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Chair

Mr. Ed Fast

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● (1405)

[*English*]

The Chair (Mr. Ed Fast (Abbotsford, CPC)): I call the meeting to order.

This is meeting five of the Standing Committee on Justice and Human Rights. Today is Thursday, March 25, and we're continuing our study on organized crime in Canada. We're grateful that we have a number of witnesses before us.

We have two panels this afternoon. This panel will have three witnesses plus another one that will probably appear at about three o'clock.

I want to welcome James Dubro, Antonio Nicaso, as well as Margaret Beare.

I think you understand the process. Each of you has 10 minutes to present, and then we'll open the floor to questions from our committee members.

Perhaps Mr. Dubro would like to start.

Mr. James Dubro (Writer and Filmmaker, As an Individual): Thank you very much for inviting me. I'm sorry Michael Chettleburgh isn't here today, because he agrees with me on the position I am going to take about marijuana.

As Sergeant Tommy O'Brien, a wise old New York city street cop working organized crime, told me many years ago as we were walking along the streets of little Italy in New York to confront a mobster, "As long as people enjoy the services, and that is all it is, so long as people enjoy prostitution, untaxed cigarettes, after hours joints, gambling, as long as people enjoy that, there will always be Mafia people, criminals who will supply them. It's like anything else—if the general public wants it, they'll get it." He chuckled when he said that—and that is very true today.

As an investigative journalist who has specialized in organized crime reporting for almost a lifetime, I have a different perspective from police and prosecutors who generally want more laws and easier arrests and convictions, or most politicians who usually desire a simplistic, nice-sounding, quick fix for political advantage to things that cannot be so easily fixed.

I've been looking at and documenting organized crime in Canada since 1974 for television documentaries, books, scores, and magazine articles, including the CBC *Connections* series from 1974 to 1979; a series called *Mob Stories* on the History Channel, where I was interviewed, along with Antonio; in the 1980s and 1990s, *Mob rule: Inside the Canadian Mafia*;*Dragons of Crime: Asian Mobs in Canada*; and three others, including one on organized crime during the 1920s prohibition in Canada.

I have been involved in many TV documentaries on people smuggling—one for A&E and one for the National Film Board and the CBC; a 10-part series on CityTV on Toronto organized crime groups; a CBC *Witness* documentary on cigarettes, guns, booze, and smuggling; a CBC Montreal documentary on the bike war in the 1990s; and many others. I am also the co-author of the definition articles of "organized crime" for all editions of the *Canadian Encyclopedia*.

The point here is that a lot of my life's work has been researching, looking at, and documenting organized crime in Canada and the various changing states of organized crime. Some of my sources I've met over the last 40 years—ex-hitmen, gangsters, con men, bikers, and mafioso—are still friends, as are some cops and some other mob sources. I see or call them and they call me frequently to chat, compare notes, and analyze the most recent organized crime developments. So I think I know of what I speak.

Since 1974, when I began work on *Connections*, and since 1985, when I published *Mob rule: Inside the Canadian Mafia*—the first book outside of Quebec on organized crime in Canada—we've come a long way in Canadian enforcement techniques and laws. Examples include the excellent anti-gang laws that were strengthened eight years ago, money-laundering legislation, and tougher, more rigorous immigration enforcement.

The Chair: Mr. Dubro, I'm going to ask you to slow down a little. The interpreters are having trouble keeping up.

Mr. James Dubro: Oh, I'm sorry. I'd be happy to slow down.

Organized crime mobs have come a long way too. They have proliferated and grown immensely. This is sad but true, in spite of the jailing of the leadership of the Hells Angels and more recently Vancouver gangsters, after they got too cocky, violent, and out of hand by killing many, including some innocent people.

More than ever before, many more organized crime gangs are operating across Canada, though many are less structured and strictly hierarchical. That's very true here in Toronto, incidentally.

There is only one long-term solution, apart from continuing, intense, ongoing enforcement, like the anti-gang laws and tinkering with laws and sentencing, as much of the Conservative tough-on-crime legislative agenda proposes. Unfortunately, that does little to inhibit the growth of organized crime. It is time that we as a society, once and for all, deal seriously with the reality of the huge public demand for some of the major products and services of organized crime, most significantly marijuana, the number one money-maker for organized crime gangs across the country.

Ending the prohibition and making it legal and taxing it and taking the business away from the mobs, as we did in ending prohibition over 80 years ago, is what is required. I wrote a book on that about 20 years ago, about Rocco Perri and how mob bosses in Canada and the United States were created by the prohibition against alcohol, and that led to mob wars in both countries.

Pot prohibition is a colossal failure as a policy. Some of the big money, billions, that pot brings in can be used for education on recreational drug misuse. I say this as one who knows organized crime well and has seen it grow and grow as enforcement tries to keep up but cannot because of the demand.

We need to legalize some of the more profitable products and services upon which organized crime grows and thrives, starting with pot, and do that in the United States and Canada. The coming California referendum on pot, if passed, will get the ball rolling, as medical use of pot has already done in both countries. I know many "medical users" in Canada and the United States already.

More than ever, I now see the need to decriminalize many products and services of organized crime, from prostitution to gambling, and most drugs. Where mobs used to run booze and gambling, and thrive on it, now the government runs or controls most gambling and booze. Pot should and will follow; we cannot stop it.

This is an idea whose time has come. From the Fraser Institute study of almost a decade ago to billionaire entrepreneur George Soros, to ex-Minnesota Governor Jesse Ventura, to *The Economist* magazine—the special issue just a few months ago urging the very same thing—to Law Enforcement Against Prohibition, LEAP...I don't know whether you've had a speaker from LEAP here. Have you? You should. Law Enforcement Against Prohibition, that is, former soldiers in the war on drugs in the United States and Canada, are now against the prohibition of drugs, from U.S. governors to U. S. and Canadian organized crime law enforcement officials, like ex-Mountie, coroner, and Vancouver mayor, Senator Larry Campbell. He would be an excellent witness, I would think. Larry Campbell—a very good guy.

Of course, to avoid the potential for gang wars in Canada for turf and U.S. routes, as in Mexico now and as in the 1920s prohibition period, we need to legalize and decriminalize in both countries at the same time. That's an extremely important point. We couldn't just legalize pot in this country. I think when it happens in California, that's when we'll have to move very fast. That's why you guys should be looking into it now before it happens in California. California is the largest state in the United States, and when it happens there, it's going to happen.

As for the idea floated by some, including members of Parliament, that one answer to the organized crime problem in this country is criminalizing a group by its name, for example the Hells Angels, it's wrong-headed on many counts. First, it wouldn't work. The Hells Angels would go underground, as it has already partially done in Quebec in the drug biz, where it's still fairly effectively importing and selling drugs. There's no lack of drugs on the streets of Montreal, I can tell you.

● (1410)

Second, it's a slippery slope. Why just the Hells Angels? Why not other organized crime gangs? Why just focus on organized crime with a name? Alas, many organized crime gangs, like many street gangs or Vietnamese gangs, are very fluid and adaptive and don't really have names, except for those given to them by journalists and cops.

Third, it would make civil rights martyrs out of the Hells Angels. It would be a public relations coup bonanza for such a sinister group. In the end, it is too simplistic to make it a crime to be a member of a named group. It is good only for cops who don't want to spend the time making real cases or using the anti-gang laws, and it is not good for our civil liberties in Canada. I might add that over many years of application it hasn't worked very well to eliminate the many mafias in Italy or the triads in Hong Kong, though one might argue that in Italy, at least, it has kept intense pressure on mafias. Antonio can answer on that one.

The time has come to do something nationally and internationally that really hurts organized crime groups operating in Canada. Ending the prohibition on pot is the first big step forward to that end. Rigorously enforcing the tough anti-gang laws will also help enormously. More federal government funding and vocal, visible support for the use of the anti-gang laws consistently and nationally is required. These laws have been used successfully against the Rock Machine, the Hells Angels, highly organized black street gangs in Toronto, ethnic organized crime gangs elsewhere, and the powerful Rizzuto Mafia family.

In my opinion, there is no need for new laws, just a need for strenuously enforcing existing ones and eliminating some very old out-of-date laws, such as the prohibition against certain widely used, hugely popular recreational drugs such as marijuana and possibly ecstasy. We need quality controls on this highly popular drug, as most users rarely know exactly what they're getting in a drug often manufactured in garages and basements.

Getting rid of drug prohibition, starting with pot, is the only real thing left to do that will almost certainly work to reduce the power, income, and membership of organized crime gangs. We must get at what fuels the growth and profits of the mobs. It's time to get at them where it hurts, and legalizing pot in North America will begin to do that. Of course, we can never eliminate organized crime in a society; we can only contain it and keep it on the ropes.

Today, as I was getting ready to come here and as we're having this meeting right now, there's a judge from New Jersey who is a commentator on the Fox television station, which is not a station I usually watch. As we're sitting here, he's giving a speech on his position to legalize marijuana on Fox television. This is what he said in Facebook this morning. He said:

> Isn't it about time for the government to drop its Victorian facade and let folks do to their bodies in private whatever they wish....
>
> The time has now come for the government to get out of our homes and leave us alone. Governments in America have been spending about $50 billion annually on drug enforcement and recreational drugs use increases every year. When will we learn that prohibition is a disaster?

That's how he ends his entry on Facebook this morning.

I think I made my 10 minutes.

● (1415)

The Chair: Thank you so much.

We'll move on to Mr. Nicaso for ten minutes.

Mr. Antonio Nicaso (Author and Journalist, As an Individual): Mr. Chairman, honourable members of this committee, good afternoon.

The last time I addressed this committee was in 2001. I remember we asked ourselves this question: why is organized crime afraid of American laws and borders and not afraid of ours? Since 2001 nothing has changed. The situation is actually becoming worse.

According to the latest report of the Criminal Intelligence Service, most criminal markets appear highly resistant to long-term disruption, and in some cases they remain criminally active during incarceration. The same report listed hundreds of criminal organizations.

I used to call our country a Welcome Wagon for organized crime. The main problem lies with the definition of organized crime. We have criminal organizations that insulate themselves from risk, such as the Mafia and the 'Ndrangheta, which tend to be less visible and more difficult to link to criminal behaviour. They are more business oriented and have established links with politicians, business people, and professionals.

If you have the time to read the intelligence report prepared by the RCMP and the Montreal police about the Mafia in Quebec, you will find the names of important corporations, politicians, lawyers, and builders. From those reports, you will learn what the power of a criminal organization like the Mafia really is. Moreover, you will learn that they are more dangerous when they cannot be shocked.

The connections with decision-makers, business persons, politicians, and professionals are the backbone of criminal power. Nevertheless, this is an area that is off limits. How many investigations target the so-called grey area where politicians, criminals, professionals, and business people get together for various reasons? There are not many. This is the real target.

According to the Criminal Intelligence Service, the dividing line between illegality and legality is fine and can be redrawn with changes in regulations or legislation. As a result, some criminal groups undertake a series of enterprises that are on the margin of legitimacy or entirely legitimate. Some operate businesses that are primarily intended to facilitate criminal activities, while others offer legitimate trade but also facilitate illicit enterprises through, for example, laundering funds, income tax fraud, enabling fraud, or the illicit manipulation of stock markets. A criminal group may own or operate these businesses openly, conceal their dealings through nominees, or collude with, coerce, or deceive the owners or employees. These businesses can also enable criminal groups to distance themselves from criminal activity and provide an appearance of legitimacy. If this is the real issue, why do we stand idly by? Instead, and for obvious reasons, we continue to link organized crime only with violence and not with white collar crime.

Street gang activities often more directly have an impact on the general public than other organized crime groups, particularly as some gangs pose a threat to public safety through their high propensity for violence. We have a serious problem in Quebec, where many sectors of the economy are infiltrated by white collar criminals. We face increased violence on Montreal streets. Ninety percent of drug retailing is in the hands of street gangs and they are fighting for more turf to exert an influence over drug territory. They are not kids with guns. In Alberta police witnessed street gang members exchanging text messages while the alleged criminals were sitting at the same table. No words were exchanged during the meeting. They were using BlackBerry devices because they cannot be intercepted by police. This is only an example of the level of sophistication of our street gangs.

● (1420)

I hope this meeting will not be useless like the others. For many years, we as Canadians have remained like ostriches with our heads firmly planted in the sand. We have anti-gang legislation that we barely use outside of Quebec.

I remember when organized crime was identified as a priority, a government priority, both federally and provincially. They made only newspaper headlines and no action was taken. Whatever the reason, we are now faced with confronting criminal organizations that are immeasurably stronger and more sophisticated than they used to be. Some have retained superbly resourced dream teams of lawyers and chartered accountants, and a few are capable of successfully infiltrating law enforcement.

I'd like to quote Crown Attorney Stephen Sherriff. In a speech dated 2001, he said, “There is no point crying over spilt milk but we must realize that what started as spilt milk has turned into an oil spill.” Unfortunately, almost 10 years later, this is the current reality. It is a waste of time to debate how we got so far behind. The important thing is to not squander any more time. If we do not take action, we will have more bystanders at risk, more business people in the hands of criminals, and more narcotics on the streets.

I'd like to know, as a Canadian, if there is political will to fight organized crime. In the last 20 years, I've never had the sense that there is.

Thank you.

The Chair: Thank you very much.

We'll move on to Ms. Beare.

You have 10 minutes.

Dr. Margaret Beare (Professor of Law and Sociology, York University, As an Individual): Thank you very much.

My name is Margaret Beare. I'm a professor at York University, where I served for 10 years as the director of the Nathanson Centre for the Study of Organized Crime and Corruption. The name of that centre has now been changed to the Nathanson Centre on Transnational Human Rights, Crime and Security, but policing and organized crime is still a topic for that centre. Prior to that time, I worked for 13 years in what was then the Department of the Solicitor General of Canada and is now the Ministry of Public Security. I was the director of police policy and research.

Our panel has a bit of an advantage, in the sense that your committee has been meeting for quite a while and I've had an opportunity to go through some of the previous testimony that was given. A lot of it was given with passion and commitment, and I welcome this opportunity to add my own opinion, experience, and to a large extent my hope for change into the mix that somehow you have to make some kind of sense out of.

Running through the various presentations that have already been given, there was a call for a focus on root causes to combat organized crime. Obviously no one answer is going to be the answer that meets all kinds of organized crime, but I would like to focus just for a moment on the kinds that in fact do speak to root causes.

As you may know, yesterday there was a gang summit held here in Toronto, and the strong message was a need to look at membership, the need to look at and understand who are the members of these street groups or gangs, and in fact not to automatically assume that they are criminal gangs that should be slotted into the magic three: membership, criminal organization, and categorization.

There is agreement that to work effectively to reduce street violence from street gangs, the focus needs to be on jobs, literacy, social inclusion, and social services. This, however, appears to be political poison, accepted as mere rhetoric, backed up by an array of get tough legislation that you've all been hearing about. The list of get tough measures include the mandatory minimums, the criminal organization enhancement to police powers and sanctions, and the debate on the practicality of naming groups as being criminal organization entities.

Both James and Antonio addressed that issue to some extent, James emphasizing the networking, the fluid nature of a lot of organized crime groups, and Antonio emphasizing the grey area, the blurriness between political corruption, corruption of officials, influence peddling, and the “criminal element”.

What do you put under the umbrella of whatever name you want to assign to a group? The Hells Angels are a beautiful group because they have everything going for them: the jacket, the club, the name, the whatever. The organized crime groups that you would perhaps be better served to look at are the fluid groups that include the legitimate and illegitimate activities.

I just finished a study on women involved in organized crime. The international community appears to be concerned that women are moving into leadership roles. Other than anecdotal examples, I think we are safe from women for a while, although they do play a key role in some of the trafficking of persons through certain routes. Mainly these women are the same poor, jobless, abused, often illiterate, often single moms that we see in our domestic prisons, victims of abuse much more than abusers. We now see these women targeted with the mandatory minimums associated with drug trafficking, i.e., the drug mules. But when one analyzes the court cases, what you find is naive, duped, intimidated women mixed with —yes, of course—some women who knowingly choose to take upon themselves the most risky and the least profitable part of the trafficking network that leaves them most exposed, while somebody else who runs the operation possibly, but not necessarily, becomes rich.

I've also just finished a study on the enforcement of gambling. You probably would ask yourself how gambling relates to the issue we are looking at. In my mind, it speaks to justice policies that appear to be derived, at least to some extent, by flavour-of-the-month polling mechanisms.

● (1425)

While everyone acknowledges that illegal gambling is still a major source of profits for organized criminals—and even the recent killings in Montreal reveal some of the players who have been and are still involved in this enterprise—there is little political will to continue to fund street gambling enforcement. Far sexier is the international hype over money laundering, terrorist financing, and of course gangs and guns. Focusing on street-level traditional police work, rather than funnelling our precious resources perhaps too heavily into elite squads, might be a better response.

What is my point that links these three areas? What is needed is the political will on the part of committees such as yours—which is why I'm so pleased to be here speaking to you—to stand up to political masters. When Corrections Canada briefed the Prime Minister about the severe downside of mandatory minimum sentences in terms of the impact on prison populations, his response was that the hardest thing he had to deal with was getting the bureaucrats on board. Research, evidence, and the experience of the knowledgeable correctional research staff and the prison staff were irrelevant to him.

Standing up and saying everything we know, nationally and internationally, tells us that mandatory sentences do more harm than good; massive gang roundups that cannot be processed by either our legal aid systems or our courts must be a last resort to alternative measures in some of the most depressed areas of our cities; and the Gladue judgment tried to tell us, regarding the far excessive overrepresentation of aboriginals in our prisons, that equal justice is not equal when everyone does not start at the same point. Therefore justice must be flexible and wise, free from political ideology, and free to make brave, made-in-Canada social justice-focused responses.

I would like to add my voice to the choir that emphasizes that the current drug laws are not working, pure and simple. No matter what your view on marijuana is, what we are doing is not working. Save your resources for other drugs if you must, but decriminalization is the only reasoned response to marijuana.

I was a member of the Canadian Association of Chiefs of Police drug abuse committee for several years, and there was one magic year when the CACP drug committee voted to recommend decriminalization to the government. Alas, when the chiefs went back from the conference to their home departments, they apparently got whacked, because the formal decision changed. However, it was an indication that the police do see the folly of what the laws cause, and this most powerful policing organization almost had the courage to tell the government.

I thank you very much.

● (1430)

The Chair: Thank you.

Our fourth witness isn't here yet so we'll go to questions.

Mr. LeBlanc, you have seven minutes.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Thank you, Mr. Chairman, and thank you to the witnesses for interesting presentations and even some thought-provoking ideas on how we can attack a problem that I think we all agree is increasing and concerning.

There are two items I'm hoping you can elaborate on. Mr. Dubro and Mr. Nicaso passed over the issue of how organized crime recruits people. How does one become involved in a criminal gang? What are the typical ways in which they seek to add membership or expand their influence? I'm curious to hear your views on how they typically grow their membership, either formally or informally. In other words, how do they seek to add people under their influence who will participate in criminal activity?

Professor Beare, in your opening comments you referred to some of the root causes of why people participate in criminal gangs, or why criminal gangs become a problem in some communities. Perhaps you can expand on that. I'm interested in that.

We focus on the legislation and changing statutes. I sense that's a significant but certainly not all-encompassing solution. There are many other non-legislative means to help police and community groups, like giving tools to those involved in prosecuting, that can also have a big impact, and not simply changing the letter of the law. So I'd be curious to hear from you on that.

Mr. James Dubro: In terms of how people get into organized crime gangs, which I think was your first question, there are so many different ways. It depends on the group. As Antonio will tell you, in the Mafia it's almost generational, or family. It's that old cliché you see in *The Sopranos* on television or in *The Godfather*. Many people are born into the Mafia.

When you talk about street gangs and youth gangs—you have several people coming about that—they get into it for a lot of reasons. There are economic reasons, as Margaret referred to, and social reasons. There's deprivation.

But I would argue that one of the main reasons they get into it—and Margaret implied this, too—is that there's a lot of money to be made very quickly. All your friends want steroids or ecstasy or pot or whatever, so why not make a lot of money? I know younger people who are doing this in Toronto. I know some in Montreal who do it. They don't have any moral qualms about doing it. It's—

Hon. Dominic LeBlanc: By “doing it” you mean supplying...?

Mr. James Dubro: Not necessarily getting into a gang, but—

Hon. Dominic LeBlanc: You mean supplying the demand.

Mr. James Dubro: Yes, supplying drugs. Steroids are drugs. They're illegal. A lot of money is made on steroids and ecstasy, and, as I said earlier, God knows what's in them.

Anyway, in terms of youth gangs, I think a lot of people get in for a lot of reasons, but one of them is the profit motive. A lot of them graduate to larger organized crime gangs. As you get a little more sophisticated.... You see, for a lot of the youth gangs and younger gangs, the ones selling drugs on the street are one thing, but a lot of the early Mafia groups, let's say, and Asian crime groups, if you look at Asian crimes, started with extortion when they were younger, in their twenties.

Extortion doesn't get you very much money, but it gets you money, and you generally extort people from that community. It's going on right now with the Tamil Tigers. Other groups are extorting recent immigrants, I suspect, in the Somali community and others. It's a long pattern, and it goes back to the early Italian immigration in the 1920s. Most of the original Mafia groups were involved in extortion. But that doesn't make you money, so you move to more sophisticated things, like international crime and drug trafficking on a large scale, from heroin to cocaine and marijuana. I think the younger gang members get into where there's more money, so they get into the organized crime gangs.

Those are two ways they get in.

As for women, Margaret didn't mention this, but back in the 1920s and 1930s, there were women who ran the Mafia in Ontario, Bessie Perri and Annie Newman, so they're not exactly newcomers. Rocco Perri, who was the gang boss in charge of most of the bootleg booze coming from Canada into the United States, relied for all his decisions on them. Whether it was killing a customs officer or corrupting a customs officer, he relied on Bessie and on his women. He couldn't do it without his women.

Antonio wrote a book about this too. It's quite amazing, in fact, that women were in that role, and our history on this has never been told. We get all of our history from American television, so naturally the Canadian history isn't there, but there have been women in crime. As Bessie said to Rocco back in the teens, when prohibition was coming, “We'd better get into this, because there's a lot of money to be made.” They made a fortune: the equivalent of hundreds of millions of dollars today. She was draped in diamonds and they had a big mansion. Of course, she was murdered, so there is a moral to the story, and her murder is still unsolved 60 or 70 years later.

I've said enough.

Antonio, do you want to add anything?

● (1435)

Mr. Antonio Nicaso: I would like to focus more on the Mafia. I teach the history of the Mafia in an American college, at the military college, so I'm not familiar with the gangs or street gangs. I'm more familiar with the so-called traditional organized crime.

The Mafia is actually based on functional friendship, so there are no blood ties. What brings all those people together is a sense of belonging, but you have to consider that they're not looking for money; they're looking for power. That is the main goal. Looking for power means establishing connections with the people who are able to make decisions.

I will just give an example. There was the Zappia business that was involved in the Olympic Village scandal in Montreal. He was arrested recently in Italy because he was investing five billion euros in the construction of the bridge that will eventually connect Sicily to the mainland.

The 'Ndrangheta is another major criminal organization that operates in Canada. The structure is different, because 'Ndrangheta is the only criminal organization with a structure based on blood ties. A way to recruit members is through marriage. Sometimes it's from families who come from the same area. Other ways that are very important in Italian culture are to be the godfather of a child or to be the best man in a wedding. It's a way to protect themselves.

The 'Ndrangheta is now the most powerful criminal organization in the world, with ramifications worldwide because it's very difficult to infiltrate. It's very difficult to find informants within the 'Ndrangheta. Becoming an informant in the 'Ndrangheta means betraying your own blood. That is unacceptable. Even in Canada we have the same structure, the same type of organization. It's an organization based on blood ties.

The Chair: Thank you. We'll move on to Mr. Ménard.

Before we do, I notice that our fourth witness is here, Reverend Julius Tiangson. I'll give him his 10 minutes to present right now, and then we'll continue on with the questions, if that's acceptable.

Mr. James Dubro: Could I just add one thing? I just remembered that sometimes people are extorted into becoming gang members. It happens very much in Asian crime.

● (1440)

The Chair: Thank you.

Mr. Tiangson, you have 10 minutes.

The Reverend Julius Tiangson (Executive Director, Gateway Centre for New Canadians): My name is Julius Tiangson. I'm the executive director of the Gateway Centre for New Canadians. We are a settlement agency in Mississauga, and we primarily serve youth between the ages of 13 to 24.

I'll give you some brief background information about myself. I came to Canada in 1985 as a temporary foreign worker, actually. For about a year and a half, I was in a work exchange program, and I decided at that time that I liked Canada so much that I would immigrate.

I have worked with young people over the last 20 years, primarily among immigrant kids. They come under the live-in caregiver program and also under the permanent residency program—or the normal way, as many would call it. I've worked with families on the impact of some of the immigration policies that we have here in Canada with regard to family reunification and the impact of that with regard to children, youth, and their options for their lives here in Canada.

One of the things that I think we have not been really looking quite carefully into is the role of some of our immigration policies over the last couple of decades and the impact of those in terms of the options that children and young people—newcomers—have as they come and settle here in Canada. I have three observations.

The first observation is with regard to the immigration policy. I think when there is a policy in place that will prolong the reunification of family, there is definitely, from where I sit, an impact on the children and young people of those who came first when they settle here in Canada.

There have been studies out there, some of which are funded by Citizenship and Immigration Canada and by the social development program, in which there is a social impact on the lives of children and youth. There are consequences of that in terms of involvement in organized crime or street gangs. There are some important studies. Right now I cannot simply draw from them, but there are some good studies that have been done on this.

The second observation is that when the majority of the newcomers settle here in this country, their children and young people are, in a way, looking for places to belong, places they can identify themselves with, places where they can be participants and be involved in something that is productive.

Regardless of whether they're temporary foreign workers who have successfully gone through the point system and have become successful immigrants or those who have come through the regular route to immigration—regardless of their status—at the time of settlement, parents of these newcomers do have difficulty in their economic integration into this country, which leaves no other option for their children to actually participate in extra-curricular activities. This would prevent them from getting involved in street gangs.

The third observation, from where I sit, is the role of many organizations in the community, and the role of the provincial, federal, and municipal governments in ensuring that there are truly accessible places that need to be established in many centres in which our newcomers tend to settle. They are in the greater Toronto area, in Montreal, and in Vancouver, and now increasingly in cities like Edmonton and Calgary. These are large centres where, because of the economic opportunities, many of the newcomers and their families tend to settle.

● (1445)

The lack of accessibility, as well as a lack of programming done at the front end of settlement for children and youth, will definitely have the consequence at the back end, as I will call it, of many of the kids getting involved with the law.

We offer an alternative measure service or program in which young people have the alternative of serving their time for their conviction in our centre. What I have observed over the last three years of delivering this service is that a good 80% of newcomer kids who get involved and entangled with the law do so simply because they were in the wrong company, at the wrong time, in the wrong place, with the wrong people. When we begin to prod a little bit further, we find that the majority of them get involved simply because there is no alternative activity or there are no alternative places or stuff that is affordable for them and affordable for their parents.

So accessibility to this programming for newcomer children and youth is a critical component in ensuring that kids who are newcomers do not get involved in street gangs.

The Chair: Thank you very much.

We'll resume the questions and move on to Monsieur Ménard for seven minutes.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Thank you, Mr. Chairman.

[*English*]

Dr. Margaret Beare: Could I respond?

The Chair: You'll get another chance. We're going to have a number of rounds here.

[*Translation*]

Mr. Serge Ménard: Thank you.

Listening to you, I get the impression that the main sources of income of organized crime at the present time are drugs and specifically marijuana.

However, I would also like to hear you talk — because I understand that you all agree on this point — about other legal activities of criminal gangs, such as any involvement in construction projects or in unions, as we know happens in other countries? Are they involved in prostitution or even gambling, do they traffic human beings, and what would be the respective proportions?

[*English*]

Mr. James Dubro: Well, of course, I emphasize drugs and pot because I'm advocating the legalization of pot to solve the problems. But you're right, there are all those areas and lots of other areas.

Certainly there's people smuggling. I did a documentary on people smuggling. It's a major organized crime activity around the world, and a very lucrative one. The answer to that is a lot more complicated than simply legalizing pot, although that gets rid of a lot of problems.

In terms of union activities and construction, going back 100 years, I would say, in this country, there have been activities, extortion on a very low level, and contract killing. For whatever reason, in our society there are people who want things done to other people. To get something done, who do you go to? You go to someone in the underworld.

Antonio talked about levels of corruption.

Gambling, which is something that Margaret emphasized, is still a major activity. While the government runs most of gambling now, the other major partner is the mob.

Loan sharking is another one that I'm sure you're aware of, which was very, very big in Montreal in the 1970s and 1980s, and even today. People cannot get money from banks.

So we're talking about the whole range of activities. I don't know what percentage is actually drugs. I think the money revenue is coming from drugs.

● (1450)

[*Translation*]

Mr. Serge Ménard: Our time is limited so you might answer at the same time to what I asked earlier. Seven minutes are very short.

It is my impression that drugs are so lucrative for the large criminal organizations — those are the most violent or that establish their discipline through violence — that they leave to other groups activities such as cigarette smuggling or even prostitution.

In fact, there are many other criminal organized groups but ultimately drug trafficking is so lucrative for the more dangerous large criminal organizations like the Hells Angels or even the mafia that they let those others thrive next to them.

[*English*]

Mr. Antonio Nicaso: I agree with you. I think drug trafficking is the main source of income for criminal organizations.

There are different levels of involvement in the narcotics trade. Criminal organizations such as the Mafia or the 'Ndrangheta are involved at the level of importation; motorcycle gangs are involved at the level of distribution; and street gangs are involved at the level of drug retail or selling on the street. This is the way that criminal organizations organized themselves in consolidating this major source of income.

But I believe another important source of income is money laundering. We underestimated the importance of money laundering in the lives of criminal organizations. It's practically impossible to run a criminal organization if you don't have an avenue to launder money. You can't stash money in cash. And I believe construction is a great way to reach legitimacy. When we deal with money laundering, and when we deal with a way to find a cover for your criminal activities, you are looking at corruption and infiltration. That's the way criminals and sometimes politicians and businessmen meet together for different reasons.

Dr. Margaret Beare: One of the things that's so difficult about the conversation is that every one of those criminal operations or enterprises brings in quite different factors. I'm not certain that you can say today that drugs are the big money-maker. Possibly they are the priority money-maker for some Mafia operations. But again, while I was looking at the situation of trafficking in humans, some of the criminal operations seem to be deciding that is a less risky and highly profitable enterprise to get into.

Basically any industry that has a possibility to make a profit is going to have a criminal and possibly a corruption sideline to it as well.

In regard to some of the kinds of criminal activity that you talked about in terms of unions or construction, in terms of looking at what they're doing in the United States, I think we can maybe learn some things there. We certainly tried to learn from the RICO. But what they're doing in some of those industries is what they call IPSIGs. In order to keep the operation going—like the business or the corporation or whatever—they make the people pay for trusteeships, auditors, and all the rest of it. What this emphasizes is that we have to assume that in any money-making operation there is the possibility that criminals are working. In fact, some criminals will be operating in those industries.

One point I'd like to make is that we are speaking on the assumption that crime is increasing. Every time one has these hearings—I think every year—we talk about crime increasing. Certainly the statistics are not increasing, and I'm not meaning to downplay organized crime or the dangers or the amount of money or anything, but I don't know that we have the evidence that it is increasing.

Thank you very much.

● (1455)

The Chair: Thank you.

We'll move next to Mr. Comartin for seven minutes.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Thank you.

Professor Beare, to you, and Mr. Dubro, maybe to you as well, concerning the question of tying violence to drug enforcement, the urban health research initiative of the British Columbia Centre for Excellence in HIV/AIDS just came out this month with a report, interestingly enough, that was peer reviewed by the Fraser Institute. I couldn't quite figure that one out. I'm asking if you're aware of it. If so, do you think the methodology is valid, and are you are aware of the studies they reviewed? Basically all of the studies—I think with the exception of one—found that as jurisdictions stepped up drug enforcement, the level of violence went up correspondingly, and this included assaults all the way to murder.

Do you have any comments on that, again, on whether it's a valid report and whether the study was done according to accepted social science methodology and whether the results are—

Dr. Margaret Beare: I have not read that report, but what it seems to refer to is what we know. When you take out a monopoly, which perhaps drug enforcement would do, you're opening it up to competitors, which then increases the amount of violence until whoever is there is once again able to regain political influence, again put in place a corruption network, and regain a monopoly.

Mr. Joe Comartin: I was in Italy with the minister and other members of Parliament last spring. There we met with a number of the government agencies fighting organized crime. They advised us that they believe it was mostly by taking the wealth away from the family known as the Mafia that they basically destroyed them. Going along with that, the other groups of Cosa Nostra and some of the other families stepped in, but I didn't get any indication from the agencies that the level of violence had gone up in that country as a result of destroying the Mafia family, although others were competing to take over.

Is that an exception, or was I just not being given the information?

Dr. Margaret Beare: Perhaps Antonio knows more. Maybe it has to do with what the level of violence was beforehand.

Mr. Antonio Nicaso: The level of violence has decreased, but the main tool in fighting organized crime in Italy is seizure and confiscation of the proceeds of crime.

Mr. Joe Comartin: I understand that, but if I can stay with the question of the level of violence, why would it have gone down in that jurisdiction, whereas when it happened elsewhere in the world—mostly in North America, but elsewhere in the world—every other one of these reports shows that the violence levels actually went up?

Dr. Margaret Beare: I'm wondering if it's more organized in that jurisdiction, in the sense that an organization was in fact taken out or impacted. When we look at drug trafficking and criminal activity in Canada, sometimes we make it sound as if it's one or two organizations and that all the proceeds are going into somebody's pocket, whereas in fact research out of Montreal seemed to indicate that there are so many small operators that there'd be more small operations to compete with one another and cause the violence you talked about. Perhaps if there is more of a Mafia-like centralized structure, there's basically less competition.

Mr. Antonio Nicaso: It has to do with a different type of criminal organization. There are criminal organizations that are territorialized; they control the territory, and what they want is to run the criminal activity. They don't want violence, because violence increases the scrutiny from police and media, and that's what they try to avoid.

You mentioned Italy. In some regions of Italy, the criminal organization has a strong link with the territory. They control the territory and avoid the violence of street gangs or common criminals. In Canada we don't have that type of organization, the type that controls the territory. In some areas we do, but not across the country.

● (1500)

Mr. James Dubro: In many ways, increased violence indicates less organized crime or less organization, and more disorganized crime or fighting among different groups, as happened in Vancouver last year. The Hells Angels didn't particularly want violence, as violent as they are; it was only because the Rock Machine came in and started taking on their territory that they got very macho about it and started killing each other. This happens on the street level. Right now in Montreal we're talking about a street gang taking on the Mafia.

Mr. Joe Comartin: Professor Beare, you made the point about street-level gambling. I didn't catch what you were trying to convey to us. I got the sense that we don't provide resources to fight that. Are you advocating that we—

Dr. Margaret Beare: 'm advocating that if we are in fact focusing on the kind of activity that puts dirty money into the hands of criminals, that would at least be an area to maintain.

Again, just as I was writing in trying to do this research, the joint force gambling operation in British Columbia was closed down. I thought there was an active joint force operation in Ontario. It turns out that it is now turned into something called pods, and the reason seems to be that gangs and guns are the higher priority.

So not only do the officers who do street-level policing feel that it's not given the priority it needs; they also feel that the local police are losing the expertise to even know what they're looking for.

We did two studies while I was at the Department of the Solicitor General, looking at gaming across the country. In those days I was in Ottawa, so I was riding with the vice guys, and they were pointing out the number of restaurants that had changed hands literally in the course of a game of cards. I was asking the police officer from Toronto whether I could do the same in Toronto, and he said no, they don't drive around and do that kind of law enforcement.

The only explanation I could think of was that again the resources have gone somewhere else. But also, as James or Antonio pointed out, now, with such a proliferation of government-run gambling, there's probably a sense that it's a bit hypocritical to be targeting the illegal operations.

Unfortunately, the illegal operations are not petty-ass things. They're...again, who knows? The question was asked where the largest amount of money comes from. Well, I don't think we should write off gambling. Maybe it's not right up there at the top any more, but it's not piddly-ass.

The Chair: We're out of time.

We'll move on to Mr. Rathgeber.

Mr. Brent Rathgeber (Edmonton—St. Albert, CPC): Thank you, Mr. Chair, and thank you to the witnesses for your presentations, although I must say at the outset that I'm troubled by much of what I've heard this afternoon.

We have heard the argument from time to time that if we just stopped prohibiting marijuana, magically all organized crime would disappear. As wonderful as that world would be, I have some problems with that simplistic theory.

I listened, Mr. Dubro, with interest to your libertarian defence for abolishing prohibition: that an individual should be able to do what he or she wants in the privacy of his or her own home without state interference. But then you drew the line at marijuana and ecstasy, and that's where your argument broke down. As a libertarian, which I'm assuming you are, based on what I heard you say, if you ought to be free to do marijuana and ecstasy in the privacy of your own home, or in public for that matter, why not heroin, why not cocaine, why not crystal meth?

Mr. James Dubro: I agree with you; that's where it goes. I am a progressive libertarian. The person I quote at the end is the fellow on Fox who calls himself a “pro-life libertarian”. A libertarian would allow for heroin. In fact, LEAP, Law Enforcement Against Prohibition, and Senator Campbell and various governors would make every major drug legal.

I pointed out that in the case of ecstasy, for instance, God knows what people are getting. It used to be, when it first came out, that it was done out of the lab in France or Switzerland. Now it's just concocted in garages and basements. God knows what they put in it. People have died from bad stuff. If it were legal and people decided to take it, the government would make a lot of money.

It would certainly knock out.... You said we oversimplified, and all of that. No one ever said organized crime would be gone if you legalized marijuana or even all drugs. God knows, before drugs they were into zillions of things to make money—booze, back in the twenties....

● (1505)

Mr. Brent Rathgeber: We're going to get to that, but you're skirting my question: why not cocaine, why not heroin?

Mr. James Dubro: I said yes.

Mr. Brent Rathgeber: You want them all legal?

Mr. James Dubro: Well, not at the moment. You'd have to do this gradually. You have to start somewhere—pot, as is happening in the United States. It's no good if, say, you legalize cocaine in Canada. That would just make more of a mess of this country vis-à-vis organized crime, because then you would have turf wars over U.S. territory. It would have to be done in the United States as well as Canada. It's not going to happen in the United States, so forget about it; there's no sense even mentioning cocaine. It might happen in Mexico at some point.

But marijuana is going to happen; I really believe it now. I didn't a few years ago. I believe it's going to happen with the next ten years.

Mr. Brent Rathgeber: What makes you think the United States is going to legalize marijuana?

Mr. James Dubro: It is through this referendum in California. It's just going in that direction, with all the so-called medical use. Basically, if you have the slightest pain, even in this country, you can get legal marijuana.

I happen not to use marijuana very often—maybe twice a year at most at a party—and believe me, I've seen the most sophisticated, respectable people smoking up or offering me a joint at a party. This is not a drug that should be illegal.

A voice: [*Inaudible—Editor*]

Mr. James Dubro: No, because it is in demand by a lot of people, not just sophisticated people. That is an elitist argument.

The Chair: Mr. Rathgeber, you have the floor.

Mr. Brent Rathgeber: Thank you.

Dr. Beare, you didn't go as far as to tell the committee that drugs harder than marijuana ought to be decriminalized. Where do you draw the line?

Dr. Margaret Beare: The argument in my mind is not one of drawing the line, but the sense that what we're doing now doesn't work. What we're doing now leads to all kinds of police corruption, corruption of officials, and a whole lot of money for.... One of the questions that was asked was how organized crime recruits. It recruits, to some extent, at least, from the street-level kids who want to make money.

It's the harm it does that I'm concerned about. Whether or not people have the right to do it.... I might think that anybody has the right to do whatever they want, but that is not my argument. My argument is that this just doesn't work.

Mr. Brent Rathgeber: No, I understand that you are defending prohibition for different reasons.

So I am going to go back to the libertarian.

What about the child? What about the mentally infirm? Do they require state protection, or do they too—

Mr. James Dubro: I'm sorry, I missed the first part of your question.

Mr. Brent Rathgeber: Does somebody under the age of 18 or do the mentally infirm also have the right to make their own choices, or do they need state protection from—

Mr. James Dubro: Well, I wasn't arguing primarily as a libertarian, even though I am a libertarian. My argument was essentially, as someone who has studied organized crime and looked at it for almost 40 years, that, as Margaret said, this thing doesn't work with every drug.

As for underage people, that's a whole different area. Of course not; that is parental guidance and various other things.

Mr. Brent Rathgeber: So it is only adults who have the right to make their own choice. That's fine.

You talked about alcohol. Alcohol is a great case study, I would suggest, in the argument against abolishing prohibition, and I'll tell you why. Alcohol has been legal for almost a century, and organized crime still exists and abuse of alcohol is at higher levels today than it ever was. With that as background, why do you think abolishing prohibition of marijuana would be a successful policy?

Mr. James Dubro: If you look at alcohol, the reason organized crime is still in it is that usually, with high taxes, people want cheaper booze. I quoted at the beginning that New York cop.

If you made it legal, then the government would control the quality and the distribution. There will still be organized crime, probably selling higher-quality stuff, but there would be billions of dollars to be made by government for education on why young people and others shouldn't be using drugs. I think that is very important. I mean, it doesn't make sense to use drugs on a regular basis. We all know that, libertarian or not.

You have to educate people. I don't think education campaigns now are very effective at all. If you had more money for doing television and probably more sophisticated modern technology communication, it would work.

I think marijuana is where all the Asian crime money comes from. Look at the proliferation of grow ops. I've just been noticing, over the last 10 years, that whereas there used to be one or two, they are literally every day busting huge places. And who are the people in them? They're not the people who run the gangs; they're often disposable people who will go to jail for the people running the gangs.

● (1510)

The Chair: Thank you.

We'll move on to Monsieur LeBlanc. You have five minutes.

Hon. Dominic LeBlanc: Thank you, Mr. Chairman.

Professor Beare didn't have a chance to answer the question. I'll just remind you that if there is time and if anybody else on the panel can offer an insight, I would appreciate it.

You talked about the root causes. I assume you were talking about organized crime membership, or how an organized crime enterprise decides to go into sector A or industry B or community C. I'd be interested to hear if that's what you meant by root causes.

Also, at the end of your comments you talked about alternative measures. I think you meant mega trials, these big prosecutions that tie up huge resources, both police and prosecutorial resources. You talked about "alternative measures", perhaps to organized crime prosecution, which in my province has led, in one case in New Brunswick, to our first mega trial. In a small province, it taxed the resources of the criminal justice system in a terrible way.

Dr. Margaret Beare: I was speaking specifically about the gang problem and I suppose in terms of your question about recruitment.

I'm hoping there is a proceeding or a transcript from the summit that I wasn't able to attend yesterday, because it had a number of ex-gang members talking very fluently about why and how they had joined. One man in particular was making the point that a large number don't want to do that, and that what in fact....

I talked about jobs, literacy, social inclusion, and social services that I still think we pay lip service to. I know this isn't the forum to talk specifically about a particular approach, but a book by Jock Young talks about the blurring of borders, and that there's a sense of inclusion and exclusion operating at the same time in our cities.

The guys and girls who are gang members in parts of Toronto are not immune to the celebrity status we see on television—the ads and all the rest of it—but they are excluded from it. In fact, distributing drugs for somebody else is a good way to at least give yourself a sense that you are participating in the culture. Why don't we take some of the resources that we use to overemphasize...possibly even the gangs and guns approach, and really seriously look at social services, jobs, literacy, and all the rest of it?

I sit on a police community liaison committee in my neighbourhood, and the citizens of my community were upset because somebody was breaking mirrors in the cars on the street. It was as petty as that. The police community mobilization people were there at our very next meeting. Well, broken mirrors.... Target those highly problematic areas, but don't target them from a gangs and guns perspective. Target them in the kinds of ways I have been advocating.

Rev. Julius Tiangson: If I could simply add to it as well, from the relative experience I have in terms of working with young people and early newcomers in cities, areas, or regions like the greater Toronto area, or Montreal, or Vancouver, where there are high concentrations of newcomers, I think we now have a very good breeding ground for recruitment, simply because the root cause is poverty.

If how we're settling newcomers and their families into our country isn't being addressed.... We still have all of these barriers that could be changed right now, both at the provincial and federal levels, so that newcomers could be integrated properly and would have more economic options.

The root cause is really the lack of access to economic opportunities in this country. When you have areas like where our centre is located—at the catchments of Erindale and Cooksville—where nearly 56% of the population are actually born elsewhere.... If I drive around some of those areas where newcomers are settling, it doesn't take a rocket scientist to understand that social problems are now brewing and occurring.

It has now become a wonderful breeding ground for recruitment of young people, beginning with the youngest of our immigrants. The fact is that 80% of those we serve under our alternative measures program are children of immigrants who have been in trouble with the law for less than a year.

In fact, just before I came in here—and the reason I was late—I was dealing with a newcomer who recently arrived in July and got in trouble with the law in October. Now the whole family is a mess. It doesn't take very long.

● (1515)

The Chair: Thank you.

I will move on to Madame Guay for five minutes.

[*Translation*]

Ms. Monique Guay (Rivière-du-Nord, BQ): Thank you very much, Mr. Chairman.

This is an enormous, a gigantic problem. I would really like to be able to clean up the whole mess from top to bottom, but there will always be some residual dirt. It is an unending task. However, we must strive to do our utmost.

Reverend, I would like to say a few words about the young Asians in particular. I have recently read two or three reports on Asian parents who send away their children alone to study in Canada, in Vancouver, Toronto or Montreal. These youth who are not yet adults, were 14 to 17 years old. Parents were sure their children would be taken care of here but in fact they were left to themselves. It is an obvious and recognized fact that these youth are easy prey for street gangs and many have joined these gangs. We must get these young people back. We really have to do something for them.

I want to talk about Carcajou. You know that we launched operation Carcajou in Quebec. It was a complex, difficult, dangerous task. We put lives in danger but it worked.

I would like to know your opinion on this. Do you believe we should start another such operation? What could be improved in carrying out such an operation? I know it worked in Quebec. It was not perfect. It is never perfect but I believe that we should consider operations of this type to eliminate criminal groups. This reduces at the same time the number of street gangs because it is all a vicious circle. I would like to hear your views.

[*English*]

Mr. James Dubro: I think there have been operations as a result of intense violence, where the pressure is on the police to sort it out, as in Vancouver last year.

The Quebec operations—which of course Mr. Ménard was a part of as the leader—were focusing because there were two big biker gangs and lots of violence. They focused first on the Rock Machine. It was all very well thought out from a police angle, but they focused on the Rock Machine as the smaller party, knocked them out, and then went after the Hells Angels. They're still in existence, I believe, are they not?

[*Translation*]

Ms. Monique Guay: Yes, but they are much less strong, less powerful. Mom Boucher is in jail. This leader has lost a lot of influence over his confederates. It divided the gang.

[*English*]

Mr. James Dubro: Right. It created an opportunity for other gangs, as we said earlier—Haitian gangs, black organized crime.

[*Translation*]

Ms. Monique Guay: As I said, there will always be some, they will always exist. Should we launch other operations like this in order to reduce their number as much as possible, letting some small marginal groups subsist rather than having major gangs like before?

[*English*]

Mr. James Dubro: Absolutely. I think they're very good.

Mr. Antonio Nicaso: I think we should focus continuously on organized crime.

Quebec is a special society in that sense too, because it's the only one that is using the anti-gang legislation. It's the only one that is not afraid to target several members of organizations. The rest of the country is afraid to run a mega trial. But when we talk about criminal organizations, we are talking about several people. So if we won't target them in the right way—because there are associates among them—it's worthless.

I think Quebec should be considered as an example in the fight against organized crime in this country. Unfortunately, it's the only good reason for someone like me. I don't see the same spirit in the rest of the country.

● (1520)

Mr. James Dubro: Since we're in Toronto, Bill Blair, since he's been the chief, and even before he was the chief—and some would argue against this, particularly in the youth gang field—has used the same anti-gang laws that they've been using in Quebec against the black organized crime gangs in Toronto. He's used them three or four times. Sometimes that causes a lot of problems because all sorts of people are rounded up. If you have Michael Chettleburgh here, I'm sure he'll tell you about this.

The Chair: There's a half a minute left for you to respond, and then we'll move on.

Dr. Margaret Beare: I want to address that, because, yes, in Toronto the criminal organization legislation has been used against those gangs, and I want to reply specifically in terms of another impact that has.

You've got Malvern, where 64 people were rounded up. That's fine and dandy. It's a street gang, and probably Malvern felt something right after that, but it had a very real impact on the criminal justice system, and I don't think that's something we fully take into account.

I had a judge come to the LLM class and talk about how you handle something like that. The traditional way that criminal justice usually operates, in terms of a bifurcation between the role of the police, the role of lawyers, the prosecution, and the judge goes out the window because they can't handle that many accused people. So you get all kinds of renegotiations and conversations that bring the judge into the justice system at a very early point.

I'm not certain that people are aware of what that kind of a takedown.... And of course we know that out of that 64, the numbers drifted away. I don't know what the result was, in terms of how many people were charged, but in the process, the criminal justice system took a big shock.

The Chair: Thank you.

We'll move on to Mr. Dechert for five minutes.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Thank you, Mr. Chair.

I'd like to thank each of the panellists for being here this afternoon.

Reverend Tiangson, it's good to see you again. I have some familiarity with the centre you operate in Mississauga, and I want to point out the very good work I believe you're doing there to help newcomer youth and youth of all descriptions, especially at-risk youth. I want to give you an opportunity to tell us in a little more detail about the types of programs you operate there.

By the way, I take your point on immigration policy and how it impacts newcomer youth. I want to thank you for that.

Also, you've heard a number of panellists suggest that legalization of marijuana is the way to go. A couple of years ago, when the former Liberal government mooted decriminalization and legalization of marijuana, Peel police officers came to me, including the Chief of Peel Police, and said to me they thought that would be a really bad idea. In their considered opinion, having run a police operation in a very large, growing, and diverse community, as you point out, for many years, it was an entry-level drug for harder drugs. Not only would it lead to the use of harder drugs, the use of the marijuana itself would lead to other social problems, like increased domestic violence and petty crime, such as theft, to finance the use of the drug, and also impaired driving and motor vehicle accidents.

I wonder if you could comment on what you think the impact would be of legalization of marijuana on the young Canadians that your organization services.

Rev. Julius Tiangson: First, going back to what you've requested, in terms of describing our services, we do provide—

Mr. Bob Dechert: I want to add, tell us if you can, what other resources you and organizations like yours need to continue and enhance those programs.

● (1525)

Rev. Julius Tiangson: We run settlement services under Citizenship and Immigration Canada. It was about two and a half years ago that it was considered a pilot. It seems that they're moving towards having that as a mainstay in the area we serve, simply because of some of the results we're seeing in terms of young people and newcomers.

We integrate up to 300 new arrivals to the city of Mississauga every single year, plus another 200. It's about 500 to 600 young people we take in every single year. We integrate them in the types of programming that interest youth, such as urban dance, graphic design, photography, computer, Adobe Photoshop, and those types of programs that attract young people. In fact, you were there when we had our showcase a couple of weeks ago. Over 300 kids from as many as a dozen different nationalities came together and presented their talents, all of which required a little bit of preparation to get there to perform in the showcase. That means they needed to be involved in a number of group activities and were doing something that would positively impact them and also the community.

Let me speak, also, about the other 200 young people we take in who do not fall under the category of newcomers and do not fall under the category of recipients of direct services under the Citizenship and Immigration program we run. These are the alternative measures program participants, many of whom are children of new immigrants. I would say that a great majority of them have been charged because of marijuana. Maybe they were with their friends and they were in a car with a friend who was stopped and pulled over and it so happened that there was a little bit of marijuana in the ashtray. The consequence of that, if there were three or four people inside the car, was that all of them were charged. Or in fact if some of them had already been involved in partaking of marijuana themselves, the consequence of that was that obviously they were caught and charged. They come to us in a variety of ways, but the great majority of them are charged because of marijuana.

From where I stand, in terms of my understanding of the newcomer community that comes to Canada, it is, in fact, the understanding of many of these cultures that marijuana is still an entry drug of choice among young people that could lead to other forms of drugs. There is a cultural understanding of this among the parents. So when their children actually are charged or get involved with this, regardless of whether they are partakers of marijuana or have been caught with their friends inside a car, they are very concerned. Many of them would actually come and register their children who are 15, 16, or 17 years old. Yesterday there was one who was 19 years old. I have to figure out why she still needs to come with her parents. But I guess there's a cultural understanding that these are our kids, these are our children, and if they get involved with the law and they get involved with marijuana, from a cultural understanding, that is an alarming thing, because that would, in their minds, lead them to getting involved with other drugs.

● (1530)

From my own practice and from my own experience, I get a sense that whenever young people try this thing and don't get intervention, it leads to other social causes, leading to anxiety or depression, the moment they get into their young adult years, leading to all forms of wanting acceptance and so on. This leads to all kinds of other social ills as a result of partaking in this.

The Chair: Thank you very much.

We'll move on to Monsieur Petit.

[*Translation*]

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Nicaso, I would like to ask you a question. I might get back to some of the things we heard this afternoon around the table. We are studying organized crime. We would like to counter it, maybe eradicate it, but we must find a solution and this is why we are coming to hear from different people in different cities and why we had many witnesses from all over Canada, in Vancouver, in Halifax, etc.

As for me, being a member of the Conservative Party, I will show my colors: we must find a solution and this situation cannot be allowed to persist. Let me explain to you why.

Mr. Nicaso mainly launched a discussion based on some information that we have. In 1924, in Quebec, we established what we called the Régie des alcools in order to control the distribution of alcohol, because a small local mafia was producing and bootlegging moonshine and even claimed that it was good for health. Today, this brings in a billion dollars for the government of Quebec and we have many fatalities on the roads. Some 650 people die because of alcohol and an average 12,000 arrests are made for drunk driving without an accident. This is the first thing. This is what we have always been told in recent years.

In terms of gambling, this is very recent. Quebec took control of gaming. It opened casinos, it sells scratch cards and other gaming tickets. They wanted to get the mafia out of this industry. Now the money is pocketted by the government of Quebec. Before, gamblers who did not pay up were getting killed, today they commit suicide. It is not any better, we have just as many dead except that the killer is not the same.

Then we changed prostitution laws: now only the johns are found guilty. These are our standards. We changed the law and there has been a decision by the Supreme Court. We thought we had solved the problem, but there are still as many prostitutes as before, in Toronto, Montreal or elsewhere. And no one will make be believe that we do not know that there is prostitution. There is lots of it going on every day, at every minute of every hour. Nothing is being done about it since it is impossible to control.

We talk about trafficking in humans. One of you talked about trafficking in humans. We know now that marijuana is no longer important because they now use women. A woman brings in money every day. You do not have to keep buying new merchandise. She works all the time.

I invite you to watch a full report on human trafficking in Montreal that will be broadcast tonight on Radio-Canada. It will help you to better understand what is happening regarding the trafficking of persons.

Also, Mr. Nicaso, I am really worried. You describe the system. Since you have studied this, what are the possible solutions, in your view? What can government do?

We have tried monopolies, we have tried taxes. We have increased taxes on cigarettes, a legal product. But, by increasing taxes, government has increased smuggling.

What should we do? This is why we are having these hearings.

[*English*]

Mr. Antonio Nicaso: I welcome this question. I have a different approach to the problem. I believe the only way to fight criminal organizations is to take the money out of crime. There is no other alternative, because if you just arrest them and put them in jail, they put on their account the possibility of spending time in jail, but what they do not like is the idea of losing their money.

Many provinces in this country have introduced new legislation using civil remedies. In Italy they are using these laws, but only after a criminal conviction can you start the procedure of law application and seize and confiscate proceeds of crime. In some provinces in Canada we don't need to have a criminal conviction because you can use simple remedies. Ontario passed a law allowing the government to seize and confiscate proceeds of crime.

Also, I think we are notorious around the world because we have a lower risk of prosecution and detention compared to other countries. I think our judicial system is a joke, because the only way to deal with the criminals is to make a deal with the criminals. I mean this in the sense that we are bargaining down sentences in order to avoid the cost of a long trial.

I have some concern with the definition of drug trafficking because the definition of drug trafficking is a consensual crime without visible victims. I disagree. I think when people are selling drugs they are merchants of death. They are selling death and addiction. They are making a lot of money. I spent a month in Colombia and I learned that a kilo of cocaine in Colombia costs $1,500. With one kilo of cocaine you can make 4.5 kilos and then the one gram of cocaine costs $50 to $60. So there is nothing that has a bigger margin of profit than drug trafficking.

So if they are running these types of activities they should pay. They should be convicted and spend time in jail. We should be looking at working camps. We should be looking into real rehabilitation. What we are doing in our Club Med detention centres is we are putting those people together and increasing the synergy among them.

So what we should do is introduce a new strategy to fight the criminal organizations. I hear many things that don't make sense.

If you really want to learn about organized crime, you should invite people who are aware, those in the witness protection program, people who have experience in criminal organizations, who can tell you that drugs are the major source of income. They can tell you so many other things that only those people are able to tell you.

● (1535)

The Chair: Thank you, Mr. Nicaso.

We'll move on to Mr. Norlock for five minutes.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Thank you very much, Mr. Chair. First of all, my apologies, through you to the witnesses, for my outburst there. It was not very professional, and it rarely happened in my previous profession, although in this one sometimes we have a hard time of it.

I'd like to just say at the outset to Mr. Dubro and to those who feel that legalizing marijuana and other drugs would significantly alleviate the problems we have vis-à-vis crime, etc., that you might be shocked—and I know you know my background—if I were to tell you that I also considered that very strongly, both as a police officer and as a legislator, and the alternatives.

In this country we have trouble enough to prosecute impaired driving because of alcohol—and I know there are abilities to prosecute for the use of drugs. There is accepted evidence in the United States. It would never pass in this country. We have too many people who would throw charter arguments. I think you're aware of retinal recognition. It's accepted in the United States, but it will never be accepted in this country. We have a hard time accepting the breathalyzer. That's number one.

So I looked at the legalization of pot as just too many strokes. Here's what I deduce, and I'd like to hear what you think. You say that the costs associated with drug enforcement are very high. I would say that the costs of the legalized drugs of tobacco and alcohol far, far exceed what we're spending on drug enforcement. Take a look at the family. I went to domestic calls caused by alcohol, a legal drug sold by the government, with profits made by the government. The social pain caused by alcohol....

Sir, I try to understand your libertarian viewpoint, but you would be foisting on this society a third legal drug. As a matter of fact, all those other legal drugs...the pain they would cause. If you think you have a law enforcement problem and a problem with impaired driving now, just you wait and see what our roads are like when people high on heroin and all those other legal drugs....

One mother, from the witnesses, said this to us. We should have something very similar to the liquor control board in the old days, when you would go in and check off a bottle of this type of scotch; you could check off a little heroin for Saturday night and a little oxycontin for this night.

I'm going to ask the analysts for the statistics, which I know are available—the cost of tobacco, which is a drug, which causes addiction. People are addicted to tobacco. We know the billions and trillions of dollars it costs the North American health care system. I want to see what statistics are available to have the societal costs and medical costs of tobacco.

Secondly, I know there are statistics on alcohol, on the amount of days lost because of alcoholism and all those other things. When I was a police officer, we had somebody from the Ontario alcohol and addictions group come into our schools. I didn't know who he was. He was free. It was the community policing group I was working with, because that was one of the programs I was bringing into Northumberland—well, it was already there, but we were enhancing it. He went into the high schools and he talked about kids, and he said, “Did you know that with a lot of use of marijuana...”. And this is what the kids in our high schools were interested in. He said, “I know what they're interested in. You don't know. They're interested in being parents later on, and the use of marijuana reduces your sperm count so you may not have the children you want to have.” There has been no study of marijuana anywhere near the depth of studies into tobacco. We know the horror stories that came out of tobacco. So for marijuana, we've just scratched the surface.

Some universities have done studies, but they're very minor. I guess what I am saying is this. Before we leap into “We have a problem with drugs, legalize them”.... We already have two legalized drugs and they're killing us enough. Look at the cancers caused by tobacco, and the heart problems. Look at the pain and suffering throughout.

So just a few quick comments, starting with Madam Beare and working this way, if I have any time....

● (1540)

The Chair: No, you do not, unfortunately.

Mr. Rick Norlock: Maybe somebody else will pick up on it.

The Chair: All right.

Mr. Woodworth.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

Thank you to all the witnesses, but particularly to Mr. Nicaso. In response to Mr. Petit's comments, I heard what I would describe as a *cri de coeur*.

In fact, I agreed with several things you said, Mr. Nicaso, most of all that I, too, have heard many things that don't make sense, and with the fact that you have quite adequately pointed out that drug traffickers are merchants of death and addiction. By golly, I'm glad the government is not trying to make money in that business. The fact that the only or best solution is to take the money out of crime is I think the most intelligent thing we've heard this afternoon.

I want to say that we—that is, the members of the committee—are all here because we wish to keep Canadians and their families safe from the violence and exploitation of organized crime. We want them to have happy, fulfilled, love-filled, productive, and safe lives.

So, Mr. Dubro, I would like to ask you whether you have any legislative proposal for us that we can hear from you, other than legalizing the sale of marijuana, steroids, ecstasy, crack cocaine, meth, and heroin.

Mr. James Dubro: I've mentioned several. Obviously, what Antonio said is quite right: you go after the money. If you can knock out the money of any given organized crime leader or gang, that is excellent. Some of the anti-gang laws go after the money, too, so that's extremely important.

The anti-gang laws are very good.

I wasn't saying, to answer his question earlier—

Mr. Stephen Woodworth: Can you answer my question instead?

Mr. James Dubro: Oh, okay, but it's part of your question; that is to say, because marijuana is illegal, it doesn't mean that it isn't readily available to everyone in high school and everyone else in our society.

Mr. Stephen Woodworth: Sorry, but my question was whether you have any legislative proposal other than the legalization of these drugs.

Mr. James Dubro: I don't, because I actually said that I don't think we need more laws.

Mr. Stephen Woodworth: Then you've answered my question.

Mr. James Dubro: We have a lot of things out there that are not being used—

Mr. Stephen Woodworth: I have one or two other questions. I'm sorry to be so brusque, but in the five minutes I have, if I'm not brusque I get nowhere.

In regard to my next question, I have had some trouble, Mr. Dubro, following your logic. I did not follow your logic in saying that we should get the government involved in selling drugs so we could use the money to teach children not to use drugs. Another area where I had trouble following your logic was where you said that obviously “we can never eliminate organized crime...we can only contain it and keep it on the ropes”. I would like to know how you feel that legalizing the major fund-raising activity of organized crime is going to keep them on the ropes.

● (1545)

Mr. James Dubro: The logic is strange, but it's used all the time. The government runs a lot of gambling, yet spends a lot of money on anti-gambling campaigns, which are not all that effective, I have to admit. The government is very involved in alcohol and spends some money on campaigns against alcohol. I would think, with the money coming in from pot alone, just the stuff that's smoked now.... I don't think there'd be the increase that someone suggested simply because it's made legal. I think you would use that for very effective campaigns against—

Mr. Stephen Woodworth: How would this put organized crime on the ropes? We've already spoken about the fact that they're still involved in gambling and they're still involved in other areas where we've legalized things. How is legalizing their main source of income going to put organized crime on the ropes?

Mr. James Dubro: Well, it would take away from them one of their main money producers.

Mr. Stephen Woodworth: But they're not getting out of other things—

Mr. James Dubro: No. They'll get into other things. They'll get into more things. A lot of legal drugs like oxycontin are sold on the street through organized crime. It's going to happen that organized crime will be in drugs. All I'm saying is that a number of organizations, whether it's in Mexico now, or in Vancouver, or on the streets of Toronto, are making their money from selling what people want.

Mr. Stephen Woodworth: Let me suggest that this would just give the organized crime folks another great way to launder their money, rather than take any money away from them.

The third question, if I have a moment, is to ask you, Mr. Dubro, if you have any facts that you can give us about organized crime in Toronto, because we've come here to hear about organized crime in Toronto. I haven't heard much about organized crime in Toronto today, such as how many people are involved and what are the major activities of organized crime. I don't know whether you can tell us about that or not.

Mr. James Dubro: I can tell you a bit about it because I have studied it for many years.

Right now in Toronto it's quite different from what it was, say, in the 1970s or 1980s, when we had four or five major Mafia families and a few other groups. Now we have quite a lot of different organized crime groups. We have black street gangs. We have Vietnamese gangs. We have Chinese gangs. We have Russian organized crime. We have virtually everything you can think of, including Tamil street gangs. We have the Mafia, of course, but the Mafia is less structured these days in Toronto. There are 'Ndrangheta, as Antonio referred to.

They don't get a lot of attention, because they're not fighting it out right now. The ones who get the attention are the street gangs. When they had a big internal problem a couple of years ago, they got a lot of attention, as did the Vietnamese gangs in 1991, when they had a lot of problems. Now Vietnamese and Asian crime is doing very well. Primarily they're running grow ops and making ecstasy, which they export to the United States and sell throughout Canada.

There are very many groups in the city. It's not as though one mobster controls the city or anything like that.

Mr. Stephen Woodworth: You mentioned a lot of ethnic groups—

Mr. James Dubro: Well, that's part of it. There are other groups. There are bikers, and there are all sorts of.... Bikers won't let in certain ethnic groups, such as black people.

The Chair: Thank you.

We're at the end of our time, but I'm going to allow each of you a two-minute opportunity to give us any final information that we may have missed or that you wanted to get out there but didn't get a chance to give us.

Before you do that, I have a brief question. I'm trying to flesh out where you stand on legalization of drugs.

Mr. Dubro, you were pretty clear on that.

Ms. Beare, you certainly were advocating for decriminalization, and I sense.... In the long run, what's the optimal situation? Is it legalization of marijuana or legalization of all drugs?

Dr. Margaret Beare: It might end up with more than marijuana, but I was not advocating legalization. Decriminalization of marijuana is what we need right now.

The Chair: Do you see that as the first step?

Dr. Margaret Beare: It is possibly a first step. Again, there is research that looks at decriminalization of heroin in terms of the fact that there isn't an increase in the population of users.

Someone said that we need more research, and I did want to comment—

● (1550)

The Chair: Yes, you'll get that chance in a second.

I want to go to Mr. Nicaso. I took note of your comment that those who sell drugs are merchants of death. I take it you don't support it?

Mr. Antonio Nicaso: Yes, and I stand with that.

The Chair: So you don't support the legalization of drugs?

Mr. Antonio Nicaso: No.

The Chair: All right.

Reverend Tiangson, what is your position?

Rev. Julius Tiangson: Not at all.

The Chair: So you're opposed to the legalization of drugs.

All right. Each one of you has two minutes. Reverend Tiangson, you can start.

Rev. Julius Tiangson: We've been talking very much about organized crime. I want to come from a different vantage point.

I provide direct services to our young people, and one of the things I constantly advocate, not only with the people I work with among the non-profit organizations but also with parents, is organized prevention. Parents and community groups can actually take this upon themselves and not wait for governments to come up with wonderful and beautiful policies and solutions for our young people. We can do this as community groups and community organizations.

In order for us to succeed in eliminating some of those barriers that many newcomers, children and youth, are facing right now, the role of the government is to truly come alongside non-profit organizations and community groups and resource them properly in such a way that there would truly be an organized prevention of recruitment of people who would belong to street gangs, which are the feeder gangs, really, for these big organized crime groups.

The Chair: Thank you.

Go ahead, Mr. Dubro.

Mr. James Dubro: Since I've been the main proponent of legalization, as you explained, I didn't come to this conclusion out of any one study or because I use drugs, or anything like that. It has taken me 30-odd years. If you look at some of my books, you'll see that I don't argue this at all, but the opposite: more enforcement, more enforcement, more enforcement. It's not because I'm a libertarian, which is a bit of a bogey argument. I'm saying this as someone who has studied organized crime all my life, that marijuana just has to be available, because it is available.

Mr. Norlock said that making it legal means that more people will use it, and there'll be more sickness, more illness, and everything. That's simply not true, not if it comes with an educational component. There may be fewer people using it. During prohibition, alcohol was illegal and more people drank than ever before, I believe —you can check it out, but they certainly drank quite heavily.

The government is already a “merchant of death”, to use Antonio's very dramatic phrase. I understand where he's coming from, but the government is already a merchant of death with cigarette taxes and with alcohol control and taxes.

In terms of gambling, I think it's iniquitous, some of these ads. I remember before gambling was run by the government. They sneak you into becoming gamblers on television. It doesn't matter what government is in power—Conservative, Liberal, or NDP—they all run these ads saying, “Oh, you can be a millionaire overnight.” That's not what they should be doing. They should actually be using the money they're getting from gambling to tell you how not to get addicted, and to fight the gambling addiction.

So I would argue that making marijuana legal isn't something that I think is good for society or bad for society. It's somewhere in the middle. We have to fight it, obviously. We don't want everyone running around stoned on marijuana, and I don't think they would be. Obviously, to succeed in this world, you can't be stoned, whether it's on alcohol, which is legal, or drugs that you get from your doctor, such as Ritalin, or God knows what they give kids nowadays and they get addicted to. It's not the way you get ahead in this world.

The Chair: Thank you.

We'll move on to Mr. Nicaso.

Mr. Antonio Nicaso: According to the reports prepared by Criminal Intelligence Service Canada, every major criminal group in the world has a branch in Canada. If I were in your shoes, I would ask why they love Canada, why we have all those people in Canada. This is a criminal microcosm, because we have so many different criminal groups.

We should go behind the headlines. If this is a priority, and a priority to fight criminal organizations, let's come out with the proposal at the end of this hearing and avoid what your colleague did in 2001. Come out with the proposal, bring the people in with experience and expertise, and really start targeting criminal organizations in this country in a proper way. I think the only way is to take the money out of a crime.

● (1555)

The Chair: Thank you. I just want to respond.

We have hearings yet in Edmonton and Winnipeg, and once they're completed, we'll likely immediately go into providing instructions to our analysts to prepare a comprehensive report.

This study has taken at least two years, if I'm not mistaken. One year? All right. It feels like two years. But we've travelled across the country, and there will be a report that comes out. Likely it will be full of recommendations from this committee, and then it's up to government to respond to those recommendations.

Ms. Beare.

Dr. Margaret Beare: I feel very strongly about a couple of things. I realize this is a legislative committee, and I guess my recommendation to you would be to curb the pure focus on legislation, or at least to take into account what are likely going to be the unanticipated consequences for it.

The notion of decriminalization was not to be a major part of my approach, and one of the people commented that that was a simplistic kind of response. Welll, there are some responses that sound like they're so solid, but to me they are simplistic. Take the money out of organized crime. Isn't that wonderful? The headlines, the public, the politicians—it's very popular.

We did a study of all of the RCMP cases that had a money-laundering component. We did that in 1990. In 1994, we did an update. After all the money-laundering legislation, what are the RCMP cases and what do they tell us? Yes, people laundered in all kinds of ways, but mostly they pissed their money away the same way that you and I do. They bought things. This idea of taking money away from organized crime sounds better than it is because of what we have said before.

The criminal organizations are not necessarily Mafia structures like the five families in New York or whatever. You take some money away, yes, but we're talking about fluid, networking organizations that in my mind need ongoing, persistent, well-funded, and to some extent traditional police work. To look over at the United States and say, “Why is Canada so weak and why do they favour our—” Well, look at the United States. It's something like the third prisonized country in the world. Yes, they put out of business their five Mafia families in New York, Detroit, or wherever, but the country has the wide array of organized crime groups that we have in Canada and more so. They put more people in prison, and they have a higher percentage of crime, even taking into account the population.

I do not think we are weak on crime. I would like us to just try to be really intelligent on crime enforcement.

The Chair: Thank you to all four of you. There have been very divergent perspectives presented, but each one of you has done it in a very articulate manner. I think we'd agree on that. We'll take all of that. That forms part of the record, and then hopefully our committee can come up with some recommendations that will move Canada forward in addressing some of these challenges with organized crime.

Again, thank you to all of you.

We'll recess for 15 minutes.

● (1555)

(Pause)

● (1615)

The Chair: We will reconvene the meeting.

We are continuing our study on organized crime. We are glad to have with us a number of witnesses who I hope are going to help us in preparing the report.

We have Inspector Richard Penney and Superintendent Robert W. Davis of the Royal Canadian Mounted Police of the greater Toronto area. Welcome to both of you. We also have with us Peter Shadgett from the Criminal Intelligence Service Ontario. Representing the Toronto Police Service we have Inspector Randy Franks. From the Ontario Provincial Police we have Inspector Bryan Martin. Lastly, representing the Canada Border Services Agency we have Bonnie Glancy.

Welcome to all of you. We have travelled across the country. We still have a couple of cities to go. We're trying to solicit information on organized crime and perhaps a direction our government should be proceeding in to try to address this very critical problem in Canada.

Each organization has ten minutes to present. Then we'll open the floor up to questions from our members.

I will ask Bonnie Glancy to start.

Ms. Bonnie Glancy (Director, Intelligence, Greater Toronto Area Region, Canada Border Services Agency): Thank you very much.

Mr. Chairman and honourable members of the committee, thank you very much for inviting Canada Border Services Agency to participate in this hearing. My name is Bonnie Glancy, and I am the director of intelligence for Canada Border Services in the greater Toronto area.

Although this committee is focused on organized crime, I'd like to take a moment to provide a brief overview of the greater Toronto area region, which I will refer to as the GTA.

This region is responsible for fulfilling the CBSA mandate at over 80 service locations, sufferance warehouses, and ports of entry. These locations range in size from small marinas to the largest and busiest airport in Canada. These locations cover all modes of transportation: air, land, rail, postal and courier, and marine.

Approximately 2,300 employees in the region are responsible for administering over 90 different acts, regulations, and international agreements regarding the movement of goods and people into Canada. Geographically speaking the GTA region ranges from Georgian Bay in the north, from Owen Sound to Parry Sound, and to Lake Ontario in the south from Mississauga to just west of Cobourg.

The Chair: Ms. Glancy, I'm going to get you to slow down just a little bit, because our interpreters are having trouble keeping up.

Ms. Bonnie Glancy: Each year our people process over 12.7 million postal shipments, over 9.8 million international passengers, and over 1.7 million commercial shipments.

In the 2008-2009 fiscal year, this region made over 6,400 seizures, approximately 22% of the total number of seizures made throughout Canada. The types of commodities and contraband intercepted within our region vary from agricultural products to watches. The most commonly cited information, however, relates to the interception of drugs.

As these are the commodities most commonly linked to organized crime, I will continue with that trend and relate some information from the 2008-2009 fiscal year. In that period, the GTA region seized over 669.7 kilograms of cocaine, over 139.5 kilograms of opium, over 86 kilograms of heroin, and more than 1,409 kilograms of marijuana, hashish, and hash oil.

Officers working in the region are also successful in intercepting a number of different precursor chemicals used in the manufacture of ecstasy and methamphetamine. In addition to the interception of goods, a number of employees have a role in programs that support immigration inland enforcement. These employees work at various locations, including the immigration holding centre and the Greater Toronto Enforcement Centre, GTEC, and are central to ongoing operations that result in the successful deportation of people deemed inadmissible to Canada.

Some of the core activities include investigations of violations under Immigration and Refugee Protection Act detentions, and removals of persons from Canada. In the 2008-2009 fiscal year, our inland enforcement officers detained approximately 6,500 people and removed 5,081.

Alongside inland enforcement, the criminal investigations division supports the CBSA's public safety and economic security objectives by investigating and initiating prosecutions for criminal offences against Canada's border legislation. They also provide an integrated enforcement capacity, which will detect those who have committed or deter those who would commit breaches of laws administered by the agency by investigating within whatever legal means necessary suspected, alleged, or known misrepresentation, evasions, or commitments of fraud with respect to the international movement of goods and people.

They help their partners by reviewing leads, obtaining research, and gathering crucial evidence to assist the RCMP with their prosecutions. The intelligence division provides support to our front-line officers, the enforcement of inland enforcement, criminal investigations, and other internal areas of CBSA, such as our trade administration. The intelligence officer and analysts work collaboratively on files that pertain to issues such as export control, missing children, fraudulent documents, and smuggling of various types of contraband, including humans, tobacco, illicit drugs, and weapons.

The work done within the intelligence division may be difficult to quantify, unlike counting such actions as a removal or seizure. Valuable intelligence may lie dormant until a catalytic event occurs and calls into action information gleaned from an earlier occurrence. A small detail previously uncovered and developed may only have meaning in the context of other information.

While it may be difficult to measure the myriad of such seemingly insignificant details, they are nonetheless crucial in building a case or project, and minutiae often lead us to make connections to other events or activities, or to come to the realization that an individual is part of a larger group.

It will come as no surprise to the committee that effective sharing of information and intelligence among law enforcement agencies is essential in gaining insight into criminal organizations and their operations. This is the main reason the GTA region is an active participant in a number of joint-force operations, especially those aimed at addressing threats presented by organized crime.

CBSA actively participates in a number of JFOs, or joint force operations. Through the agency, we have successfully carried our duties to the greater good and safety of Canadians. Through our participation in JFOs, CBSA has intercepted contraband such as drugs, firearms, and tobacco, as well as prevented various criminals and individuals who attempt to thwart the immigration process.

In many instances, these coordinated efforts have also contributed to enforcement efforts outside of Canada. CBSA intelligence in the greater Toronto area is currently involved in a number of ongoing JFOs, including the Asian organized crime task force with the Toronto Police Service—

● (1620)

The Chair: Ms. Glancy, please slow down.

Ms. Bonnie Glancy: Sorry.

Also the combined forces special enforcement unit; Criminal Intelligence Service Ontario; the guns and gangs unit with the Toronto Police Service; the provincial weapons enforcement unit; the RCMP GTA drug section, Milton and Newmarket; the Toronto airport drug enforcement unit; and the Pearson International Airport intelligence unit, YYZ.

The Greater Toronto Enforcement Centre is involved in the immigration task force JFO, whose objectives are to apprehend persons who are on immigration warrants with criminal backgrounds, subject to security certificates, subject to extradition warrants, or declared a danger by the minister.

Our criminal investigations division participates in joint force operations with the RCMP, immigration and passport, which investigates organized crime. CID passes on cases and works in conjunction with the RCMP on files with organized elements.

One of the major advantages of working within a JFO is the access to and the availability of information from other law enforcement agencies. Information obtained from all agencies can often make a determination regarding which targets to pursue or the direction a specific project will take.

I will use our experience in partnering with the Pearson International Airport intelligence unit, also known as the YYZ airport intelligence unit, to underscore the value that these partnerships bring. The YYZ airport intelligence unit serves as a primary intelligence contributor to the intelligence and law enforcement community in the Toronto area. The quality of the intelligence reports prepared for dissemination by the unit is possible by virtue of the vast amount of raw information that is gathered by local sources.

The intelligence gathered by members of this unit is essential to the safe operation of Lester B. Pearson International Airport. The YYZ airport intelligence unit determines which intelligence information can be forwarded to the appropriate law enforcement agencies locally and globally for further enforcement action.

Information provided to various local airport security officials, including Transport Canada, the Canadian Air Transport Security Authority, and the Greater Toronto Airport Authority, has resulted in the dismissal of over 50 airport employees. A number of employees are presently being investigated.

In late July 2009, credible information was received to indicate that the Outlaws motorcycle gang was assembling in Ontario over the August long weekend. This information was promptly disseminated through the province by the GTA region intelligence division. A total of seven individuals, members of an Outlaws motorcycle gang, were denied entry into Canada by CBSA.

In October 2009, intelligence officers, along with GTEC enforcement officers, partnered with the Toronto Police Service's guns and gangs unit and we were successful in conducting raids that resulted in the arrest of nine individuals under the Immigration and Refugee Protection Act. Those arrested were members of a gang known as the Almighty Latin King and Queen Nation. This gang came to the attention of law enforcement agencies in Toronto when it initiated a high-profile aggravated assault on a subway station in which four victims were stabbed.

The gang is one of the largest criminal street gangs in the United States and is well established in most Latin American countries. It is believed that the gang opened chapters in Ontario approximately five years ago and is now operating and actively recruiting in the greater Toronto area. Gang membership is estimated at 200 within the GTA.

As a part of the overall collaboration and contribution of all CBSA divisions within the GTA region, along with our numerous external partnerships with other law enforcement agencies, we have had numerous successful outcomes, which have disrupted and dismantled various organized crimes.

I'd like to thank you, and I'd be pleased to answer any questions.

● (1625)

The Chair: Thank you very much.

It's helpful for us to hear from you what you are doing, but for us it's just as important that we hear from you what you would like us as the federal government to do. What are the challenges that you face and what are the things within the federal purview that you would like to see us change that will allow you to be more effective in the jobs that you do?

Ms. Glancy, you'll probably get a chance to respond to that from one of the questions. You may want to be prepared for that, because we're really looking for what do you want us to do, what are some of the improvements you're looking for from our federal government, or are there things you don't want us to do, as has been suggested by others.

Inspector Bryan Martin, from the OPP.

Inspector Bryan Martin (Drug Enforcement Section, Organized Crime Enforcement Bureau, Ontario Provincial Police): Thank you. I appreciate the opportunity to address the panel on behalf of the Ontario Provincial Police.

The Ontario Provincial Police has a mandated responsibility to investigate, disrupt, and dismantle organized crime. In order to accomplish this goal, the OPP developed the Organized Crime Enforcement Bureau, which is comprised of specialized integrated investigative bodies such as the biker enforcement unit and the provincial weapons enforcement unit.

The OCEB is comprised of four main operating centres strategically located throughout Ontario. We operate on an intelligence-led policing model, establishing tactical priorities throughout the province, allowing us to identify and attack the vulnerabilities of organized crime, as per the goals of the Canadian integrated response to organized crime.

The OPP supports legislative amendments and reform designed to combat organized crime as defined by Bill C-14, which received royal assent and came into force on October 2, 2009. Bill C-14 has taken a strong step forward in bolstering existing legislation with a specific focus on criminal acts related to organized crime and revised judicial processes. This new legislation has focused on designating all gang-related murders as first degree murder, addressed increasing incidents of reckless and drive-by shootings by creating a new offence, and defined a new offence for assaults against police.

There are clearly a number of strong initiatives on this legislative agenda to target organized crime. The OPP believes the justice sector community must prioritize these initiatives to ensure the effective and efficient use of our resources as we move forward with strategies to attack organized crime. The Ontario Provincial Police has identified three main priorities.

The number one priority is lawful access. The OPP, the Toronto Police Service, and our regional municipal partners recognize the need for changes to existing legislation surrounding lawful access to communications. One of law enforcement's unrelenting challenges in addressing organized crime is to remain cognizant of emerging trends and to take proactive and effective steps to counter these trends. In a world of accelerating technological developments and society's increasing absorption with technology, law enforcement has been slowly constricted by antiquated legislation and a lack of resources to effectively counter advances in technology.

The Investigative Powers for the 21st Century Act, Bill C-46, and the Technical Assistance for Law Enforcement in the 21st Century Act, Bill C-47, passed first reading in June 2009. However, they died when Parliament was prorogued. It is hoped that these pieces of legislation will be reintroduced to address the gaps and restrictions previously identified. As such, the Ontario Provincial Police strongly endorses and supports the passage of these bills.

The second priority is e-disclosure. The traditional method of making full disclosure has created an enormous challenge for police and crowns, particularly in relation to organized crime investigations. The impact on resources and personnel is significant and, as such, the Ontario Provincial Police fully endorses and supports current efforts to reform, modernize, and streamline the disclosure process.

An excellent example of this was demonstrated recently in Operation SharQc, a large-scale investigation in Quebec that resulted in the arrests of hundreds of individuals. Investigators utilized a highly effective web-based solution to capture and streamline large volumes of disclosure for this mega-case. The OPP continues to strongly endorse and champion further advancements within this new technology.

The third area is justice efficiencies. In case management, the investigation and prosecution of organized crime cases is very complex and demands significant time and personnel, combined with the collection, collation, and disclosure of evidence. In most major organized crime investigations, there are multiple offenders. However, previous experience has shown us that investigating and effectively prosecuting a large number of accused is very unmanageable, time consuming, and very expensive. The OPP believes this area to be a priority for setting attainable and realistic goals and garnering solid convictions in relation to mega-trials.

On scheduling, having reviewed evidence provided to provincial panels representing the Standing Committee on Justice and Human Rights, I would be remiss if I didn't speak to the proposed scheduling of criminal organizations.

● (1630)

The Chair: Inspector, I'll get you to slow down a little.

Insp Bryan Martin: Sorry.

The OPP acknowledges the complexity of scheduling or proscribing criminal organizations. There are a number of factors to consider in populating such a schedule. However, the OPP also contends that it is an overwhelmingly onerous task to repeatedly prove that a particular group is a criminal organization, despite having been deemed a criminal organization by our own judiciary.

A case in point is the designation of the Hells Angels in Canada as a criminal organization, as noted in a number of rulings stemming from recent investigations across Canada. Despite this designation being rendered in a number of trials, police must not only prove the substantive charge but in each and every case must proffer evidence to support this same group as a criminal organization. This creates a significant burden for investigators in these cases, as it becomes a parallel investigation requiring sufficient personnel and resources to support classification of the gang as a criminal organization.

The OPP is an active participant in examining this issue and remains committed to the process. The OPP also supports recommendations put forward in the 2007 organized crime summit to strengthen cooperation and collaboration, improve information sharing among agencies, and continue the expansion of strategies for an integrated response to organized crime.

Strong partnerships among law enforcement, prosecutors, and supporting elements of the criminal justice network are key to successfully disrupting and dismantling organized crime. The integrated joint force operations model has been particularly successful in attacking organized crime. The OPP continues to lead or participate in the provincial operations centre, the biker enforcement unit, and the provincial weapons enforcement unit. Units such as the biker enforcement unit have been internationally acknowledged as the template for similar investigative units throughout Canada and the world.

Furthermore, in line with discussions stemming from the June 2008 organized crime summit, the OPP fully supports and believes in the importance of maintaining a national intelligence database, ongoing research, and enhanced training platforms.

The intelligence-led policing philosophy is dependent upon law enforcement's collective ability to share intelligence in a timely and integrated manner. This has led to the establishment of a national intelligence database—ACIIS—the automated criminal intelligence information system. We support the continued effort to enhance the system's ability to be an effective tool for law enforcement investigation of organized crime.

We are more effective as a policing community if we continuously research and develop better methodologies, legislation, and best practices, remaining open to learning from our national and international partners. It is critical to this development. Organized crime is mobile, opportunistic, and encroaching, and we must adapt to trends and burgeoning issues with an informed and effective response.

Training is a critical factor in addressing organized crime investigations. We need to develop a centre of excellence to promote and sanction strategies to provide police, prosecutors, and correctional staff with core competencies and training in all facets of organized-crime investigation. Coordinated training and integration of police and prosecutors provides a solid base to launch these complex prosecutions. The face of organized crime is fluid, and in order to remain effective we must provide the vehicle to gain expertise and to retain those experts to provide the consistency needed to investigate organized crime.

In summation, there are great law enforcement investigations and initiatives being conducted throughout the country, as evidenced by multiple cases designating the Hells Angels a criminal organization in Canada. The results have accumulated in an extensive list of strategies to combat organized crime. We believe it is of paramount importance that we prioritize our efforts and set attainable goals and firm target dates to maintain this momentum of reform and modernization, thus giving police and prosecutors the support and tools to effectively combat organized crime.

Thank you.

● (1635)

The Chair: Thank you.

We'll move on to Inspector Randy Franks.

Inspector Randy Franks (Organized Crime Enforcement, Toronto Police Service): Good afternoon, Mr. Chair and members of the panel. My name is Randy Franks. I'm an inspector for the Toronto Police Service, and I work in organized crime enforcement. I'll speak about some of the issues facing Toronto.

Recent enforcement successes have had a profound impact on the behaviour of organized crime in Toronto. Between 2005 and 2009, a number of large-scale enforcement projects and initiatives have focused on the disruption of street gangs and other organized groups. Intelligence analysis of the enforcement initiatives indicates that displacement of criminal organizations throughout the GTA has been accomplished. This of course presents law enforcement with another challenge: properly identifying the relative success and failure of these operational initiatives and adapting these for greater future success.

The adaptation of these disrupted groups, as well as their evolution into more disorganized entities, also presents various challenges. Groups no longer act alone, are more fluid, with the subjects of interest playing a larger role in other criminal enterprises. With any illicit trade, groups strive to gain or maintain a competitive edge. Intelligence indicates that organized crime has embraced outsourcing and cooperation as the means to gain that competitive edge.

Recent enforcement initiatives undertaken by the Toronto Police Service and the OPP provide an example of the outsourcing and cooperative relationship between outlaw motorcycle gangs and more traditional crime groups. The biker groups appear to act as enforcers for debt collection. As recently as five years ago, organized crime groups tended to be self-sufficient, whereas now these groups are more likely to work with competitors in the presence of an attractive market.

One of these attractive markets is of course the United States of America. Increasing demand for ecstasy in the United States has prompted ecstasy producers in Canada to increase their production. Prices for ecstasy in the U.S. are double or triple the price that is received in Canada. As such, Canadian ecstasy distributors and producers profit greatly from selling the drug in the U.S. Due to this increase in production, divisions in Toronto previously impacted by ecstasy are finding greater risk due to wider availability in downtown Toronto, and that is one area that's been consistently impacted by ecstasy and related illicit drugs in 2008 and 2009.

The recent increase in ecstasy prices in Toronto has coincided with the increase and rise in the seizure of a drug called benzylpiperazine, commonly known as BZP. The effect of this drug is believed to be similar to MDMA, which is ecstasy, and the effects produced by BZP are comparable to those produced by other amphetamines. This past month 700 pills of BZP were seized by the Toronto police, and it is expected that future seizures may be larger due to an increase in the price of ecstasy. This drug is currently not a controlled drug in Canada, despite the identical appearance and effect to the more prevalent ecstasy.

Gang violence, especially firearms-related activity, is one of the bigger threats facing Toronto. Recent trends have shown violent crime migrating to the more heavily populated downtown core. Most alarming is the apparent infiltration of gun crime and gang violence in every neighbourhood across the city. However, the majority of gun deaths are still in the inner suburbs where gun culture is ingrained.

We find that street gangs are involved in drug trafficking, street and commercial robberies, home invasions, break and enters, firearms handling, shootings, and murders. The increase in gang-related homicides and shootings over the past decade can be attributed to the increase in the availability of restricted and prohibited firearms stolen from domestic sources and those imported illegally.

A review of the historical and current data systems have identified thousands of domestic firearms being illegally possessed at this time. The Toronto police initiated a project called safe city last March 1, 2009, and this was developed to address this issue. Since the safe city initiative commenced, there have been a total of 1,620 firearms seized. Of these firearms, 58% have been prohibited and restricted.

● (1640)

To quantify the success of this initiative simply by the number of firearms seized would not be an accurate measure of its far-reaching impact. It is unknown how many lives just one seized firearm can ultimately save and how that single seizure will impact the quality of life for individuals living within the city.

The safe city initiative has, at a minimum, identified a need within our city for the continued monitoring, education, and enforcement of the non-compliance of legitimate firearms owners. If left unchecked, illegal firearms will be left in these homes, where they could quite possibly be stolen and diverted to the illicit firearm market. For individuals who have chosen to ignore the provisions that exist within the Firearms Act, the Toronto Police Service will assist them in disposing of any unwanted firearms or in advising them how to obtain a valid firearms licence. Fewer firearms on the street will only prove to enhance community safety and assist in gun-related incidents.

One of the most important aspects of intelligence gathering and enforcement is in identifying the how, who, where, and why criminal groups and individuals should be targeted. This must be followed by an assessment of the effectiveness of the police response.

For the Toronto Police Service to be successful in disrupting organized criminal activity, it must adapt to the evolving criminal landscape. As the world shrinks socially, economically, and politically, criminal networks can become more diffuse, generating more linkages between criminals from different ethnic, social, and cultural groups. As previously seen in both social and environmental movements, law enforcement officials must continue to act locally. However, they must learn to think globally where enforcement initiatives are being developed.

Illicit markets often mimic those in such traditional commodities as gold, silver, oil, and minerals. One of the examples of that is metal thefts that occur when the price of metal goes up.

Market demands in foreign countries can often have influences over local drug markets. Producers of illicit drugs no longer have to adapt to changes on their street corners. They can instead look to new opportunities in cities south of the border or across the oceans.

The Toronto Police Service recognizes that criminal intelligence information only becomes vital when properly analyzed and shared. Intelligence-led policing, to be successful, must assist in identifying and prioritizing targets so that resources are used to the best effect. This is a model of policing in which an intelligence product serves as a guide to police operations. Since all organized crime groups are fluid and operate across jurisdictional boundaries, law enforcement must do the same. Sharing of information is key, and with current systems not being used to their full potential, it is recommended that a new national data warehouse be established to share all timely, relevant, and accurate intelligence information.

Bryan spoke about ACIIS. I'm sure you're aware that ACIIS is being enhanced, and any support from this committee to that effort would be appreciated.

Finally, all law enforcement agencies, including the Toronto Police Service, must adapt to the increasing sophistication of organized crime. Criminal groups use the latest technology not only to further their enterprises, they also use this expertise to evade law enforcement. Something as simple as the use of social networking sites is one facet of organized crime communication that is not fully exploited by us in law enforcement. When virtual digital means of money laundering come into the equation, police agency initiatives are almost non-existent at the local level.

That's the Toronto Police Service.

● (1645)

The Chair: Thank you very much.

We'll move on to Mr. Shadgett.

Superintendent Peter Shadgett (Director, Criminal Intelligence Service Ontario): Good afternoon. I'm Peter Shadgett. I am pleased to be here to talk about organized crime issues in the province of Ontario from the perspective of Criminal Intelligence Service Ontario.

I received a call from the director of Criminal Intelligence Service Canada on Tuesday. He asked me to talk specifically about the uniqueness of CISO in relation to all the other criminal intelligence services across the country, so I thought I would start with that today. If you're following along in my document, you'll see, a couple of pages in, “An Integrated Response”. That is where I'll begin.

Public safety in Ontario does not depend primarily on federal agencies but upon the actions and activities of local municipal, regional, provincial, and federal police and on those public sector agencies responsible for enforcement and investigation. This is particularly true in the current intelligence-led policing environment.

CISO is the critical element in the Ministry of Community Safety and Correctional Services efforts to address organized crime at the local, provincial, and national level through participation with other provincial bureaux through CISC. It's the oldest criminal intelligence service in Canada, and due to its partnership with law enforcement and its reporting relationship to the Government of Ontario, it is also the most flexible and unique. Created in 1966 as a partnership between the Government of Ontario and the provincial law enforcement community in response to concerns expressed in the Ontario Royal Commission on Organized Crime, CISO was established to ensure central co-ordination of intelligence data on individuals and organizations involved in organized crime.

The mission is to promote intelligence-based unified action on organized crime in Ontario. Its vision is to promote a unified intelligence enterprise across the province and ensure safer communities for all the citizens of Ontario.

Our strategy is to unify and transform police, regulatory, and special interest group information into intelligence products and services that promote knowledge-based action by policy-makers, police leaders, investigators, and intelligence personnel.

CISO is the conduit by which criminal intelligence pertaining to serious and organized crime in the province is shared, analyzed, and communicated through its various databases and among its 120 partner agencies.

Mandated by a constitution, CISO is composed of a governing body, representing the executive decision-making level in the form of chiefs of police or managers of various member agencies; an operating body, representing the various intelligence unit commanders or their designates; and a provincial bureau, which is in effect a dedicated all-source fusion centre from which it strives to provide to its 120 partner agencies a strategic situational awareness on organized crime and other serious criminal offences.

In order to facilitate this free flow of criminal intelligence information, the CISO provincial bureau is positioned within the Ministry of Community Safety and Correctional Services. The director reports to both the assistant deputy minister for public safety for administration and to the governing body operationally.

The provincial bureau is uniquely situated because of its ability to apolitically analyze and disseminate criminal intelligence based on information forwarded to it by various member agencies at the federal—both Canadian and U.S. agencies—provincial, and municipal levels.

The provincial bureau administers a number of program areas on behalf of CISO and the government dedicated to the continuous evolution of intelligence-led policing across Ontario. These include but are not limited to a dedicated intelligence training program, which facilitates the development of a cadre of professional intelligence officers, technical officers, and covert operatives and analysts for all police agencies in Ontario; a technical resource program dedicated to assisting partner agency collection efforts through the provision of highly sensitive, highly technical, and highly expensive surveillance and collection equipment; the Ontario-based administration of the ACIIS system; the provincial undertaking to digitize historic and current operational intelligence files; the only dedicated joint forces funding program in Canada, a program that oversees the delivery of annual funding to organized crime investigations and related joint forces projects, by which CISO funds up to 50% of all operational expenses related to organized crime investigations, with at least two other funding partners from the policing community funding the rest of the operating expenditures, as well as salaries for investigators, analysts, et cetera. Also, there's the integrated analytical services program, designed to provide a tiered, strategic, all-source analysis to partner agencies on provincial and national priorities relating to organized crime.

● (1650)

The public policy objectives of the government are enhanced by providing for a province-wide coordinated response to community safety and security matters arising from organized crime. The local and provincial policing priorities and needs are best met through joint and cooperative action developed throughout the CISO partnership.

As one example of how this partnership works, I would like to draw your attention to the CISO training program. The Government of Ontario's contribution to this program, its investment in this program, is the funding of three full-time equivalent employees to manage it. These FTEs are positioned at the CISO provincial bureau and deployed to the Ontario Police College. However, the human resources required to stay on top of critical and emerging training priorities, including significant expansion of the number of intelligence training courses and the implementation of a province-wide outreach program that provides training for 300 students annually, could not be handled by these three FTEs alone. The partnership supports the training by providing instructors and/or lecturers free for each course as it is delivered. It also commits to mentoring and developing newly trained police officers upon their graduation from the training.

This method of sharing and integrating the cost of training across the CISO partnership is the cornerstone of success of the CISO program. It is but one example of how CISO has maintained a high-level rating for service delivery, consistently achieving a 100% satisfaction level, based on the provincial customer satisfaction survey results.

CISO endorses three main priorities, which are key to the effective and efficient disruption and suppression of organized crime networks.

Similar to the OPP practice in terms of lawful access, the Investigative Powers for the 21st Century Act, Bill C-46, and the Technical Assistance for Law Enforcement in the 21st Century Act, Bill C-47, passed first reading in June 2009. These are important developments in the area of lawful access and are integral to the success of ongoing police efforts to combat organized crime.

Intelligence-led policing requires police agencies to work together at the operational, tactical, and strategic levels and to share responsibility, authority, and accountability at each of these levels. It requires a strategic approach to anticipate, prevent, deter, or efficiently respond to routine front-line policing requirements and to more sophisticated threats, such as an escalation in street violence and organized crime. Making sound decisions on the basis of incomplete information is inherently problematic, and the more imperfect the information, the more difficult it will be to make good decisions. Sharing of information in this environment is an imperative critical to the success of police efforts.

Accordingly, CISO strongly endorses the ongoing use of the automated criminal intelligence information system, or ACIIS, as an interim measure. The platform supporting the system is antiquated, which leads to data entry, support, and retrieval difficulties. The proposed Canadian criminal intelligence model and the newly proposed Canadian criminal intelligence system as a national intelligence base with ongoing research and development are very welcome initiatives. However, funding is always an issue, and as this is inherently a national police service initiative, it is CISO's position that it should be funded appropriately at that level.

Additionally, there are still-valid arguments that suggest that the institutional model under which police services operate is too compartmentalized and has proven to significantly hamper the flow of information from federal police agencies such as the RCMP to other federal, provincial, and municipal partners. Specifically, matters of federal security clearances, national security databases, and restrictive reporting structures inhibit true integration and effective information sharing. This needs to be remedied to ensure that full intelligence sharing takes place.

Finally, CIROC, the Canadian integrated response to organized crime, was established in 2007 as the operational component of the Canadian law enforcement strategy to combat organized crime. The mandate of the CIROC program is to coordinate a strategic plan for fighting organized or serious crime through the integration of Canadian police efforts at the municipal, provincial/territorial, regional, and national levels. The goal is to operationalize intelligence produced by CISC in partnership with the CIS provincial bureaux.

A key objective of the CIROC program is to increase inter-provincial cooperation as it relates to intelligence sharing and operational coordination in Canada. CIROC is building the foundation that will enable law enforcement agencies across the country to share information in a more timely, reliable, and efficient manner. It is expected that this improved communication will translate into enhanced operational success.

● (1655)

The Ontario pilot project took place over the past year. This project is part of a joint undertaking between Criminal Intelligence Service Canada, CISO, and the CIROC national committee. As with any new initiative, operationalizing the Ontario CIROC project has been a dynamic learning process, requiring the fine tuning of original concepts along the way as stakeholders adjust to the new ways of doing business.

The pilot has revealed a number of key findings that have pointed the way to critical steps to be taken. Among these lessons are the need to establish a communications strategy that reflects the complex nature of the CIROC project as it unfolds; the need for a greater number of police services to adopt intelligence-led policing as an all-encompassing operational strategy, as opposed to strategy utilized by simply an intelligence unit; and the need to clarify and expand the role of the local CIROC liaison officers, who are integral to the success of the project, and any other staff or officers involved in the process.

CISO fully endorses the continuation of the pilot in Ontario, with continued support from CISC, and suggests the development of further pilots in other provinces across Canada.

In summation, informed decision-making is the ultimate goal of intelligence. Combined efforts in Ontario continue to work toward bridging not one single intelligence gap, but rather multiple intelligence gaps. A more comprehensive picture of the impact of organized crime and the development of strategies to disrupt it requires that law enforcement achieve a more complete understanding of the criminal actors involved, the connections between and among criminals and their organizations, the activities carried out by those criminal actors and their organizations, as well as the social and economic conditions that motivate them and create opportunities for offences to be committed.

CISO is a model for alternative service delivery that should be viewed as a potential model for other government and policing operations and recommended as a partnership prototype for other provinces in the battle against organized crime.

The focus of CISO is centred on a number of activities central to combatting organized crime, and if you implemented this across the country, you would include analysis and interpretation of organized crime enforcement operations; exchange of intelligence information at the operational level through program delivery and electronic databases; funding and specialized support for joint force multi-jurisdictional criminal investigations; ongoing development of expertise and best practices through a centralized intelligence training program; undercover operations support; proactive development investigator knowledge as it pertains to legal developments, trends, and methods pertaining to lawful access; and providing a coordinating mechanism for the police community and the government to work together to address organized crime problems.

Thank you.

The Chair: Thank you.

We'll move over to Superintendent Davis, who I believe is presenting on behalf of the RCMP.

Superintendent Robert W. Davis (District Commander, Greater Toronto Area Region, Royal Canadian Mounted Police): Thank you, Mr. Chairman.

My name is Robert Davis, and I'm the district commander for the RCMP's federal and international operations service delivery here in the greater Toronto area. On behalf of the RCMP and specifically O Division, I thank you for providing Inspector Penney and me with this opportunity.

The committee has invited us to discuss the state of organized crime. I will be directing my remarks principally in the context of the GTA. I would like to begin by taking a very brief moment to highlight relevant information regarding the GTA.

According to recent census figures, the GTA represents less than 1% of the geographic expanse of Ontario, yet it is home to more than 5,500,000 people, and these figures are three years old. Over 140 languages and dialects are spoken here, and approximately 44% of the population lists a language other than English or French as a mother tongue. In addition, the GTA is Canada's largest immigrant receiving area; more than 70% of residents over 15 years of age are either immigrants or the children of immigrants.

The GTA contains the seat of the provincial government and is the industrial and financial capital of Canada. It contains the country's largest and busiest airport, which in 2008 saw passenger traffic of over 32 million people and processed some 45% of all of Canada's air cargo. It is also within one day's drive of 135 million people in two countries.

In short, our immediate field of play is a comparatively small piece of real estate containing the financial hub of the country, close to 20% of the population, enormous domestic and international political influence, and a community that is a tremendous mosaic in terms of culture, heritage, education, business, religion, and common interests. In other words, there are an enormous number of variables, which in turn present an abundance of opportunity to criminal organizations and at the same time significant challenges to law enforcement and the community as a whole.

The RCMP's policing environment in the GTA—and in Ontario and Quebec, for that matter—is different from what it is in most other areas in the country. City, regional, and provincial police services have primary jurisdiction, while the RCMP in these non-contract provinces is primarily responsible for the enforcement of federal statutes and national security matters. Our GTA district federal policing is predominantly project-based and focused on criminal organizations. Typically these investigations are long-term, multi-jurisdictional, and costly. Fortunately, we enjoy close informal and formal working relationships with our policing partners.

Within this environment we have seen, and continue to witness, the evolution of criminal organizations in both number and variety. From historical secret societies—which still do exist—to the vast array of more recent criminal enterprises, adaptability is the cornerstone defining their survival and success. Our enforcement initiatives have identified a move from traditional heritage-based organized crime groups to multicultural criminal organizations forging alliances that are fluid in both duration and scope. The basis of these alliances is a common purpose and the requisite criminal capabilities.

Regardless of the illicit commodity, the sole purpose of any criminal organization is the acquisition and legitimization of wealth. To accomplish this goal, they have studied and embraced many of society's legitimate approaches to the 21st century. They outsource, they apply the latest advances in technology, and they consider law enforcement response as well as potential legal sanctions in the context of their undertakings. They also seek vulnerabilities and co-opt individuals from all sectors who have influence or knowledge that would further their goals. Examples range from government employees with access to passport documentation or knowledge of internal security processes to personnel within banking and related businesses, such as the money service businesses used to transfer money around the world.

Criminal organizations take active steps to mitigate risk. An example would be the compartmentalization of organizations active across the country or across countries. Many investigations directed at criminal organizations are commenced locally, yet take on a national or international dimension in short order. In one instance, the lead criminal organization was formed in one country and the commodity in a second, while the movement of the commodity between a third and fourth country was outsourced to other criminal enterprises. Canada was the third country in that scenario. This creates numerous issues relating to jurisdictions, the various systems of law, and sovereignty.

● (1700)

I understand you have spoken to a number of other sources across Canada regarding today's subject matter, and from what I have read, many of those discussions have focused on drugs. The drug world, with its rapid and high return, and its high sanctions, routine violence, and tremendous visible human carnage, is a universal subject when discussing organized crime. There is no doubt in my mind that drugs are one of the mainstays for organized crime. We see the illicit drug trade as an underlying influence across almost all federal programs here in the GTA, from identity theft to counterfeit currency to airport security.

Inspector Penney has been good enough to accompany me today, and he can address any questions on organized crime that are specific to drug enforcement.

Organized crime is involved in many activities and commodities other than the drug trade. It is an area I would like to take a few minutes to speak about, as it is all too often overlooked.

Human smuggling, counterfeit pharmaceuticals trafficked through the Internet, market and securities frauds, insurance fraud, tax fraud, tobacco smuggling, mass marketing schemes, counterfeit DVDs and electronic games, counterfeit banking instruments, and identify theft all generate great wealth at dramatically reduced risk to criminal enterprise when compared to drug trafficking. In some of these cases, profits can be just as high as in the drugs cases, tobacco smuggling for example, but the risk of prosecution and the criminal sanction upon conviction is considerably lower.

These crimes are not victimless, and they are extensive. Criminal groups that engage in these activities recognize that police resources are limited and that communities expect their more serious threats to be addressed first.

Legal sanctions associated with many other related federal statutes should be refreshed in order to provide real deterrence to current big criminal organizations. In some instances, the legislation itself should be reviewed and expanded. For instance, copyright offences are specifically excluded from proceeds of crime legislation, thereby limiting the ability to restrain assets derived from illegal activity. Also there is a lack of parity between current legislation and the speed of evolution in communications technology. Lawful access must be realized, as current technology permits criminal organizations to virtually hide in plain sight. I believe communication technology companies, including Internet service providers, should be guided by legislation that facilitates our lawful accessing of the information we need to bring criminal organizations before the courts. This speaks to encryption and the ever-changing digital communication platforms.

I am aware that Assistant Commissioner Mike Cabana appeared before the committee in March of last year and spoke to the issue of lawful access, as well as the challenges to law enforcement associated with disclosure. I will not belabour the point, but I will say that the current applications of disclosure weigh very heavily on all police operations. Disclosure reaches back in time and across jurisdictions, but it must be relevant disclosure. When already stretched resources are further encumbered in responding to no more than a subjective interpretation of a prosecutor or the delaying tactics of the defence, our capacity and capability are unnecessarily diminished. In the absence of defendable standards, it can be a tool to frustrate and exhaust legitimate enforcement. It can also cause crucial international partners to view us with considerable reticence.

In closing, Mr. Chair, the RCMP, particularly the GTA District Command, is committed to effectively challenging organized crime. This requires an ability to address gaps between the evolving capabilities of criminal organizations and the capabilities of law enforcement to respond to them.

Thank you.

● (1705)

The Chair: Thank you to all of you for that input.

We'll begin our questioning.

Mr. Murphy, you have seven minutes.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Thank you, Mr. Chair.

Thank you, witnesses.

It seems we could all agree on a number of things that can be done here by us in recommending things to the government like reinstating Bill C-46, Bill C-47 and lawful access, sorting out the funding challenges to ACIIS, and the general resourcing of policing in Canada. There is some work to be done by all stakeholders on disclosure.

I consider many of those things as things that are either under way or should be under way. I don't want to concentrate on them. I think they're real issues, and you brought them up. I'm glad to hear Superintendent Davis speak about technology. He used some wonderful phrases we'll use again in compelling the telecommunications companies, the Internet service providers, and the device manufacturers to use devices that are susceptible to surveillance and therefore, as we would say, allow a discretion-based judicial interference. If you can't get hold of it, it's hard to say a judge can control access to it. I'm not worried about the civil liberties aspect as long as there's judicial discretion. We can't even get in the door. That's stuff we all agree on.

I have observed three things that I'd like brief comments on. First, in places like Winnipeg, youth seem to be used as pawns in organized crime for various crimes. It doesn't matter if it's Winnipeg, it's all across the country. We're looking at new youth legislation amendments to the YCJA, the Youth Criminal Justice Act. I'd be interested in your comments in general about youth and how they play a role in organized crime.

Second is civil forfeiture, getting at the proceeds of crime and getting at the money. It seems to me we learned in Vancouver that there must be a heavy civil network of civilians who aren't involved in organized crime but who nevertheless provide the support for it, building supply companies, etc., who must know or must be made to know they're supporting organized crime. I was interested in your comments on that.

Finally, especially as it pertains to the Canada Border Services Agency, we have a huge border. We routinely have a problem with gun violence. We have little debate going on about that in Ottawa, by the way, on how to attack that. It's routinely the case that a lot of these weapons aren't from Canada in any way. They get over the border somehow. We talk about money, drugs, guns, and technology. If you can get a handle on those four things through federal instruments, we'd all be helping each other.

I'd like some comments on those things from anyone.

● (1710)

Insp Bryan Martin: I'll comment on the guns. As far as firearms, we're making better efforts. In the police community, we recognize the problem. Coming from a drug background, currently, we know that a lot of our Canadian-produced marijuana—Ontario, British Columbia, Quebec—our outdoor marijuana is going south of the border into the United States and coming back. Other commodities such as cocaine, guns, and firearms are coming north of the border. We've seen that in partnership with CBSA.

We are working in partnership with our American colleagues in ICE, through the Department of Homeland Security. We now have officers with the Ontario Provincial Police, the Toronto Police Service, and other agencies imbedded at the Buffalo border in Ontario and at Windsor. They are title 19, which means they are sworn in as peace officers in the United States of America. They are working with our American officials to try to combat this thing.

Working with these two major borders in Windsor and Buffalo, we are in agreement that we are seeing a lot of the contraband going south and coming back. It's something we have to actively investigate. Of course, any support from our federal legislators in making stronger legislation and tougher penalties, or giving us more resources, education, or support in that area, would be greatly appreciated.

Insp Randy Franks: As far as youth involved in crime and being used by organized crime groups, yes, we see that in Toronto. I'm sure that is recognized in the GTA. In addition to that, the intimidation of youth witnesses is a critical problem. In Ontario, for criminal offences, we have a witness protection system that is funded by the province. But for federal offences—and many of our organized crime cases involve drugs—we're required to reach into the federal system for witness protection funds. That's a lot more difficult to access and make use of in the short term: to get witnesses the protection to allow them to feel protected and not be intimidated before a trial.

Supt Peter Shadgett: In terms of civil forfeiture and proceeds of crime, the issue has been dealt with rather creatively in Ontario with provincial support and federal support, and some funds have come our way and we have been able to do things.

For example, we have this provincial electronic surveillance in the province where CISO has funded electronic interception rooms at six strategic locations across the province through proceeds of crime funding. We have had to get creative on the finances behind that, in terms of allowing literally a government agency like CISO to maintain a bank account beyond fiscal years, so that the funding required for the technical support and the upgrades to the wire rooms can be paid when the invoices come due.

It's tricky to do, but we have been successful in doing it for the last five years, and we are looking at expanding the program to three additional locations to have nine.

So my question back to the federal government would be.... I think the province is going to get a few million this year from proceeds of crime, so I don't think you need to necessarily look at expanding the proceeds or the civil forfeiture legislation as much as you need to find out where the rest of the money goes, because I don't think it is coming back to the organized crime enforcement officers.

Mr. Brian Murphy: What is the potential?

Supt Peter Shadgett: The question is, we don't know where it goes, because every few years we might get a couple of million dollars in support of it. We don't know in Ontario where the rest of it goes.

Mr. Brian Murphy: Go get Sheila Fraser on that one.

Thank you.

The Chair: Thank you.

We'll move on to Monsieur Ménard. You have seven minutes.

[*Translation*]

Mr. Serge Ménard: Thank you very much. I do not have enough time to express the high regard I have for these presentations. However, I would like to highlight the most interesting ones.

Mr. Shadgett, I really appreciated your presentation. You explained very well the position you occupy, how your organization fits into the system and I am convinced that you have the answers we are looking for. However, you spent very little time giving those answers. I agree with the last of the announced goals of your operation, which is to provide a coordinating mechanism for the police community and the government to work together to address organized crime problems. So you are well positioned to know these answers but you did not provide them.

I will discuss later with my colleagues to determine if it would be worthwhile to invite you to come back at some point to make a presentation on those.

I listened to the presentation of Mr. Davis and found it very credible also. Obviously, you could have provided a great amount of detail, but in view of the limited time available you stuck to the substantive points. But you still allowed us to get a better grasp of organized crime and of its huge diversity.

Among what other witnesses said, I took note of the fact that no longer is Toronto in the clutches of a handful of powerful families that control organized crime but that in fact there is a large number of organizations that are also very powerful in their own area of activity. There are obviously organizations active in many areas.

There is one aspect that others mentioned and that you did not raise, which is the existence of ethnic organizations, Russians, for example. Could you confirm or deny the information we have been given about the existence nowadays of many organizations that are structured based on national origin and therefore language?

● (1715)

[*English*]

Supt Robert W. Davis: I guess my comment is that there are very clearly ethnic organized crime groups, but my understanding is that today's organized crime environment is not hampered by ethnic boundaries. It's more about who we need to bring in, in order to achieve our criminal objectives. If it happens to be Russians because they are particularly good at armed robberies, or it happens to be Indians because they are particularly good at counterfeit documents, or Chinese, well that's what happens. It is not unlike what a normal business enterprise would do in terms of outsourcing for specific types of skill sets.

I am going to defer to Rick here, because he runs probably the largest drug unit in the country from the RCMP's perspective, and deals a lot with those types of criminal enterprises.

Detective Inspector J. Richard Penney (Operations Officer, Greater Toronto Area Drug Section, Royal Canadian Mounted Police): I have 31 years of service in the RCMP, of which about 25 years have been dedicated to drug enforcement, and all within the GTA.

Organized crime has greatly changed over the last number of years. Canada's no longer an end-based user of drugs that come into the country. For the third year in a row, the United Nations has identified Canada as the largest producer of ecstasy. We are the largest producer of methamphetamine to Japan. Eighty-three percent of all of the ecstasy seized in Australia comes from Canada. We had one project, OSPA, which has gone to court here and convictions are registered, in which we shipped from an unknown group of individuals over $110 million worth of ecstasy, methamphetamine, and cocaine from Toronto to Australia.

Criminal enterprise is broken across levels. You don't see any more the traditional organized crime. It's sidelined. We have the Indo-Canadian trucking industry—

[*Translation*]

Mr. Serge Ménard: Allow me to interrupt. My time is short and I would like to deal with another issue. Maybe you could provide additional information in writing. As I said, I really believe you are the most reliable source.

There is an issue I want to raise with Mr. Shadgett in the short time that I still have available. Unless I am mistaken, you cooperate with other provinces on the exchange of criminal intelligence.

How does this work with Quebec? I know that Quebec has a criminal intelligence bureau that I created myself when I was there. Do you work with this bureau? How does the communication work going from French to English and English to French?

● (1720)

[*English*]

Supt Peter Shadgett: I have a very good working relationship with the director of CISQ. Forgive me, I don't have actually the name of the ministry, but their public security ministry has been in contact with me and they want to come and have CISO demonstrate the differences between CISO and CISQ, and we'll be doing that in the very near future.

In terms of operationally, we share everything. There are no issues at all. The director of CISQ's English is better than my French.

The Chair: Thank you.

We'll move on to Mr. Comartin for seven minutes.

Mr. Joe Comartin: Thank you for being here.

I want to touch on another point. Mr. Shadgett, you referenced it and we've had some discussion in the committee before about corruption of officials, including politicians, police, prosecutors, I guess corrections officials, border officials.

Can anybody on the panel tell me if we've had one case of a conviction of a judge as a result of taking bribes or in some other fashion being corrupted by organized crime?

Supt Peter Shadgett: I'm not aware of one in Ontario, sir, not a judge.

[*Translation*]

M. Joe Comartin: It is not the judges. It is in...

[*English*]

Supt Peter Shadgett: There are numerous cases of police and civil servants.

Mr. Joe Comartin: I want to go to that next. In fact, I was going to take a bit of an issue with that, Mr. Shadgett. I don't know if you prepared this brief that was given out to us, but you only identified corrupt government and the judiciary. I think our judges would be a bit upset with you for isolating them.

Supt Peter Shadgett: I was invited the day before yesterday, so I put it together pretty quickly.

Mr. Joe Comartin: I heard you say that.

I am aware of some cases where there's been a suggestion of prosecutors, a couple in particular, and then police officers who may have had involvement with organized crime.

I suppose what I'm trying to get at from you is a sense of how much penetration there has been. We look at Mexico and it's just so widespread, all the way up to the highest levels, from what we're hearing. I guess what I'm trying to do is get some assurances of if there are any, how much it is and whether we should be looking at that particularly.

Supt Peter Shadgett: In the police profession, as I'm sure you've heard, there are all kinds of competing resources and issues that come forward.

When CISO started 45 years ago, it was as a result of a royal inquiry into what everybody will understand as and call today "traditional" organized crime, which used very specific methodologies. If violence was used, for example, it would be strategic violence as opposed to impulsive violence.

What's occurring today, in my view, when I look at the greater Toronto area and the prevalence of street gangs—and I'll let my Toronto friend counteract what I say if he wishes to—is that the violence is sometimes strategic and often it's impulsive. Then you have retribution after that, and it follows back and forth.

Our focus in law enforcement is on the street-level violence that is occurring in Canada or other major crimes that are occurring.

I forgot to mention earlier that I am a superintendent with the OPP. In my previous job, I was responsible for the OPP anti-rackets branch and major crime, crimes against the government, and we set up a corruption investigation unit.

There is lots and lots of work to be done, lots of investigations to be done, even just for transparency's sake alone if people make allegations. The problem is maintaining the resources dedicated to those investigations when all the other competing resources are happening in major crime.

In the OPP's context, responding to province-wide requests for assistance in homicides, some very famous ones that have occurred in the last few months in outlying communities in Ontario that are not OPP jurisdiction but the OPP has funded and supported those investigators, those investigators came from the corruption and anti-racket side of the house. A number of them came from there.

So it's a constant juggling act where we deal with the organized crime that we can deal with, when we have the time for it. I don't think we really have as good a look at the potential for corruption that has occurred over time in the government.

● (1725)

Mr. Joe Comartin: Are there any instances of investigations being thwarted or substantially interfered with because of leaks? I know we had some in Quebec, in going after the bikers, but are there any in Ontario?

Supt Peter Shadgett: I can't speak to any in Ontario. There are a couple of cases before the courts now, though, that I really can't speak to at all that aren't dealing with leaks but actually with police and other civil servants engaging in corrupt activities outside of their work or utilizing their position to gain access to criminal opportunity.

Mr. Joe Comartin: I'm aware of some of those charges as well, but all the ones that I can think of don't seem to involve an organized crime group. They tend to be more individual criminality on the part of the official or the police officer.

Supt Peter Shadgett: Well, there are some like that and there are some that do involve organized crime groups, and we have to let the courts do what they do best in that regard.

Mr. Joe Comartin: Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Norlock, you have seven minutes.

Mr. Rick Norlock: Thank you very much.

Thank you, witnesses, for coming today.

I have a few questions based on some previous witnesses. I won't go into their philosophic views on law enforcement and the legalization of drugs and things like that. I'm of the assumption that, having been a police officer, we share the same view on that. However, feel free to interject and correct me if I'm wrong.

The legalization of marijuana and every single drug on the list, which is what one of the witnesses said, is not on our dinner plate. That said, though, one of the witnesses, Mr. Antonio Nicaso, who has studied organized crime both in Canada and internationally—specifically Italy—was of the opinion that we are not serious about investigating organized crime, because we have so few resources spent on it.

Without going into the numbers of personnel or the exact amount of money, or things like that, I'd just like to have your collective opinion on, first, whether you feel that we are serious enough about organized crime. We never have enough resources—no one in government ever has enough resources—but do you see within your purview an ability to readjust funding so that we are serious about organized crime?

That would be the first question. I'd like just a short response, without the numbers of personnel but at least the percentage of your budget, or a rough estimate, and then I'll go on with a couple of other questions.

Perhaps we can begin with CBSA.

Ms. Bonnie Glancy: Obviously, one of CBSA's intelligence priorities is organized crime. In conjunction with our police partners, we're doing everything we can to help eliminate it—we'd love to see it eliminated—or to try to dismantle some of the organizations. I feel we're doing a pretty good job with what we have, and we will continue to support each other.

Insp Bryan Martin: We're very serious in Ontario. Sitting with my colleagues here, I can give an example, which was the creation in 1998 of the biker enforcement unit. I mention it in my notes. The biker enforcement unit had over 100 members. That has varied from time to time over the years, but it had 100 members from police agencies across the province. It was the model, not only across Canada but around the world, for investigating outlaw motorcycle gangs and organized crime. The successes from the biker enforcement unit speak for themselves. There were some massive projects, including the Hells Angels.

With reference to Mr. Ménard's earlier question about working with our partners in Quebec and sharing intelligence in relation the Hells Angels, we take it very seriously. Yes, we want more. We always want more.

From an Ontario Provincial Police standpoint, we have designated four main centres in the province, a lot of officers, and a lot of funding. Our investigations into organized crime run into the millions of dollars. It's continuing at this time.

● (1730)

Insp Randy Franks: From a municipal Toronto police perspective, our core policing functions deal with things other than organized crime. Yes, we do become involved in organized crime investigations through drug investigations, gun and gang investigations, and partnerships with our federal, municipal, and provincial partners; we engage in those organized crime investigations, but our core responsibility to the citizens of Toronto is our core policing function, which is to make sure they feel safe in their communities. It's by partnering with our partner agencies that we're able to reach and participate in those higher-level criminal organization investigations.

Supt Peter Shadgett: My perspective is that in terms of enforcement and intelligence, Ontario is very well positioned to deal with organized crime. The focus on partnerships has had a lot of success in CISO. All the various enforcement units in Ontario are all members of CISO as well.

I think we're doing very well in Ontario, but what we're struggling with as a police community is the notion of partnering to the point that you leverage your success together, so that your work together is more effective than it is when you're apart. It's very tricky for us to do that, because there are competing issues over whomever you report back to in terms of who pays the bills. That's one issue: leveraging our success and our partnerships.

A second issue is working through the IT problems to get consistent information technology, so that when we want to share something electronically, we are actually positioned to do so. We don't have that capability as of yet.

The third thing is that we need to do a better job of linking the intelligence and the operations sides of police agencies so that everybody knows what everybody else is doing. As you can imagine, that is quite difficult, particularly in large police organizations.

Supt Robert W. Davis: With respect to resources, there's no question in my mind that this question needs to be addressed. I've been in the province for 30 years, and the number of RCMP employees in this province has not materially increased relative to the growth of the population.

However, it's more than just strictly numbers; it's about the wait or the drag on law enforcement to really be efficient and effective. That wait is caused by things like disclosure, lawful access, and quality of intelligence, and in a way they're all bundled up in one. I don't think for a minute you can look at it piecemeal or in isolation. It's a comprehensive and complex problem.

Mr. Rick Norlock: Thank you very much.

I have just one minute left, so I'll quickly ask about disclosure.

We had a witness here this morning, Mr. Trudell, who represented the bar in Ontario. He says that the problem with the burden of disclosure on you occurs because you're not integrated enough. He says it's really not a big problem, and that you're making the problem worse because you don't communicate that well with the crown, and the crown doesn't communicate that well with the defence counsel.

Could you tell me quickly how you deal with disclosure currently, and what you mean by the burden? People at home reading this, or reading the blues from this, need to know exactly how much time police officers spend in talking to crowns and defence counsel about disclosure and the effects it has on the case.

Insp Bryan Martin: I'll take a different opinion. On our large organized crime cases, a lot of them we work very closely with Public Prosecution Service of Canada because the charges primarily are federal charges in the drug thing. We work closely with the crown or prosecutor assigned immediately. Disclosure is ongoing from day one of our organized crime cases. We've learned because of the volume that we have to work immediately with our friends at public prosecution service, so the amount of disclosure we have to make to keep up with our requirements by law is massive.

Any communication, verbal, any time we're meeting with witnesses, CIs, etc., that is all recorded and is disclosed, and there's lots of it. But to combat that we are now integrated with public prosecution service from day one. We're working towards disclosure. We are going to electronic disclosure to try to unburden—we can't keep up with volumes, and it's unfair for us to turn up at somebody's thing and drop off 50 banker's boxes full of documents. I'm not exaggerating there; that is a real issue that we have. So we are going electronic. I talked about the web-based solutions. I gave the example of Project Sharq in Quebec, which used it, so we are trying to move ahead and we're working with our colleagues across the country to stay ahead of disclosure. So we're very involved in it, and I think we're doing an excellent job of working with our crowns.

● (1735)

The Chair: Thank you. We're going to have to leave that there for now. We'll come back.

Mr. Murphy, five minutes.

Mr. Brian Murphy: I just want to follow up on the money aspect, Mr. Shadgett. You mentioned that it's a question of how it's divided and there are already millions coming in Ontario and there must be much more going.... I agree with that. I have friends in New Brunswick who run the very successful proceeds of crime joint force thing. But it is about the money. I presume we're all in agreement that if the business were not so lucrative, they wouldn't have as many participants. And it seems to me that we're looking for solutions here.

So is there something that any of you can help us with in terms of broadening the law, broadening the scope of surveillance or monitoring—even by private agencies, let's get the banks involved, etc.—that would help? I know Toronto's not doing too well in hockey, but if they produce so much money in drugs—it's an astounding statistic, Inspector Penney—there's an awful lot of money coming into Canada because of drugs and there are people using that money. So are there some creative solutions you can offer us as lawmakers—maybe not this committee, maybe the industry committee, maybe the telecommunications committee, I don't know. But what can you give us as a blue sky sort of "let's track the money" solution to some of these problems?

Insp Randy Franks: FINTRAC is doing an excellent job right now, and it appears that it has recently expanded its intelligence capacity. I'm going to speak from a Toronto perspective, I'm in charge of our asset forfeiture operation. We've been seeing much more detailed reports coming from FINTRAC, the reporting into FINTRAC from the banking industry, from real estate, and all of the other entities. Lawyers have to report into it now.

In fact we're getting so much detailed information that we don't have the capacity to react to it. There are more cases coming from FINTRAC than we have the capacity to investigate.

I know you wanted something other than resources, but that's the reality. FINTRAC is in my opinion doing a good job in providing the information that is coming into it. It is analyzing it and sending it back to the end users.

Bob Davis may have a comment.

Supt Robert W. Davis: I think domestically and in the developed countries the established mechanisms work relatively well. There are huge gaping holes, however, in respect of the flow of currencies to foreign countries through money exchanges and hawalas and other sorts of informal money exchange processes, which we are not anywhere near getting a handle on.

Mr. Brian Murphy: How would you get at them?

Supt Robert W. Davis: A huge problem in many of the countries relates to corruption within those law enforcement agencies, and the infrastructure in some of the countries is just not there. To be effective at it we would have to transplant enforcement agencies from Canada into some of those countries, not unlike what the Americans do.

Mr. Brian Murphy: The Americans do this?

Supt Robert W. Davis: They do it in an informal kind of way.

Mr. Brian Murphy: Then you would never get a document on it, in other words?

Supt Robert W. Davis: I guess what I'm saying is, it's not uncommon for the FBI, for example, to work very closely with a police force in a foreign jurisdiction where the Americans would provide funding, provide cars and vehicles, pay overtime in salary and so on. That gives them a certain level of—

Mr. Brian Murphy: We talked about going in camera here. Is it possible that CSIS has things going on in that regard? Do they have any financial anti-crime agenda? Most of it's espionage, I gather.

Supt Robert W. Davis: I can't comment on that.

Mr. Brian Murphy: All right, that's fine.

The Chair: Thank you.

We'll move on to Madame Guay.

[*Translation*]

Mr. Serge Ménard: Madam Guay and myself will share the time allowed, Mr. Chairman.

Initially, I was very sceptical about the usefulness of an anti-gang legislation. I always believed that a gang was a group of people who get together to commit criminal acts. If they conspire, let us charge them with conspiracy and let the judge determine the proper sentence in view of the extent of the conspiracy. But eventually, I have been persuaded to accept the principle of anti-gang legislation.

This is because I observed that in some cases it is possible to prove beyond any reasonable doubt that a person profits from organized crime although we are unable to identify any specific criminal act. Furthermore, such legislation is a deterrent for ordinary people who provide small services to the gang. The Hells Angels knew very well how to convince relatives to provide some small services. There has to be a sanction for that. Most of the time, when someone like Mom Boucher is found guilty of murder, we do not need to add any other provisions to the act, because he will get the maximum sentence.

In many other cases, it is clear that a drug deal that can be proven in court was committed within the context of organized crime. I know that for you it is difficult to prove in addition that the dealer was part of a criminal organization.

Since you have extensive experience that goes back to before passage of the anti-gang legislation, did you know that in cases of trafficking by a criminal organization, judges used to take this into account and imposed harsher sentences? Is it really worthwhile to go through all the hassle of establishing that the first penalty is insufficient under the circumstances?

● (1740)

Ms. Monique Guay: You used up all the allotted time, Mr. Ménard.

You may send your answer in writing to the committee.

Let me just say to you, Mr. Penney, you mentioned some figures that are really important to this committee. Could you provide us this information in writing? Furthermore, you could send us anything you have that could be useful to the members in doing their work. It is really important. You are a valuable resource.

I have one comment to make. We always talk about toughening laws and increasing penalties. This concerns me. More and more we are faced not with large organized groups — like the Hells Angels or the Rock Machine — but rather with street gangs. Street gangs will often use small resellers who are not necessarily hardened criminals. If we toughen laws, I am afraid these youth will be handed excessive sentences. These are young people that could be rehabilitated. I would like to hear your opinion on this.

[*English*]

Det Insp J. Richard Penney: I can address that. I would agree with you in some regard. When we get into corruption and issues at the airport, we do see couriers who are single moms, unemployed or otherwise, coerced or otherwise, acting as mules for money, drugs, criminal enterprises, and moving drugs and things back and forth to other countries. We do see that quite often.

The courts do recognize that with regard to the involvement of those individuals and the pressures that they face. And to some degree, with regard to the RCMP's interaction in that area, that is addressed by the courts and recognized by the judges in sentencing. You can't be wilfully blind, though. As a courier, as any person committing an illegal act, you can't sit back and take that it's simply because of the situation you find yourself in. But that is recognized with regard to those activities that we engage in with people such as that.

The Chair: Thank you.

Mr. Woodworth.

Mr. Stephen Woodworth: Thank you, Mr. Chair, and thank you to the witnesses today.

Mr. Chair, I was writing quickly when Inspector Martin was speaking, as he had a lot of suggestions, just as you had invited from witnesses at the outset. I don't think I got them all down. I noticed he was reading from loose-leaf notes and I don't think I have a copy of those remarks. If I don't, I'm hoping I could get a copy of them at some point, because they seemed to be a good collection of suggestions.

● (1745)

The Chair: We'll send them out. I believe the remarks were submitted in English only, so they will be translated and then circulated.

Mr. Stephen Woodworth: Thank you.

I have two areas I'd like to get to and I'll probably only get to one.

Superintendent Davis, I was grateful to receive your remarks. In particular, you made some comments along the line that criminal organizations, in addition to outsourcing, apply the latest advances in technology and consider law enforcement response, as well as potential legal sanction, in their undertakings.

Also, when discussing some of the other federal statutes, you said that legal sanctions associated with many of these other federal statutes should be refreshed in order to provide a real deterrent to current-day criminal organizations. It sounded to me that you were suggesting that in fact heavier sentences can act as a deterrent and can hinder criminal organizations and increase the cost of doing business for these groups. Yet we sometimes hear from academics and others who say that in fact sentences don't act as an effective deterrent.

I would just like to hear a little more from you on that point. If you told us how long you've been involved in this work or what opportunity you've had to observe the effect of deterrent sentences upon organized crime or criminals generally, I'm afraid I didn't catch it. I would like to know a little bit about how you reached the conclusion that sentences can deter, hinder, and make the cost of doing business greater for organized crime.

Supt Robert W. Davis: I've heard many times that same comment about the deterrent effect of sentencing. I think, in large measure, it is in reference to the time served. However, what I am referring to here are really the profits that can be gained. For example, a tractor trailer load of smuggled or counterfeit cigarettes will yield about $1 million in revenue.

I'm really talking about the less obvious federal statutes, which are often used for prosecutions of counterfeit products, for example. If you see a tractor trailer load of counterfeit Gucci purses or something of that nature, and it cost us $600,000 or $700,000 to do the investigation, the penalties provided by the relevant act are fairly small. In most cases, the suspect simply considers the penalty a cost of doing business. A $5,000, $10,000 or $15,000 fine is not a significant deterrent and has just a small impact on the criminal's overall revenue. That's the focus of my comments.

Mr. Stephen Woodworth: So it's an economic approach of sorts that you're taking. We encountered that earlier today as well.

The second area of questioning I would like to get to arises from Director of Intelligence Glancy's comments about the Almighty Latin King and Queen Nation, and the fact that this gang gained a foothold in the GTA in five years, with an estimated membership of 200.

Quite frankly, speaking as someone who is not familiar with organized crime and who is probably like most Canadians in that respect, I wondered if we could again talk about that as a case in point, an example, without revealing any secure information. Which force, for example, would be most able to respond to that kind of a challenge? Has there been criminal conduct that you've been able to associate with that group? If so, are there charges that have been laid and what were the results? If not, what are the reasons this gang has been able to blossom in five years?

Is the challenge mainly that of evidence gathering? I don't know if you understand what I mean, but could we use this group as a case in point?

● (1750)

The Chair: Please give a very brief response.

Ms. Bonnie Glancy: We've used our IRPA legislation to help remove a lot of these individuals who don't have status in Canada, or they could be permanent residents. If we find criminality, they're able to remove them under our legislation. It's a wonderful tool that we can use for very many gangs.

I'm sure that Inspector Franks can speak a little bit to the number of gangs, but I believe there are over 200 gangs in Toronto. If we are able to interdict them, there are mechanisms for us to remove them as long as they're not Canadian.

The Chair: Thank you.

We'll move back to Mr. Murphy. Four minutes.

Mr. Brian Murphy: Thank you very much, Mr. Chair.

I want to get back to the question of youth. I think Inspector Franks mentioned, in response to one of my earlier questions, that they are being used as pawns for criminal organizations. I've heard that throughout the country as well.

We're currently going to have a debate in Parliament about changing the YCJA in some respects. I hope the intent of the law would be to surgically pluck the youth under 18 who have been pawns or who have performed adult actions and maybe should be treated as adults.

Particular to this forum, would an increase in the sanctions, or at least the bad results to a youth under these changes contemplated by the new amendments, aid in respect of combatting organized crime if in fact the organizers in the organized crime groups are using youth as pawns? Would it assist in your day-to-day operations?

Insp Randy Franks: I believe it's less about deterrents than it is about profit for the youth who is being lured into working for the organized crime groups. They're being offered money that they can't possibly imagine in a world where they have to go to McDonald's to work for minimum wage. My belief is that they do not think about the penalty that may be coming, even if it was increased from what it is now or what it could be now.

Mr. Brian Murphy: So your thought, generally, is that increased sanctions on the youth who are used as pawns wouldn't necessarily stop the problem. As not fully formed adults, they're not thinking of the consequences of their....

Insp Randy Franks: I don't believe they are. In fact, in Toronto police are actively working with social agencies to try to get to them before they get to that point. That is sort of not what you might think of police agencies, but it is something we are actively working at.

Mr. Brian Murphy: Is there any other comment?

I have another thread, which is this. Maybe I'll ask the RCMP about this. How do we in Canada rank with respect to fighting organized crime? Let's take the heat off you. Do you see models out there of other countries that deal, because of legislative tools or because of resources or what have you, with organized crime in a more efficacious manner?

Supt Robert W. Davis: It's a difficult question to answer. That's probably something more suited to one of my colleagues in Ottawa, but I'll take a stab at it.

I think, on balance, we're doing quite well. There are lots of challenges and obstacles, as we referred to earlier. I think it's important to keep two things in mind. One is the role of the judge and the judiciary in sanctions for organized crime groups. There's always a question of your subjective understanding of what we mean by organized crime. Even in our discussion here this afternoon, we talked about established, large organized crime groups right down to street gangs. There's quite a variety in terms of the nature and scope of their activities and so on and so forth. I think that's an important piece to keep in mind, as well as the discretion of the judicial process once the conviction is found.

In terms of the earlier comment about our concern about having organized crime labels and the potential damage that it could do to youth, really, the gatekeeper of that is the judiciary, in my mind.

● (1755)

The Chair: We'll move on to Mr. Rathgeber.

Mr. Brent Rathgeber: Thank you, Mr. Chair.

Thank you to all the witnesses for your attendance today and for the jobs you perform in keeping Canadians safe.

I just really have one line of questioning, and that is with respect to two pieces of legislation that were before the House and are likely to be reintroduced in some form. They appear in your paper, Superintendent Shadgett, and that's the old Bill C-46, the Investigative Powers for the 21st Century Act, and Bill C-47, the Technical Assistance for Law Enforcement in the 21st Century Act. They were good bills, in my view, but they were not without their problems as they made their way through the House and one of them into committee. They are going to be reintroduced, and what I am concerned about is whether they contain everything that law enforcement needs.

I ask that question with somewhat of a futuristic perspective in mind. I know technological advances in the BlackBerry are happening every day, and it's hard to keep up with the e-criminal and his or her ability to encrypt messages. Getting a warrant and then trying to decrypt them in time, often you are falling behind. Before we put these pieces of legislation back in the House, do they need to be improved? Is there something missing?

Insp Randy Franks: You can't improve it to the point of stalling it; we need to have it and then keep in mind to change it as the technology changes, to have that ability in the legislation. As technology changes, we will recognize that and move forward, but please don't delay it, because we need it to be the Cadillac instead of the Ford and we will work with it that way.

I might be speaking out of turn here.

Supt Peter Shadgett: The comment I'd like to add is one of the issues with legislation is that it doesn't allow for growth. As technology advances, we always have to update our legislation, rather than having legislation that permits it in some way.

If there were a way to find language for lawful access legislation that was similar to the general warrant provisions of the Criminal Code, for example, which allow a police officer, upon judicial review, to engage in a technique that would otherwise constitute an unlawful search or seizure.... It's basically something that has never been done before, but you want to try a technique, and as long as you can demonstrate your reasonableness before a reviewing justice, they can authorize the police to do that. There are a number of instances when the police have used those kinds of techniques in years gone by with general warrants.

So perhaps we could get something in lawful access legislation that would allow the police, again, to adapt their techniques as technology advances. You're asking the justice who reviews it to almost be really creative along with the police officer into applying the new techniques with respect to new technology.

Mr. Brent Rathgeber: Does the RCMP have anything to add?

Det Insp J. Richard Penney: I know from our major investigations I could echo that everything that has been said here we also face. Sometimes it's the manipulation of the technology by the criminal enterprise or the organized individuals there. Again, a general terminology within the framework of the general warrant or something like that would enable us to access information as it develops, as it grows, or as it morphs, as opposed to waiting and having to come back and respond to it and direct that morphing into higher beings who are going to create legislation that by the time it gets created is already stagnant. There needs to be that growth within the legislation. We face that every day with regard to the criminal enterprises' use of technology.

Mr. Brent Rathgeber: Do you have anything to add?

Insp Bryan Martin: I'd just continue on the strong wording that the carriers have a responsibility here as well. Their input is very important. Technology is changing every day, and they have to be a partner in this and understand that the information they provide is vital for the success of this bill.

Mr. Brent Rathgeber: Great. Thank you.

The Chair: Monsieur Petit.

[*Translation*]

Mr. Daniel Petit: Thank you to all our witnesses for being here. Several among you were here previously on behalf of the same police forces.

We are looking for solutions to try to eradicate organized crime. This is the aim of our inquiry and why we went to several cities: Vancouver, Halifax, Montreal, etc. In Montreal, we heard striking testimony. At one point, a witness talked about the construction industry. At that time already — this was last year — some witnesses mentioned that the construction industry was almost "tied" to organized crime. One year later, it seems that more and more people are talking about it.

Since you are from Toronto — and I noticed that there is a lot of construction going on — do you experience the same phenomenon? Indeed, it has been said that the tentacles of organized crime reach into any area where money can be made. So it infiltrates construction, or the major projects whether at the municipal, private, federal or other level, in order to launder money. That is their goal. These people are so well organized that they can be labelled organized criminals, in some cases, but still we must be careful not to paint everyone with the same brush.

So, Mr. Martin, since you are with the OPP, I imagine you are working out in the field. In your view, is it possible that, like in Montreal as we were told there, organized crime has a foothold in the construction industry in Toronto? Did you hear anything of that sort?

● (1800)

[*English*]

Insp Bryan Martin: I have not heard a particular reference to the construction industry. I think it would be naive to think that the tentacles of organized crime do not reach into provincial and municipal government. I know the Ontario Provincial Police and Director Shadgett talked about it earlier. We have a corruption unit. I know they are busy looking into whether they are credible complaints or where they are going. We are aware of it. We take everything seriously. Profit-driven organized crime is going to look to make their money and get into it in any way. Superintendent Davis talked about it. We're not just talking about drugs; the bottom line is we're talking about all facets where they can make a dollar. So if they can reach into an industry, such as the construction industry in Quebec, they will.

[*Translation*]

Mr. Daniel Petit: Could Mr. Randy Franks add a comment, since you are also working in Toronto? Have you had any echoes regarding what is going on presently?

[*English*]

Insp Randy Franks: As Inspector Martin said, it's unlikely organized crime isn't into any area you might want to think of. I don't have any specific information about the construction industry in the GTA being involved or being manipulated by organized crime.

The Chair: Thank you so much.

Just before we adjourn, I have a quick question. Following up on Mr. Murphy's last question to you, Superintendent, I would like to plumb those waters a little bit more.

You mentioned you saw the judiciary as the gatekeeper of the sentencing process, I believe. Without putting you on the spot, are you satisfied with how the gatekeepers are discharging their duty?

Supt Robert W. Davis: You want me to answer that in a public forum?

I have tremendous confidence and respect the judiciary to do that. However, as a general statement they don't see a whole lot of charges that are out of the ordinary. They don't see a whole lot of the Excise Act and those kinds of things. If I could make a general statement, it would be that it would be helpful to increase the overall awareness of the judiciary as it relates to the less routine kinds of federal statutes that we are able to use for prosecution so they can be alive to the economic consequences of some of those activities.

The Chair: Do you feel that in some cases, even if it's a limited number of cases, it is helpful for those gatekeepers to have additional direction from the elected officials?

● (1805)

Supt Robert W. Davis: I think it's a bit early in the game to be going down that road. My personal view is that there are other things we could probably do better before we start to nudge them along legislatively.

The Chair: My last question will be to Inspector Randy Franks.

You were somewhat skeptical about the ability to intervene in terms of addressing the vulnerability of youth when it comes to acting as mules. I sensed that you had some hesitation about whether tougher laws would help that.

Insp Randy Franks: I thought it was tougher sentencing; I believe the legislation allows for sufficient sentencing now for youths. The maximum sentences are there. But I don't believe that youths would be deterred by a potentially more severe sentence, as opposed to the money and the lure of the money they can make today by working as a mule or as a trafficker at the corner for the higher-level people in the group.

The Chair: Have you looked at the amendments to the Youth Criminal Justice Act that our government has proposed?

Insp Randy Franks: Yes, I have.

The Chair: They basically focus on the most violent young offenders. Are you supportive of that legislation?

Insp Randy Franks: Yes, I'm absolutely supportive of that. It's needed and welcomed.

The Chair: Thank you.

Thanks to all of you for appearing. Your evidence is very helpful as we work towards a report on this. That will be issued probably within the next few months.

Thanks. We're adjourned.

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