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# October to December 2013

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# October to December 2013

## Organized Crime in Canada: A Quarterly Summary

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## Organized Crime Activities

### Arms Smuggling and Trafficking

In October, four British Columbia men and one woman were arrested and 80 firearms were seized following an investigation into gun smuggling from the U.S. into Canada. The only person charged at the time was 32-year-old Riley Stewart Kotz of Vernon, B.C. According to Kim Bolan of the Vancouver Sun, “corporate records show he ran a company called Hycaps International Outfitters, that appears to be the website through which the guns and parts purchases were being made.” Among some of the guns seized were Mach 9s and 10s, AK-47 knock-offs, and hunting rifles, as well as silencers and DVDs on how to assemble assault rifles. Dan Malo, Chief Officer of the B.C Combined Forces Special Enforcement Unit (CFSEU) said the firearms being smuggled into Canada were illegally modified, including some that were made into fully automatic firearms “capable of firing dozens of rounds per second.” The CFSEU investigation, dubbed E-Nimbus, began after police received a tip in February of 2103 and “eventually resulted in undercover officers purchasing numerous guns and accessories that are illegal in Canada,” Malo told the media. “These guns and accessories, had we not intercepted

them, in all likelihood would have made their way into the hands of gangsters and those looking to commit violent crimes in our communities.” Malo told the media that Koltz was already known to police and while being arrested “he tried to pull out a handgun he had hidden in his clothing and then allegedly tried to disarm two of our arresting officers before he was able to be handcuffed.” An article by the Postmedia News service from November of 2012 indicated that by the end of October of that year, the number of guns seized at the Canadian border had reached 500 nationwide. This number had already surpassed “the total number seized in 2011 (473), 2010 (452), and 2009 (474), according to the Canada Border Services Agency.” While southern Ontario has historically been the main entry point for guns smuggled into Canada from the U.S., the Pacific region now appears to be most vulnerable based on the quantity of guns smuggled into the country. “Firearms are one of the most significant threats facing border security today,” according to a 2010 internal report by the Canadian Border Services Agency. The report released through an access-to-information request and cited by the Windsor Star, says that 109 “suspected crime guns” were seized at the border from 2006 through 2009 – approximately 27 a year. The report notes this total is just a fraction of what is getting through. “Hundreds of firearms are smuggled into Canada yearly destined for the criminal market.” The Toronto Star also illuminates the disparity between the number of weapons on Canadian streets smuggled from the U.S. and the number of firearms captured at the border: “In 2009, Toronto police seized 861 crime guns in the city, at least 70 per cent of which are smuggled in from the U.S. A crime gun is any gun that is illegally possessed or has an obliterated serial number, or is seized in relation to a criminal act, such as a shooting. In the same year, border services in Ontario seized just nine crime guns they believed were headed for the criminal market, according to a 2010 internal report on gun smuggling obtained by the Star.” Research by the Star also found that Canada Border Services “is confiscating nearly half the number of guns they did a decade ago. From 2001 to 2005, border services seized an average of 856 firearms per year. Over the past five years, the average has been 494 firearms per year. A spokeswoman wouldn’t speculate why that is.” **Sources:** [Vancouver Sun October 25, 2012, Vernon man faces 34 firearms counts after undercover gun trafficking probe](#); Postmedia News, November 2, 2012, A look inside gun smuggling, gun trafficking investigations reveals there’s ‘no typical profile’; [Windsor Star, December 17, 2013, The Pipeline: ‘A lot of people in Canada want guns’](#); [Toronto Star, April 13, 2013, The gun pipeline: Mules who bring firearms across border pay high price for fast money](#)

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## Bookmaking

At the end of October, CTV News reported on renewed calls by Brian Masse, Member of Parliament for Windsor West, for the Senate to pass Bill C-290, which would amend the Criminal Code to make sports betting legal in Canada. Technically, betting on sports events is legal in Canada, but according to [C290now.ca](#) people are “only permitted to make parlay bets (wagering on the outcome of 3 or more events). C290 amends the Criminal Code to permit wagering on the outcome of single sporting events.” Masse and others who support the legislation argue that allowing Canadians to bet on single sporting events will take gambling revenue out of the hands of organized crime and will create jobs in Canada. “Once passed, it would be a serious hit on organized crime and the nefarious offshore betting cabals that rack in billions of dollars each year. In fact, provincial revenue would increase, allowing support for

education and health care for example,” Masse said. “It would also protect billions of dollars in tourism infrastructure and 250 jobs in the gaming sector that are under attack by increased U.S. competition and a higher dollar.” The bill was passed by Parliament but is still stuck in the Senate. Opponents of the bill believe it would contribute to problem gambling in the country and negatively affect professional sports leagues. **Source:** [CTV Windsor, October 29, 2013, Windsor West M.P. says delays to pass single sports betting bill gives organized crime a payday](#)

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## Corruption: Labour Racketeering

In October, the Charbonneau Commission, a public inquiry investigating corruption in Montreal’s public works sector, turned its attention to trade unions in the province. It did not take long for allegations of corruption and ties to organized crime to be levelled against the construction division of the Fédération des travailleurs et travailleuses du Québec (FTQ), the province’s largest and most powerful labour union. Ken Pereira, the head of a union local who has been described in the media as both a “co-operative witness” and a “whistleblower” told the commission that the men associated with the Hells Angels and the Italian mafia had infiltrated the FTQ through its construction wing. According to the Canadian Press, “Pereira testified that union brass were aware that the former head of the construction wing, Jocelyn Dupuis, had ties to Raynald Desjardins, reputedly a top-level figure in the Italian Mafia. Pereira said he talked about it with Henri Masse, a longtime FTQ president who left the organization in 2007.” In addition Pereira testified that the union president told him he’d been involved in a loan to Ronald Beaulieu, a man identified as a Hells Angels “sympathizer” and the owner of a strip bar. Beaulieu was allegedly close to Jocelyn Dupuis and had already received a loan from the Fonds de solidarité FTQ, the multi-billion-dollar FTQ investment fund. Pereira also accused Dupuis of being close to Normand (Casper) Ouimet, a Hells Angels member who is accused of involvement in 22 murders, among other criminal activities. “The Hells are with us. The Hells are part of FTQ-(Construction),” Pereira quoted a colleague saying. Dupuis made little effort to hide his ties to both the Hells Angels and the Montreal mafia, according to Pereira, and current FTQ president Michel Arsenault was well aware that Dupuis was close with mob enforcer Raynald Desjardins. “Everyone knew at the FTQ that Jocelyn Dupuis was, or wanted to be, a (gang) ‘hang-around,’” Pereira said. “He liked to show that his family was the FTQ, but that he had another one.” The Montreal Gazette also reported that “current FTQ-Construction head Yves Ouellet was also in the loop, the witness added, and allegedly went so far as to call members of the Hells Angels directly to help ‘fix’ an unspecified problem involving Dupuis.” Pereira testified about the 2008 election of executives to the FTQ Construction division, “which he claimed were fixed in favour of a candidate backed by Dupuis — Richard Goyette, according to the Gazette. Jacques (Israël) Émond, a senior member of the Quebec Hells Angels was even brought in to “force” one candidate – Dominique Bérubé – to bow out of the race and bikers were even hanging around outside the convention centre where the vote was held. Goyette would eventually be elected as the new director general of the construction division of the FTQ. Pereira was so outraged by Dupuis’ ties to organized criminal figures he exposed false expense claims filed by Dupuis, who resigned as director general of the union in the fall of 2008 and was eventually charged with fraud by provincial police in 2010. He is currently awaiting trial. According to other witnesses testifying before the Charbonneau Commission, Dupuis continued

to exert influence within the union long after he quit his job in the wake of an expense scandal. Commission investigator Stephan Cloutier played several wiretap tapes recorded by police in 2008 and 2009 which he said proves that Dupuis and members of the Hells Angels biker gang fixed FTQ-Construction's internal elections in November 2008. Dupuis himself testified to the Commission at the end of October and said that during his time as the director of the construction division of the FTQ between 1997 and 2008, he did assist individuals he knew had criminal records by giving them a "second chance" through a job in the industry. He went on to say he wasn't always aware of how high up some of those people were in the criminal hierarchy. He admitted to the commission that while he did help out Reynald Desjardins, he was not aware he was a former high-ranking lieutenant to Vito Rizzuto, the head of the Montreal mafia. He believed that Desjardins had paid his debt to society and was now rehabilitated. "The past is the past, the future is the future," Dupuis told the inquiry. "When you've paid your debt ... your past is put aside and you try to reintegrate these people into society." Dupuis confirmed that he lobbied the FTQ's investment arm to lend money to a company called Carboneutre, a decontamination firm owned by Desjardins and another man with Mob ties. He also admitted he did not reveal Desjardins was a part owner of the firm and rationalized this by saying he did not think they'd agree to lend the money if they were aware of Desjardins' criminal record. Commission chair France Charbonneau was incredulous that Dupuis could not know about Desjardins' ties to organized crime, given the media coverage surrounding his links to the Rizzuto family. **Sources:** [The Canadian Press, October 2, 2013, Quebec union had big ties to organized crime, inquiry hears](#), [Montreal Gazette, October 2, 2013, FTQ brass fully aware of criminal ties, Charbonneau Commission hears](#); [CBC News, October 21, 2013, FTQ members try to unseat boss Arsenault over Hells links; Arsenault is running for re-election as head of the FTQ labour union](#); [Montreal Gazette, October 31, 2013, Hells Angels helped fix FTQ elections, inquiry told](#); [The Canadian Press, November 05, 2013, Labour boss: organized crime didn't run union](#)

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## Police Corruption

The Montreal Gazette and CBC reported in December that former Hells Angel René Charlebois left incriminating video tapes on Montreal police sergeant-detective Benoit Roberge before committing suicide after he escaped from prison. The tapes provided evidence that led to the arrest of Roberge based on the allegations that he sold confidential information to the Hells Angels. Roberge, a former investigator with the Montreal police who specialized in outlaw motorcycle gangs, is alleged to have been paid at least \$500,000 for selling information on open police cases to the one percenter motorcycle club. Roberge was arrested in October. Charlebois escaped from a minimum-security prison in Laval in September and committed suicide while on the lam the same month. Before he took his own life, Charlebois left 10 audio recordings and a video that was almost two hours in length. In the video, Charlebois says that by the time someone discovers the tapes, he will already be dead. The tapes also revealed that Charlebois had been a police informant since 2006. The ten audio recordings are of phone conversations between Charlebois and Roberge. Some expose how Charlebois and Salvatore Cazzetta, a high ranking member of the Quebec Hells Angels, arranged to pay Roberge \$100,000 in an attempt to sabotage a major police investigation into the Hells Angels' illegal activities. That investigation

– called Operation SharQC – later resulted in numerous arrests of members and associates of the Hells Angels and other outlaw biker gang in Quebec in 2009. When Roberge asks how he would be paid for the information he was providing, Charlebois is heard on the tape answering, “We’ll do it like we did the last time: leave your car on the side, and leave the doors unlocked. We’ll put the money on your backseat. You’ll pick it up later.” Charlebois apparently wanted to know the names and whereabouts of any bikers who were collaborating with police (despite the fact that Charlebois at the time was a police informant). During one recorded phone call, Charlebois reportedly asks Roberge to reveal the location of Sylvain Boucher, a witness for the crown whose testimony helped lead to the arrest of more than 150 members and associates of the Hells Angels. Roberge insisted that such information would be impossible for him to obtain. During another recorded conversation, Roberge tells Charlebois that he was hesitant to give the name of another police informant because he was afraid the person would be killed after his identity was exposed. “Don’t worry, we won’t kill him, Charlebois reportedly assures him on one audio tape. “We’ll just stop working with him.” Despite his work as a police informant Charlebois could not avoid prosecution and was arrested and charged with murder in 2001. He pleaded guilty to killing Claude DeSerre, a Hells Angel member who had become a police informant. It was while he was serving his life sentence for the killing that Charlebois escaped from a minimum security prison. **Sources:** [CBC News, December 9, 2013, Hells Angel René Charlebois left tapes before committing suicide](#), [Montreal Gazette, December 9, 2013, Wiretaps shed light on alleged Hells Angels dealings with former cop](#)

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## **Drug Trafficking**

### **Poly Drug Trafficking**

According to the Vancouver Sun, police with the Combined Forces Special Enforcement Unit in B.C. say they dismantled a drug trafficking organization that smuggled \$35 million worth of cocaine and methamphetamine between Canada and Australia. Two Ottawa residents were arrested in October. The names of the 47-year-old man and 42-year-old woman were not released by police. However, CFSEU officials said the pair was linked to a warehouse in Port Coquitlam where police seized a kilogram of cocaine and a kilogram of crystal meth. Both are also alleged to be associates of Hells Angels member Larry Amero, who is currently in custody in Montreal after being charged there a year ago as part of a cocaine trafficking conspiracy case. According to a CFSEU spokesperson, “This complex investigation revealed that in addition to the national distribution of drugs, the scope extended beyond Canada’s borders and this network was shipping drugs, primarily methamphetamine and cocaine, to Australia, possibly since 2009.” He added, “Officers believe that this group and the targets of the investigation may have also been trafficking firearms and were directly or peripherally involved in gang violence both in British Columbia and other parts of Canada.” Police in Canada began their investigation of the drug trafficking group and its Canadian operations in May of 2012. Based on this investigation, the CFSEU in B.C. shared information with the Australian Federal Police, which intercepted 45.5 kilograms of methamphetamine and 5.2 kilograms of cocaine that was hidden in furniture imported from Canada in December of 2012. Two Canadians were charged in Australia at the

time. While the CFSEU was announcing the arrests of the Ottawa residents, the Australian Federal Police were divulging details of another international drug syndicate headed by Canadians that allegedly smuggled 1.9 tonnes of pseudoephedrine, a precursor chemical used to manufacture methamphetamine. According to an Australian Federal Police press release, “Dependent on purity, it is estimated this recent seizure could be made into over 100 kilograms of methamphetamine or ‘ice’ which would have an estimated potential street value of up to \$100 million ... In total this operation has potentially prevented up to 300kg of methamphetamine from being manufactured and sold, which, depending on purity, would have had a street value of up to \$300 million.” The precursor chemical was mixed in with vanilla powders and stored in warehouse in South Melbourne, according to an AFP news release. Eight Canadians and two Australians were charged in Australia in this case. **Sources:** [Vancouver Sun, October 21, 2013](#), [B.C.-linked smuggling ring broken up by CFSEU](#); [The Canadian Press, October 21 2013](#), [Canadian-led crystal meth ring busted in Australia](#); [Australian Federal Police Media Release, October 21, 2013](#), [International drug syndicate disrupted following joint taskforce investigation](#)

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In October, the RCMP Serious and Organized Crime Unit in the South West District of Ontario, in partnership with the Canada Border Services Agency and the Hamilton Police Service, announced they had dismantled an organized crime group allegedly involved in importing and trafficking cocaine into the Greater Hamilton Area. During the investigation, over 5 kilos of cocaine were seized by CBSA officers at Toronto Pearson International Airport. The cocaine originated from different South American destinations and was imported into Canada via couriers who hid the coke in luggage. Several illegal marijuana grow operations were also dismantled as a result of this investigation. Three Hamilton men and one Waterdown woman were arrested. Among those arrested was 29-year-old Jorge Alejandro Rodriguez-Oliva from Stoney Creek, Ontario, who, according to the Gangsters Out blog, has ties to the N.E.C (North End Crew) in Hamilton which is a puppet club for the Hells Angels. “Project Kingfisher targeted the Hells Angels and the NEC crew in August 2012.” “It operated like a typical organized crime ring,” a RCMP spokesperson said. The cocaine “was processed [in Hamilton] and moved onto the streets through a series of traffickers.” **Sources:** [Royal Canadian Mounted Police News Release, October 24, 2013](#), [RCMP and CBSA Dismantles Organized Crime Group](#); [CBC News October 24, 2013](#), [RCMP busts Hamilton cocaine importing ring](#); [Gangsters Out Blog, November 2, 2013](#), [Hamilton Cocaine bust tied to the Hells Angels](#)

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## Bath Salts

In October, the Canada Border Services Agency (CBSA) announced that seizures of bath salts it made in August led to the arrest of two women in Kelowna, B.C. According to a CBSA news release, “between August 23 and 26, 2013, the CBSA intercepted three suspicious packages weighing a total of approximately 16 kilograms at the International Mail Centre in Vancouver, B.C. The packages, originating from China, were destined to a company in West Kelowna, B.C. Laboratory tests confirmed the packages to contain methylone, a relatively new synthetic drug, being imported into B.C. known as ‘Bath Salts’.” The CBSA says the parcels were declared as

table salt. The RCMP arrested the two women in Kelowna on September 19. According to the CBSA, “Bath Salts is a synthetic drug containing amphetamine-type stimulants such as methylenedioxypyrovalerone (MDPV), mephedrone or methylone, and other unknown ingredients that are potentially lethal. It is called “Bath Salts” because it takes the form of white crystalline powder that looks like salt, similar to Epsom salt that’s used for bathing. Epsom salt has no mind-altering ingredients. Users typically experience cardiac symptoms (elevated heart and blood pressures, chest pains) and psychiatric symptoms (paranoia, hallucinations, psychotic and violent behaviour). It is highly addictive and has high abuse potential.” **Sources:** [Canada Border Services Agency Press Release, October 24, 2013, Combined efforts of RCMP and CBSA lead to significant seizure of “Bath Salts” drug](#); [The Canadian Press, October 24, 2013, Charges pending against women over seized ‘bath salts’ drugs](#)

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## Cocaine

In November, the Canada Border Services Agency announced they had made a significant seizure of cocaine at the Toronto Pearson International Airport. The seizures took place on October 25. According to a news release, “CBSA officers were examining shipments off a flight from Trinidad and Tobago and discovered a single red suitcase with a visibly altered luggage tag. Upon opening the luggage, officers found a black backpack that contained four bricks of suspected cocaine. The packages, weighing over 4 kilograms, were turned over to the PRP, and the investigation is ongoing.” A day earlier, the CBSA at the Trudeau International Airport in Montreal airport announced it had seized 4.4 kilos of cocaine secreted in three pumpkins found in a female passenger’s luggage. Scanning equipment detected masses inside the pumpkins, which turned out to be bags filled with the cocaine. In December, the CBSA announced that border services officers in the Pacific Region had recently seized 130.8 kilograms of cocaine hidden inside a marine container. On September 30, 2013, a 40-foot refrigerated marine container arrived in Vancouver from Russia. The shipping documents described the contents of the container as 25,000 kilograms of food products. When officers from the CBSA’s Waterfront Operations used a X-ray mobile screening system to scan the container and its contents, they found inconsistencies in the images produced and the container was referred to the CBSA’s Marine Container Examination Facility to be fully offloaded. During the examination of the reefer itself, MCEF officers noticed irregularities in the ceiling, and when they pulled the ceiling back they discovered bricks affixed to the roof of the container. In total, 109 bricks containing cocaine were removed. **Sources:** [Canada Border Services Agency News Release, November 1, 2013, CBSA officers seize suspected cocaine at the Toronto Pearson International Airport](#); [Canada Border Services Agency News Release, October 31, 2013, Surprising pumpkins seized by Border Services at Montréal-Trudeau Airport](#); [Canada Border Services Agency News Release, December 16, 2013, CBSA makes huge cocaine seizure](#)

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In November, the OPP and Sûreté du Québec executed 25 warrants — 18 in Ontario and seven in Quebec — and made six arrests. The police actions were part of Project Adelaide, an inter-provincial cocaine trafficking investigation that began in November of 2012. According to the



Ottawa Citizen, “In a highly complex scheme, police said, cocaine from Montreal was being moved to Mont-Tremblant where it was cut and re-packaged. The units would then be moved into a string of Eastern Ontario communities — Ottawa, Carleton Place, Perth, Stittsville, Lombardy and Smith Falls. Once in the hands of local dealers, the drugs were distributed. Police said the ring was previously undetected because it used the “just-in-time” supply model.” The Citizen describes this “Just-in-time” supply chain management system as one

designed to minimize costs for a business by keeping the amount of inventory small. A business has on hand only what they can reasonably expect to sell ... In the same way that “just-in-time” can save Toyota money, it reduces risk for the drug dealers. OPP Chief Superintendent Mike Armstrong, commander of the organized crime enforcement bureau, said drug dealers using the delivery model don’t require larger warehouses and can get away with smaller stash houses. Smaller supplies mean it’s less likely someone would try to rip it off and there’s less of a need to carry guns for protection, Armstrong said. The smaller amount of drugs also reduces the risk of a lengthy prison term since longer sentences are frequently tied to the quantity of drugs being dealt.

Police had information that the group was moving large quantities of cocaine every week but the just-in-time system meant whenever a bust was made by police, it only captured a small proportion. “It’s different than other organizations, where you’d see large seizures of large amounts because they’re storing it somewhere. They were very smart, compartmentalizing the organization and moving the drugs very quickly,” an OPP spokesperson told the media. The investigation resulted in the seizure of 2.5 kilograms of cocaine, one kilogram of marijuana, half a kilogram of hashish, a handgun, seven vehicles, and \$409,000 in cash, a house, and a helicopter. Two Ottawa men, and three others from Eastern Ontario, along with four Quebecers, face multiple drug and criminal organization charges. In total, 64 charges were laid. The Ottawa Citizen also reported that police believe that some of those arrested as part of this conspiracy were also involved in loan sharking and extortion schemes. Police in Ontario are investigating a \$1.2-million mortgage fraud and \$10 million money laundering scheme through companies that police said are connected to some of the men charged. One of the men arrested was charged with extortion. **Sources:** [Ottawa Citizen, October 17, 2013, OPP dismantle interprovincial drug ring, seize cash, cars, helicopter](#); [CTV Ottawa, October 17, 2013, O.P.P. announce major drug bust in Ontario and Quebec](#)

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A joint investigation between the Royal Canadian Mounted Police and United Kingdom’s National Crime Agency (NCA) resulted in the arrest of two individuals in Ontario who were allegedly involved with an international cocaine trafficking network responsible for smuggling large amounts of the drug via Canada to the United Kingdom. The drugs were smuggled into the U.K. by flights into Heathrow Airport from Toronto by Canadian couriers each carrying 8 to 16 kilos. It is alleged that the couriers were recruited by 38-year-old Christopher Anthony Barrett of Ajax, one of the two Canadians arrested in Ontario. The joint investigation, which began in 2011, identified the U.K.-based coordinator as Nickesha Campbell. When British police searched her home they found 18 kilograms of cocaine, more than £500,000 in cash, and records detailing the importation of 138 kilos of cocaine between November 2011 and January 2012. On

November 7, 2013, the RCMP identified a Canadian female courier destined to travel from Toronto Pearson International Airport to London Heathrow. The RCMP intercepted her luggage prior to her departure and found 9 kg of packaged cocaine concealed within the contents of the suitcases. **Source:** [Canada NewsWire, November 15, 2013, RCMP and UK's National Crime Agency Collaborate to Make Further Arrests in International Cocaine Smuggling Ring](#)

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## Marijuana

The Canada Border Services Agency announced, at the end of October, the seizure of 200 kilograms of marijuana at the Edmonton International Airport. According to the CBSA News Release, "On January 18, 2013, CBSA officers conducted a routine baggage offload examination of a flight from Jamaica. Once all the bags were offloaded and the passengers were cleared through the CBSA, officers noted seven unclaimed pieces of luggage. Upon opening one of the bags, officers noted a strong marijuana odour. All seven bags were examined and contained wrapped bundles of bricks of marijuana weighing a total of 200 kilograms." **Source:** [Canada Border Services Agency News Release, Massive marijuana seizure at Edmonton International Airport, October 31, 2013](#)

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On November 8, the Ontario Provincial Police discovered what they called "a sophisticated indoor marijuana grow operation" at a property in the Municipality of Grey Highlands, which is located just south of Georgian Bay. According to the Meaford Express newspaper, the estimated street value of the marijuana plants and cuttings seized was \$3,675,846. Three individuals were arrested, all of whom are from Ontario. All three were charged with production of marijuana, possession of marijuana for the purposes of trafficking, and theft of electricity. **Source:** [Meaford Express, November 12, 2013, Police bust \\$3.6 million pot grow-op](#)

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## Fraud

The RCMP' Financial Crime Unit in conjunction with the OPP anti-rackets branch and the Canada Border Service Agency reported they had dismantled an organized fraud network that was targeting the Ontario government and the private banking industry. The crimes reportedly committed by the group included welfare fraud, stolen cheques and other bank related frauds. According to a RCMP press release, "This elaborate scheme" involved a group based out of the Greater Toronto Area that "allegedly recruited individuals to come to Canada. These victims were then used to defraud the Ontario government, unsuspecting individuals, businesses and chartered banks. Individuals would collect social assistance payments through fraudulent means and would also defraud major banking institutions by depositing stolen cheques, increasing credit limits and withdrawing the funds from their accounts." Three people from Toronto were charged with fraud over \$5,000, possession of identity information, possession of property

obtained by crime and conspiracy to commit the above offences. **Source:** [Royal Canadian Mounted Police News Release, November 27, 2013, RCMP, OPP and CBSA dismantle alleged organized crime ring](#)

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## Human Trafficking

In December, Steven Blaney, the federal Minister of Public Safety and Emergency Preparedness Minister Blaney announced the creation of a new RCMP enforcement team combat human trafficking “Our government is continuing its global fight against human trafficking in Canada and abroad,” said Minister Blaney in a press release. “While significant progress has been made over the past year, a lot of work remains to be done. Our Government will continue to strengthen its efforts as new knowledge and information about the scope and nature of the despicable crime of modern-day slavery in Canada comes to light.” A key commitment under the National Action Plan, the RCMP’s enforcement team is focused on human trafficking. “The RCMP and its law enforcement partners are committed to continuing our work at fighting human trafficking,” said Inspector Jean Cormier, Officer in Charge of the RCMP’s Federal Coordination Centres. “Every arrest sends a message and helps us get one step closer at putting an end to this heinous crime that erodes the fabric of our society and threatens the safety and security of Canadians.” Canada’s National Action Plan, with participation from 18 federal departments, is a comprehensive blueprint to guide the Government of Canada’s fight against the serious crime of human trafficking. **Source:** [Public Safety Canada News Release, December 9, 2013, Minister Blaney announces a special RCMP Enforcement Team to Combat Human Trafficking](#)

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## Tobacco Smuggling

In early October, the Canada Border Services Agency announced two separate seizures of loose leaf tobacco at the Ambassador Bridge in Windsor. The first occurred on August 14 when “a commercial driver entered Canada with a shipment declared as frozen apple slices. The driver was referred for a secondary inspection, where CBSA officers found that the shipment actually contained 116 boxes filled with 15,497 kg of loose leaf tobacco with an approximate street value of \$1.9 million. The driver, an Ontario resident, was arrested and charged, and is scheduled to appear in court in October. The investigation is ongoing.” The second incident occurred on September 2, when another “commercial driver entered Canada with a shipment declared as rubber mulch. During a secondary inspection, the majority of this shipment was found to actually contain 14,505 kg of loose tobacco with an approximate street value of \$1.8 million.” **Source:** [Canada Border Services Agency News Release, October 4, 2013, CBSA seizes tobacco valued at \\$3.7 million at the Ambassador Bridge](#)

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In mid-December, the Hamilton/Niagara Detachment of the RCMP and the Canada Border Services Agency announced that a “large contraband tobacco smuggling and trafficking operation” was disrupted. The operation was “allegedly responsible for smuggling in excess of 73 tons of un-stamped water pipe tobacco into Canada since 2010.” According to a CBSA press release, “In 2011, a joint investigation began into a local individual suspected of smuggling un-stamped water pipe tobacco for local distribution. As the investigation progressed, a larger organization was uncovered that reached beyond the local Hamilton area. This organization allegedly used sophisticated methods to conceal their smuggled products and hide their operation; the volume of tobacco they are suspected to have smuggled resulted in millions of dollars in unpaid duties and taxes, and huge profits for Organized Crime.” As part of this investigation, the CBSA made two significant seizures of tobacco coming into Ontario from the U.S.: on July 18, 2011 at the Peace Bridge, at the east end of Lake Erie, and on October 4, 2011 on the Queenston Bridge, which crosses the Niagara River gorge just south of the Niagara Escarpment. In each case, 1,440 kilos of tobacco was seized. Nine people are facing charges as a result of this investigation, most of whom are from Ontario. **Sources:** [Canada Border Services Agency News Release, October 4, 2013, CBSA seizes tobacco valued at \\$3.7 million at the Ambassador Bridge](#)

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## Organized Crime Genres

### Italian

At the end of 2013, Canada lost the most powerful organized crime figure of his time and perhaps one of the most powerful criminal leaders the country had ever seen. Vito Rizzuto, the former head of the Montreal Mafia, died on December 23 at Sacré-Coeur Hospital following health problems. The 67-year-old Rizzuto was hospitalized that day for pulmonary problems. The hospital later announced he died of lung cancer. Born in the Cattolica Eraclea area of Sicily, Italy in 1946, Rizzuto moved to Canada with his family when he was eight years old. He became the head of the Montreal mafia in the early 1980s after his father launched a coup in which the Sicilian faction overthrew the Calabrian leaders who had been in charge since at least the 1950s. From the time he took over the leadership, Vito Rizzuto catapulted the Montreal mafia from a wing of New York’s Bonanno family to a family in its own right. In fact, the Montreal mafia would eventually become the most widespread, powerful and lucrative mafia family in all of North America. Rizzuto build this empire primarily on the proceeds of drug trafficking – cocaine, heroin, and hashish – but also on illegal gambling and bookmaking. He also controlled numerous legitimate businesses in Canada and internationally that generated millions of dollars in revenue while also providing vehicles to launder the proceeds of crime. “Compared to what New York-based authorities were used to looking at, the breadth of geography and intertwining connections of the Rizzuto organization surprised even seasoned investigators,” Lee Lamothe and Adrian Humphreys wrote in the book *“The Sixth Family: The Collapse of the New York Mafia and the Rise of Vito Rizzuto.”* “With drug trafficking as a source of immense revenue, the Rizzutos became a unique blend of mobsters with a strong geographic base – Montreal – as well as a broad international machinery, Adrian Humphreys wrote in the National Post. “It meant Mr. Rizzuto could step off a plane in several continents, be instantly recognized and respected and

even speak to the players in their own language.” In 2007, Rizzuto pleaded guilty in an American court to racketeering charges in exchange for a 10-year sentence in connection with the 1981 murders of senior Bonanno family members at a New York social club. On May 5, 1981, Rizzuto and three other men shot three Bonanno captains who had been challenging the family’s leadership. Rizzuto, who was still a made member of the Bonanno family at the time, had been ordered to take part in the killings by Joseph Massino, then a senior Bonanno captain. It was Massino who would turn police informant and implicate Rizzuto in the murders. It was during his imprisonment that different factions began to try to fill the void in the Montreal’s criminal underworld that Rizzuto’s departure created, while others maneuvered to take over his mafia family. Many of those loyal to Rizzuto were murdered, including his son Nick, Jr. who was assassinated in 2009. His father Nicolo Rizzuto, Sr. was assassinated at his Montreal home in November 2010. Vito Rizzuto was released from a Colorado prison in October 2012 and returned to the Montreal area, settling in the Laval suburb of Ste-Dorothée. It was not too long thereafter that Rizzuto began working to reclaim control of the mob and exact revenge against his enemies. Since his return to Canada in 2012, there have been nine mob-connected murders there, according the Gangland.com website. According to CBC News, “Rizzuto’s death comes four days after Roger Valiquette was gunned down in a Laval restaurant parking lot. Valiquette had known links to the Mafia and organized crime.” The day of the Valiquette shooting, Mafia expert André Cédilot, co-author of *Mafia Inc.: The Long, Bloody Reign of Canada’s Sicilian Clan*, told CBC News that Valiquette’s murder was part of a struggle for power in the Montreal Mafia sparked by Rizzuto’s release from prison and the subsequent reorganization of the mob. Many experts believe Rizzuto’s death will create even more upheaval in Montreal’s underworld. “To have him now permanently removed from the underworld, the crime landscape, it’ll just open up the floodgates to everyone jockeying for positions,” Adrian Humphreys told the CBC. Despite the spate of killings after he left prison, Rizzuto once had a reputation as a peacemaker in the criminal underworld. Lee Lamothe credits him with “bringing calm to an underworld that at times was out of control.” Most famously, he is credited with putting intense pressure on the Hells Angels during the late 1990s to end its bloody war with the Rock Machine and other rivals. “Mr. Rizzuto’s management style was pretty unique, at least compared to American crime figures, who went to violence as an instant default,” Mr. Lamothe told the *New York Times*. “He was born into the Mafia and, from his father, inherited the ‘Sicilian view’: Better to share than to shoot.” **Sources:** [CBC News, December 23, 2013, Vito Rizzuto, Montreal Mafia’s Teflon Don, dead at 67](#); [New York Times, December 29, 2013, Vito Rizzuto, Reputed Mafia Boss of Canada, Dies at 67](#); [La Presse, December 23, 2013, Le parrain de la mafia Vito Rizzuto est mort](#); [National Post, December 23, 2013, Legendary Montreal Mafia boss Vito Rizzuto dies in unexpected way — lung cancer](#)

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Moreno Gallo, a once influential member of the Montreal Mafia, was killed in November in Acapulco, Mexico. Media reports from Mexico say Gallo was dining with friends at a restaurant named Forza Italia when a man dressed in black shot him several times in the head with a 9mm pistol. The 68-year-old Gallo had settled in Acapulco after being deported from Canada in January 2012 for his ties to organized crime. The Globe and Mail reported that Gallo “was touted as the potential replacement godfather of the Montreal Mob, but his star faded with stints in prison and the threat of expulsion from Canada ... he also picked the wrong side in the power

struggle for control of the city.” In particular, according to La Presse Newspaper, he aligned himself with Salvatore Montagna who was trying to take over the Montreal mafia from the Rizzuto family and paid with his life in November 2011. Gallo was part of the Calabrian side of the Montreal mafia, which was in control up until the late 1970s. “When the Sicilian Rizzutos rose to power, according to the Globe and Mail, they incorporated several survivors, Mr. Gallo among them, from the ranks of their former Calabrian enemies.” As reported by the Globe and Mail “police affidavits name him as part of an inner circle that handled the family’s money and settled disputes over drug territory.” Police surveillance video captured inside a backroom of the Rizzuto’s Café Cosenza social club identified Gallo as one of a handful of members and associates of the Montreal mafia who paid a cash tribute to family patriarch Nicolo Rizzuto. “The video is now part of Mafia lore in Montreal,” according to the Globe and Mail, “but it was also key evidence. Mr. Gallo, an Italian immigrant and permanent resident of Canada who was convicted of a drug murder in 1974, was on permanent parole. The video was enough for Canadian authorities to expel him in 2012.” **Sources:** [The Globe and Mail, November 11, 2013, Gangster who fell from grace in Montreal Mob killed in Mexico](#); [Associated Press, November 11, 2013 Gunmen kill deported Montreal man at restaurant in Mexico’s Acapulco resort](#); [CBC News, November 11, 2013, Moreno Gallo, ex-Montreal Mafia, killed in Mexico](#); [La Presse, November 11, 2013, Le mafieux montréalais Moreno Gallo abattu au Mexique](#)

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## Organized Street Gangs

In the fall, Toronto police continued their crack down on organized street gangs in the city with coordinated raids on members of the Galloway Boys gang. As the Toronto Star reports,

A murder involving mistaken identity was the catalyst for the largest round-up of the Galloway Boys gang in nearly a decade this week. Police announced they’d laid charges against 25 alleged members and more than a dozen other people in what they said was an ongoing gang war over drug turf in Scarborough. Police say the murder of 24-year-old D’Mitre Barnaby, whom two shooters, still at large, appear to have mistaken for someone else, sparked Project Brazen, which was followed up by Project Quell. Alleged members of the Galloway Boys and Orton Park gang, 41 in total, were charged with 400 offences, including attempted murder. It’s the biggest sweep in Scarborough since Project Pathfinder netted dozens of arrests — including that of alleged Galloway Boys leader Tyshan Riley on a first-degree murder charge — in 2004. At the time, police touted the project as debilitating the gang and having a dramatic effect on community safety. But Friday’s announcement showed that several of those charged have been swept up previously. The accused, ranging from youth offenders to age 38, appear to be a mixture of the alleged old crowd and what some have called the “new generation ” rising through the ranks — leaving some gang experts questioning what real impact the sweeps have had in the past nine years. Since Pathfinder, the blood-letting has continued, as documented by police. Innocents caught in the crosshairs have included 23-year-old Joshua Yasay and 14-year-old Shyanne Charles, shot dead at a community barbecue on Danzig St. last June.

One of those charged this week, 31-year-old Dwight Wisdom, was also picked up in the 2004 raids. He now faces 14 charges. **Source:** [Toronto Star, October 4, 2013, Gang war over Scarborough drug turf continues as police make 41 arrests](#)

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Nicholas Clifford Giroux, who has as ties to Saskatoon's Terror Squad street gang, has been charged with murdering 20-year-old Thang Sian Mang at a Travel Lodge in North Battleford, the Saskatoon Star-Phoenix reported. The 35-year-old Giroux appeared briefly in Saskatoon provincial court in October, charged with second-degree murder in the stabbing death of Mang at the end of September. Police found Mang inside a hotel room shortly after they found an injured Giroux in the lobby of the North Battleford TraveLodge around 4 a.m. on September 30. Both men were taken to hospital, where Mang was pronounced dead. Giroux was arrested later that day. Giroux also made his first court appearance on two other assault charges. In particular, he is charged with assaulting a woman in Saskatoon on September 20, and then assaulting her again on September 22, this time allegedly with a hatchet. Giroux, a Saskatoon resident, is a self-described founding member of the Terror Squad, one of the largest street gangs in Saskatoon. According to a 2011 article in the StarPhoenix,

... the Terror Squad had recently established itself as the top street gang in the city, beating out numerous rivals in a crowded field of feared brands such the Indian Posse, Crazy Cree and Native Syndicate. These aboriginal gangs, largely imported from Winnipeg, take advantage of poor or damaged inner-city youth by promising big money, a family and respect, according to various police investigations over the years. Some of them claim a racial or cultural pride motivation, but most victims of their drug dealing, prostitution and violence are aboriginal ...

Most mimic the dress, slang and graffiti of African-American inner city gangs of the 1980s and attempt to structure their organizations in the image of the mafia, Hells Angels or other organized crime groups. According to the court documents, the Terror Squad's main activity is drug dealing, aided by large amounts of violence and intimidation. The CBC also reported that Kyle Halbauer, a member of Edmonton's Whiteboy Posse, has pleaded guilty to the first-degree murder of Lorry Santos, who was killed in Saskatoon in the fall of 2012. According to a November 5 story on CBC News, Halbauer "surfaced on the Saskatoon police radar one-month after the brutal murder of 34-year-old Lorry Santos ..." Police didn't know he was connected to the Santos murder, but they did suspect he was connected to a budding dial-a-dope cocaine dealing operation in the city set up by the Alberta-based gang, White Boy Posse. Halbauer pleaded guilty Friday in Saskatoon to first-degree murder for his role in the September 12, 2012 shooting death of the Saskatoon mother of four. Court heard how Santos — a completely innocent victim — died because of a botched hit by the Alberta gang. In an agreed statement of facts, Halbauer explained how he and two other men were sent to Saskatoon that September to kill a fourth man, who had recently left the gang. But they were given an incorrect address and mistakenly went to the Santos home. Halbauer admitted to firing a gun at the home, but said one of his co-accused fired the shot that killed Lorry Santos. He pleaded guilty to first-degree murder because he was part of the planning and execution of her murder ... Court heard how police began an undercover operation on October 12, 2012, targeting the White Boy Posse and the gang's bid to break into the local drug scene. Officers started surveillance and began buying

cocaine from the gang. This carried through to late November, when they raided a home on Gray Avenue and recovered cocaine they linked to Halbauer. He was given an 18-month sentence this morning, to be served concurrently with his 25 years for the murder of Lorry Santos. The White Boy Posse is a white supremacist gang that originated in Edmonton. According to the Gangsters Out blog, the White Boy Posse is involved in drug trafficking and has ties to the Hells Angels. Saskatchewan has one of the highest rates of gang-related homicides in the country, according to Statistics Canada. Saskatchewan's rate of gang-related homicides was three times the national average. There were eight gang-related homicides in Saskatchewan in 2012, for a provincial rate of .74 per 100,000 people. The national rate was .27 per 100,000. Saskatoon had five gang-related homicides in 2012, which gave the Prairie city one of the highest rates in the category in the country. **Sources:** [StarPhoenix, October 1, 2013, Saskatoon man charged in hotel stabbing](#); [CBC News, December 19, 2013, Gang-related homicides highlighted in Sask. crime stats](#); [StarPhoenix, June 23, 2011, Inside the terror squad: Documents provide window into drug trade](#); [CBC News, November 5, 2013, Kyle Halbauer pleads guilty to cocaine trafficking](#); [Gangstersout.blogspot.ca, May 25, 2011, White Boy Posse and the Hells Angels in Edmonton](#); [Statistics Canada, 2013, Homicide in Canada, 2012, Ottawa: Statistics Canada](#)

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## Outlaw Motorcycle Gangs

In October, Kenneth Peter Laurier LeBlanc, who is reportedly a member of the Calgary chapter of the Hells Angels and who also competed in four Olympic Winter Games with the Canadian bobsled team, was charged in connection with an alleged extortion plot. The 45-year-old Calgary resident was charged with one count of extortion after allegedly trying to extort \$100,000 from a Calgary businessman by claiming the man owed him a large sum of money after a business deal collapsed. The Calgary Police Service say they launched an investigation in July of 2013 after the alleged victim told police he had been threatened by an acquaintance. "There was an investment deal between LeBlanc and another individual that our victim brokered," said Staff Sgt. Steve Drennan of the Calgary Police Service. "Obviously, one felt that the investment went bad and made some attempts to extort our victim for a sum of money." An undisclosed amount of money was handed over to LeBlanc by the unidentified businessman in what Drennan described as a "payment program" that the victim paid to guarantee his safety. "With extortion, there can be threats of intimidation, physical harm. In this case, the victim felt threatened enough that he contacted police," Drennan said, adding the man was not physically harmed. According to the Gangsters Out blog, the Hells Angels in Calgary "are famous for creating manufactured debts and collecting on those fictitious debts. Investing money in a shady company and saying I'm going to kick your ass if you don't pay up is one thing, yet this appears to be something very different." LeBlanc was arrested at his home in Calgary. According to the Calgary Herald, "LeBlanc has had prior brushes with the law, including time spent behind bars in the early 1990s for threatening witnesses who were to testify at his brother's murder trial. Most recently, he was handed a two-year sentence and a lifetime firearm prohibition for aggravated assault in connection with a May 2007 incident." The Calgary Sun reported that LeBlanc spent "two periods in jail in Ottawa in the late 1980s and early 1990s and was involved in a loan-sharking case in Calgary in 2008, which saw three men convicted after purchasing an outstanding debt owed to LeBlanc and his brother." **Sources:** [Calgary Herald, October 31, 2013, Hells Angels](#)



[member charged with extortion. Former member of national bobsled team in trouble again;](#)  
[Calgary Sun, October 30, 2013, Purported Calgary Hells Angel and former Canadian Olympian](#)  
[Ken Leblanc facing extortion charge;](#) [Gangstersout.blogspot.ca, November 2, 2013, Calgary](#)  
[Hells Angel charged with extortion](#)

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James (Lou) Malone, an ex-member of the Hells Angels in Hamilton, was murdered on November 9 while walking his dogs. According to the Hamilton Spectator, two killers were waiting for the 49-year-old Malone not far from his home. “His killers had followed him through his neighbourhood, shotgun in tow ... Then they fired shots at him from the truck at Kenilworth and Britannia Avenue. They fired again, and hit him, at Kenilworth and Hope, where he died on the sidewalk on the southwest corner.” On November 19, the Spectator reported that two men were arrested in connection with the murder. “Louie Malone was once a feared Hells Angels enforcer, but in the end it was two old elementary school friends charged with gunning him down on a dark street corner. Police say the ‘very public and brazen murder’ is more likely the result of a bar fight than a biker beef. Brothers John and Mato (Michael) Josipovic, who live side by side on Kemp Road in Grimsby, are charged with first-degree murder.” “It appears to be a personal issue between the brothers and Mr. Malone,” Hamilton Police Service Detective Peter Thom is quoted as saying in the Spectator. Malone has not been with the Hells Angels for two years, according to the Spectator. He was well known to police and an extensive criminal record.

**Sources:** [Hamilton Spectator, Nov 11, 2013, Ex Hells Angel gunned down;](#) [Hamilton Spectator, November 19, 2013, Police make arrests in ex-Hells Angels murder](#)

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The CBC reported that The Outlaws MC have opened a new chapter, complete with clubhouse, in Gander, Newfoundland. According to the CBC, “The Outlaws Motorcycle Club opened the new chapter house in a strip mall that houses multiple bars, and nearby business owners have already complained to the RCMP. They were reluctant to make enemies with their new neighbours by speaking with CBC, but one said club members have been selling beer without a liquor licence and have caused trouble in other bars.” Garry Blackwood, an Outlaws member from Musgrave Harbour in Newfoundland, posted a message on Facebook saying local residents have nothing to fear. “We aren’t selling drugs or guns. We’re not into prostitution. We are family men and most of us have good jobs.” Chief Supt. Andrew Boland, a senior RCMP officer in Newfoundland took issue with that message, telling the media that the Outlaws MC is a criminal organization, and public relations by the club are just a smokescreen. He said members of the club have been convicted of drug and assault offences, and are charged with even more. “In our view, they’re involved in a considerable business of criminal activity,” Boland said. Not long after the opening of the new club house, members of the Outlaws were involved in an altercation with some off-duty RCMP officers. An auxiliary officer was reportedly knocked unconscious after being hit in the head with a beer bottle. As a result of this incident, 26-year-old Patrick Bemister, who is a member of the Outlaws MC, was charged with assaulting two RCMP officers. Bemister, who is from Grand Falls-Windsor is accused of attacking two off-duty officers and threatening to kill them during the bar fight. According to the CBC, Bemister is also charged with assault with a weapon against a female bartender in a separate incident. Sources: [CBC](#)

[News, October 1, 2013, New Gander bikers brawl with cops](#); [CBC News, October 8, 2013, Wanted Outlaws biker appears in court](#); [CBC News, October 29, 2013, Top Mountie takes aim at Outlaws Motorcycle Club](#)