lowest bidder on the Public Works Canada contracts to provide coffee to the prisons for the past eight years.” The

president of Caffè Cimo, until his death in 2012, was Giovanni Caruana who the CBC describes as a made member of the mafia back in Sicily.

Caruana immigrated to Canada in the 1960s, where he settled in Longueuil, in the greater Montreal region. Once there, he forged a relationship with the Nicolo Rizzuto, a member of the Cotroni mafia group, which at the time was a wing of New York's Bonanno mafia family. Caruana then became a leading figure in the Caruana-Cuntrera organization, which emerged as one of the world's largest drug trafficking and money laundering conglomerates. When Nicolo and his son took charge of the Montreal mafia, Caruana continued to be a close associate.

In 1981, he was arrested along with his son Joseph for drug trafficking. In 1996, a court in Italy tried and convicted him in absentia to four years in prison for associating with the Mafia. However, Canada never extradited him back to Italy despite that country's request to do so.

Caffè Cimo continues to operate under the management of Caruana's children. Joseph, the vice-president of the company, served a prison sentence for heroin trafficking following his conviction.

Public Works Canada said in an email that coffee orders do not come with any security precautions. But it is written into Caffè Cimo's contract that the government can order an investigation into security matters, including people making the deliveries.

In 1985, Gerlando was convicted of importing 22 kilograms of heroin from Thailand and was sentenced to 20 years in prison. While he was on conditional release in 1998, he was arrested as part of Operation Omerta, an international investigation that targeted the drug trafficking activities of the Caruana-Cuntrera group. As reported by the CBC, Caffè Cimo was searched during Operation Omerta. "Wiretaps recorded multiple conversations between Joseph and his imprisoned cousin Gerlando Caruana. The pair was heard organizing meetings and cash deposits." Gerlando Caruana was convicted in 2000 and sentenced to 18 years in prison.

Source: [CBC News, October 12, 2015, Mafia-linked business owners sell coffee to federal prisons in Quebec](#)

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In October, Adrian Humphreys of the National Post reported that rival 'Ndrangheta clans in the GTA are "on the brink of armed warfare."

The warnings are based on information gleaned from conversations intercepted by Italian authorities in that country between two men: Vincenzo Crupi who had recently returned to Italy from Canada, and his brother-in-law, Vincenzo Macri.

"Crupi, coming from Canada, provided a detailed report to Vincenzo Macri about the outcome of his meetings in Canada with members at the top of the 'Ndrangheta operating in that territory," prosecutors wrote (which was translated from Italian by the National Post).

According to Italian authorities, the conversations “seriously highlight the danger of an escalation of an armed conflict within the coterie of ’Ndrangheta clans, operating for a long time in Canadian territory ... particularly among the Coluccio and the Figliomeni (clans).”

A national risk assessment by the RCMP has identified the ’Ndrangheta in Canada as a law enforcement priority. Italian authorities believe there were at least seven ’Ndrangheta clans in the GTA. In 2010, Italian prosecutors said there was “an unbreakable umbilical cord” between the ’Ndrangheta in Canada and in Italy.

Friction between the two groups may help explain the unsolved murder of Carmine Verduci, who was shot outside a café in Woodbridge, north of Toronto in April of 2014. The 56-year-old “was an important mobster in the Toronto area, described as a transatlantic go-between for gangsters in Italy and Canada,” according to Humphreys. Verduci’s murder has only served to heighten tensions between the two groups.

Italian prosecutors claim Crupi spoke about Verduci’s unsolved murder, calling it an “assassination” and alleging it was “planned and determined” by two brothers from Vaughan who are considered fugitives in Italy for their association with the ’Ndrangheta.

The allegations are revealed in documents prepared by Italian prosecutors as part of a sweeping investigation into the ’Ndrangheta that took place earlier this year and which resulted in the arrest of numerous members of Italy’s most powerful crime organization. As Humphrey notes, “Dozens of accused mobsters were arrested in Europe as part of Operation Acero-Krupy — the very name demonstrating the Canadian connection: “Acero” is talian for “maple,” while Krupy is a purposeful misspelling of the name of a family [Crupi] under investigation.”

Arrest warrants for both Vincenzo Crupi and Vincenzo Macri were issued by Italian authorities in September as part of the investigation.

Despite the apparent tensions, as Humphreys writes, “On the streets of Toronto and north of the city in Vaughan, where many of the suspected mobsters live and work, police say there is no palpable sense a war is brewing.”

“Whatever the problem was between these groups, it looks like, somehow, it’s may have been worked out,” said a police official familiar with the ’Ndrangheta. “It looks like business as usual with these groups,” he added, asking his name not be used as he is not authorized to comment on the cases. In the 18 months since Verduci’s slaying, police are not aware of any dramatic retaliation.

Another police investigator said a war would be so bad for business, cooler heads will likely prevail.

“There are too many important people who would lose money if there was a shooting war. They have to have some cohesion, they have to show strength to stave off competition from (mobsters based in) Montreal.”

However, one officer mused, it just might be a little “too quiet.”

“People seem to be getting along, everyone is shaking hands and kissing each other. It is either really good or really bad — it is sometimes difficult to tell.”

Since this article was written in October, one development may contradict the views that “cooler heads will prevail.” On November 26, a fire broke in at the Grotteria Social Club in Woodbridge, which police are treating as suspicious. While the fire left only minor damage, it quickly became a concern for police because the club is registered to 67-year-old Giuseppe Andriano of Vaughan, who “is described in several court, police and tribunal files — in Canada and in Italy — as being involved with the ’Ndrangheta,” according to the National Post.

A report by York Region Police says Andriano and an associate are “long time high ranking members of the Calabrian Mafia.” Prosecutors in Italy have also alleged that Andriano is the boss of one of the seven ’Ndrangheta clans in the GTA. Andriano’s brother, Emilio, was sentenced to six years in prison in Italy for his association with the ’Ndrangheta. The club is named after the town of Grotteria in the southern Italian region of Calabria, the birthplace of the ’Ndrangheta.

Another relative of Andriano is Carmelo Bruzzese, the alleged head of a ’Ndrangheta clan based in Grotteria. Bruzzese was arrested in Canada in 2013 at his home in Vaughan and deported to Italy this year where he was taken into custody. Police say Bruzzese is one of many ’Ndrangheta members that have been spotted visiting the Grotteria Social Club over many years.

The fire appears to have been started by a flammable liquid, which was left burning outside the café. Police speculated that someone threw a Molotov cocktail at the front windows but the window did not break leaving the gas to burn on the sidewalk outside.

According to YorkRegion.com, earlier this year, RCMP Superintendent Keith Finn called Vaughan the epicentre of the ’Ndrangheta. Mafia expert Antonio Nicaso was also quoted as saying members of the local ’Ndrangheta are buying up bars to set up illegal gambling operations.

The establishment of the gambling sites is particularly troubling because of what occurred on June 24 at Woodbridge’s Moka Café, which police allege was an illegal gambling den. It was on this date that two people were murdered at the café. Police allege that Jason Hay, from Mississauga, walked into the café and shot four people, two of whom died. He is currently in custody awaiting a first-degree murder trial. Both of the deceased are presumed to have been innocent bystanders. The other two shot include Rocco Di Poala and another man, whose identity is being shielded by police for his own safety. Although police have acknowledged the crime was “targeted”, there’s no word on who the intended target was or the motive behind the shooting.

Hay was convicted of manslaughter in 2009 and was sentenced to seven years. The court heard that Hay had 50 prior criminal convictions, many of which involved violence.

In all, there have been eight murders and 10 shootings in Vaughan associated with the mafia or gangs since 2013, according to the Vaughn Citizen. Police have also made several high-profile arrests involving a number of Vaughan residents allegedly involved in illegal activities including drug dealing, guns, and extortion.

Sources: [National Post, October 27, 2015, Toronto on brink of a mob war, Italy warns](#); [National Post, November 26, 2015, Firebombing north of Toronto adds urgency to warnings of brewing mob war in city](#); [Vaughn Citizen, December 30, 2015, Organized crime continues to be huge problem in Vaughan](#); [Vaughn Citizen, August 20, 2015, Suspect in Moka Cafe shooting appears in court](#)

Nigerian Organized Crime

In December, police in Toronto announced they had arrested nearly 20 people across the Greater Toronto Area in connection with an alleged organized vehicle theft ring.

“Project CBG” targeted an alleged Nigerian criminal organization, which is accused of stealing high-end vehicles in Canada and exporting them to parts of Africa for resale.

The investigation began in April 2015, following a rash of car thefts in affluent areas of Toronto, Acting Deputy Chief Jim Ramer told the media.

“As this investigation progressed it became apparent that this was more than just some petty thieves that were hot-wiring cars,” Ramer said. “In actual fact, investigators began to uncover evidence of a sophisticated organized crime ring with international reach that specialized in stealing high-end brand vehicles.”

He said a number of high-end vehicles with estimated values of between \$60,000 and \$80,000, were disappearing from driveways in the middle of the night, sometimes only a few days after the cars had been purchased. Some homes were targeted multiple times.

Speaking with reporters at Toronto Police headquarters on College Street, Staff Insp. Mike Earl said in some cases, the vehicles were targeted for theft before being sold; they were delivered to dealerships, but one of the car’s two keys would be missing.

Earl said that early on in the investigation, police identified two “notorious thieves” that had been previously arrested for similar crimes and appeared to be largely responsible for this operation: 63-year-old Joseph Mensah and 26-year-old Wael Hussein.

The investigation eventually revealed the involvement of numerous others in the conspiracy, including those who stole the vehicles, tractor-trailer drivers, shipping company employees, blacksmiths and an employee of Service Ontario.

Police believe that three employees at two local automobile shipyards would photograph vehicle identification number (VIN) cards and key codes for select new vehicles (rather than stealing the

actual car keys). The photos were then sold to the car thieves for approximately electronic keys for the vehicles that were to be stolen.

Once the VIN was obtained, a corrupt employee at a Durham Region Service Ontario office was paid to provide home addresses of the registered owners of the vehicles after they were purchased. With that information, the two offenders leading the organization would then give a team of alleged thieves a list complete with addresses and key codes they could use to enter the vehicles without setting off their security systems. Those thieves were then able to use laptops to hack into the vehicles' operating system and program a blank key to start the ignition.

After the vehicles were stolen they were concealed in shipping containers and transported to marine ports in Halifax or Montreal where they were loaded onto cargo ships and sent to Nigeria. Once there, police believe the vehicles were resold by the so-called "Black Axe" criminal organization.

Other stolen vehicles were either disassembled into parts at a chop shop in the west end of Toronto or given new VIN numbers and then either used by members of the criminal enterprise or sold to unsuspecting buyers.

Police estimate that this group was responsible for stealing approximately 500 SUVs in the GTA. Ramer said police believe the ring was responsible for approximately 10 to 15 percent of all vehicles stolen in Toronto in 2015.

"The value of the vehicles stolen by this group amounts to a staggering \$30 million," Acting Deputy Chief Ramer said.

During the course of executing 36 search warrants, police arrested 18 people and laid 640 criminal charges. Among those arrested, were a locksmith, a Service Ontario employee and a number of shipping yard workers and car dealership owners. Police also arrested a man who Staff Insp. Earl referred to as "the prince of thieves" and the alleged leader of the group. That man, Joseph Mensah, is facing 102 charges, including committing an offence for a criminal organization. Police are continuing to search for six other suspects believed to be involved in the ring, including the other alleged leader, Wael Hussein, who was subject to 112 charges in total.

Police also seized about 200 stolen vehicles, worth about \$11 million. Of this total, 179 of which had already been loaded onto shipment containers and were destined for overseas. Police also seized tractor trailers, a locksmith van, auto parts, computers and illegal drugs and firearms.

"I truly believe this is the biggest operation that we have seen taken out in Canada. I have never seen anything like this," Staff Insp. Earl told reporters.

The criminal group operating in Canada is believed to have connections to a "notorious organized crime group" known as the Black Axe.

“There is absolutely no doubt that organized crime enterprises, such as the Black Axe, use the proceeds of these types of property crimes to further fund and grow their illegal enterprises,” Ramer told a news conference. “And in this case, those illegal enterprises are often offshore.”

The Nigeria-based group is known for engaging in international fraud operations. In October, six alleged members of the group were charged following an investigation into a so-called romance scam in Toronto and the U.S. where women are lured into online relationships and then defrauded of money. Toronto police began their investigation into a “romance scam” reported in the city in August 2014. A 63-year-old Toronto widow had been defrauded of \$609,000, police said at a news conference in October. During their investigation, Toronto police discovered the case had connections to a larger operation that was under investigation by the U.S. Postal Inspection Service and the FBI.

Law enforcement in both countries worked together to uncover the identities of those alleged to be involved in the fraud. Police said conspirators attempted to defraud victims of more than \$5 billion in total. As part of the so-called romance fraud, victims were encouraged to wire funds to various bank accounts. The money was then laundered and circulated to those directing the schemes, police said. At least three people in the GTA were arrested and charged in connection with the romance scam: 31-year-old Lineo Molefe of Toronto, 34-year-old Ikechukwu Amadi of Mississauga, and 41-year-old Akohomen Ighedoise of Toronto. All three were also implicated in the U.S. investigation. Ighedoise is alleged to be a member of “The Black Axe.” Officials said he was involved in laundering the proceeds of crime with other members of the group. The U.S. intends to seek extradition of the Nigerian men when the Canadian cases have been concluded, police said.

“It’s come to our attention that persons who have identified themselves with The Black Axe organization in Toronto are attempting to exert influence in the community here, particularly in the ex-patriot Nigerian community,” Det. Sgt. Ian Nichol of the Toronto Police Service told the media in October.

As Selena Ross writes in the *Globe and Mail*, the Black Axe is feared in Nigeria, where it originated.

It is a “death cult,” one expert said. Once an idealistic university fraternity, the group has been linked to decades of murders and rapes, and its members are said to swear a blood oath.

An investigation by *The Globe and Mail* that included interviews with about 20 people found that “Axemen,” as they call themselves, are setting up chapters around the world, including in Canada. Like any criminal organization, it focuses on profit, police say. But instead of drug or sex trafficking, it specializes in a crime many consider minor and non-violent: scamming.

Online fraud is fluid, global and hard-to-track, but it often requires local operatives. Several Toronto-area residents have been defrauded of at least \$1-million each in the past two years, and police allege the money was wired with the help of Canadian residents linked to the Black Axe, and sometimes it was handed to the group’s associates in person. The recipients then sent the

money ricocheting through bank accounts around the globe, with trusted members in countries on every continent helping with the transfers before it disappeared.

The police added an extra charge for one of the men they arrested, Akohomen Ighedoise, 41: “participating in a criminal organization.”

Officers said in an interview they seized documents that will prove in court that Mr. Ighedoise separately helped a network of fraudsters launder money, that the fraudsters are members of the Black Axe and that he is their bookkeeper. The charge is the first time a Canadian has been publicly linked to the group.

Interviews with police, gang experts and Nigerian academics paint a picture of an organization both public and enigmatic, with an ostensible charitable purpose as well as secret codes and a strict hierarchy. Police say it has grown to 200 people across Canada.

Officers in Canada first heard the name “Black Axe” less than two years ago, said Tim Trotter, a detective constable with the Toronto Police Service. They are working quickly, trying to stop the group from becoming entrenched.

“I mean, 100 years ago, law enforcement dealt with the same thing, the Sicilian black hand, right? It meant nothing to anybody except the Sicilian community,” Det. Constable Trotter said. “And that’s what we have here – that’s what we believe we have here.”

Canadian police came across the Black Axe by happenstance. In 2013, an RCMP analyst in Vancouver was investigating a West Coast fraud suspect and found a photo of him on Facebook with another man, said Det. Constable Trotter (the analyst would not speak to The Globe). Both were wearing unusual clothes and seemed to be at a meeting in Toronto.

The analyst discovered the second man was under investigation by Toronto financial crimes detective Mike Kelly, an old partner of Det. Constable Trotter. The analyst e-mailed Det. Constable Kelly to ask if he knew the significance of what the two men in the photo were wearing.

The uniform of the Black Axe is a black beret, a yellow soccer scarf and high yellow socks. These items often have a patch or insignia showing two manacled hands with an axe separating the chain between them, which sometimes also says “Black Axe” or “NBM,” standing for “Neo-Black Movement,” another name for the group. They often incorporate the numbers seven or 147.

The group tries to maintain a public image of volunteerism. It has been registered as a corporation in Ontario since 2012 under the name “Neo-Black Movement of Africa North America,” with Mr. Ighedoise among several people listed as administrators. In the United Kingdom, said Det. Constable Trotter, it has been known to make small donations – to a local hospital, for example – and then claim to be in a “partnership” with the legitimate organization.

As they added names to their list, the investigators checked each one for connections to previous cases. What they found were 10 to 20 episodes of serious violence over the past few years clearly linked to members of the group, many of them at a Nigerian restaurant in northwest Toronto, Det. Constable Trotter said. One man had been run over by a car; another was allegedly kidnapped and beaten with a liquor bottle for a day in an abandoned building; a man was knocked to the ground for refusing to fetch another man a beer. Witnesses generally refused to talk.

In Nigeria, the groups are not associated with fraud, said Etannibi Alemika, who teaches at Nigeria's University of Jos. Mr. Ifowodo agreed. However, he also backed Toronto Police's conclusion that Black Axe is one and the same as the Neo-Black Movement. In a briefing document posted online, Canada's Immigration and Refugee Board says the two are closely linked, but speculates that the Black Axe is a "splinter group" of the NBM. The NBM is known to carry out fraud, said Jonathan Matusitz, a professor at the University of Central Florida who has studied Nigerian fraternities. He said the group's members have also been linked, mostly in Nigeria, to drug trafficking, pimping, extortion, and the falsification or copying of passports and credit cards.

"I think that the NBM movement is more about scamming people, and it has some associations with the Black Axe, which kills people," he said. "Have they joined forces to have like a super-group? I hope not."

Sources: [Toronto Police Service News Release, December 11, 2015, Project CBG takedown, 175 police officers execute more than 35 search warrants, High-end GTA vehicles stolen, shipped overseas](#) ; [CTV News, December 11, 2015, 640 charges laid in alleged high-end vehicle theft ring](#); [Guelph Mercury, December 12, 2015, International car theft ring targeted high-end vehicles](#); [CP24.com, December 11, 2015, 35 search warrants executed in GTA organized crime bust](#); [Globe and Mail, November 13, 2015, Shadowy Black Axe group leaves trail of tattered lives](#)

Outlaw Motorcycle Gangs

In December, more charges were laid in one of the largest drug busts in Saskatchewan history. Police launched Project Forseti in November 2013 as an investigation into drug trafficking by the Hells Angels and an affiliated one percenter motorcycle club called the Fallen Saints. At that time, police charged 21 people.

As of December of this year, seven of them – most of whom are with the Fallen Saints – are also facing criminal organization charges, including committing an offence for the benefit of a criminal organization and participation in a criminal organization.

"These charges are significant as they include individuals who are not only responsible for the activities of an organized crime group, but those who are actively recruiting new members to organized crime," a police spokesperson said.

Sgt. Craig Toffoli of the Integrated Organized Crime North Unit in Saskatchewan said investigators took almost a year to comb through a “mountain” of evidence gathered during a 15-month investigation.

The new charges are in addition to the original ones laid in January of this year when more than 100 police officers raided at least 18 locations in Saskatchewan and Alberta, including the Hells Angels clubhouse in Saskatoon. Police seized drugs with an estimated street value of \$8-million, including methamphetamine, cocaine, fentanyl pills and heroin. Officers also seized over 200 weapons, including prohibited and restricted firearms, tens of thousands of rounds of ammunition and four ballistic vests.

Yves Lavigne, who has written extensively on the Hells Angels, says the new charges against members of the Fallen Saints could be a strategy that ultimately targets members of the Hells Angels by persuading members of the Fallen Saints to testify against HA members.

“Criminal organization charges are really used to tack on extra years on the sentence. This will motivate some of the charged Fallen Saints to roll over,” Lavigne is quoted as saying.

Toffoli said it is not investigators’ intention to get members of the Fallen Saints to plead out or “roll-up” on other criminals. He said the 11 months of work on the file was “targeted” at specific people they believe are members of a criminal organization.

“The evidence was there to lay these charges, so the charges were laid,” Toffoli said.

Among those charged with criminal organization offences is Mark Michael Nowakowski, who police allege is the leader of the Fallen Saints. Nowakowski’s lawyer said his client denies all the charges, including that he is a member or participant in a criminal organization and it was “unfair” for his client to wait nearly a year before criminal organization charges were laid.

One full-patch member of the Hells Angels in Alberta who was charged in January as part of the original investigation has already pleaded guilty in Red Deer provincial court in December to trafficking cocaine and fentanyl and to various weapons offences. Terry Eide was sentenced to eight years in prison and given a lifetime weapons ban.

Sources: [Global News, December 17, 2015, More charges laid in ‘Project Forseti’ drug bust;](#) [Saskatoon StarPhoenix, December 18, 2015, Criminal organization charges against the Fallen Saints could be first step: expert;](#) [Red Deer Advocate, December 10, 2015, Hells Angel jailed](#)

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The Crown in Quebec says it will not appeal a judge’s decision to stay murder charges laid against five Hells Angels members made earlier this year. Chief prosecutor Annick Murphy said in December that after reviewing Superior Court Justice James Brunton’s ruling, a committee recommended that no appeal be launched.

Brunton granted a defence motion for a stay of proceedings after he ruled that prosecutors failed to disclose key evidence in a timely manner; defence counsel had been seeking the evidence since 2011, but it was not until September of this year that it was disclosed to them.

That new evidence, gathered during separate police investigations, contradicted the testimony of a key Crown informant and would have forced the defence counsel to modify their strategy.

Brunton was highly critical of the Crown and police for failing to disclose the evidence sooner, calling it a serious abuse of process.

“It constitutes a fundamental act on the principles of fairness which should benefit any criminal prosecution,” Brunton wrote.

Murphy said her office has ordered an internal administrative investigation into why it took so long to hand over the evidence. A separate committee will also study the concept of mega-trials and how they are managed.

Brunton was the same judge who ordered a stay of proceedings in 2011 for 31 Hells Angels members and associates who were on trial for various drug trafficking offences. He ruled the defendants would face prejudice with lengthy delays. The Crown failed in an attempt to appeal that decision to the Supreme Court of Canada, which agreed with Brunton.

Sources: [Canadian Press, October 16, 2015, Quebec Crown won't appeal decision to end trial of 5 Hells Angels](#)