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Chair

Mr. Dave MacKenzie

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•(1110)

[English]

The Chair (Mr. Dave MacKenzie (Oxford, CPC)): I call the meeting to order. This is meeting number 21 of the Standing Committee on Justice and Human Rights.

Today we're dealing with an order of reference of Tuesday, November 1, 2011, Bill C-290, An Act to amend the Criminal Code (sports betting).

We have some witnesses with us this morning. I'd like to welcome Mr. Comartin, the sponsor of the bill, Mr. Rutsey, and Mr. Burns.

If you have an opening address, go ahead.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Thank you, Mr. Chair. I do have an opening address, and then Mr. Rutsey will be picking it up from there. Mr. Burns is also here to help answer any questions the committee may have.

Again, I thank the committee for their consideration in allowing this bill to move ahead. As you all know, it has had fairly universal support from the House at second reading. And from all the discussions I've had with members of all parties, it continues to have that support.

Just a quick history in terms of the background of gaming legislation. This particular section can be traced back through England to about the 1600s. We had a king at that time—I think it was one of the Williams—whose military people were gambling too much. It was interfering with his ability to wage war, so he banned all gambling in England at the time.

Over the centuries we've whittled that away, including here in Canada, where there have been a number of amendments to this section. We imported it from England some time in the late 1800s.

I'll point out, for instance, that using dice in casinos used to be illegal. That one has been taken out. Roulette was not legal at one time. That has been taken out. This is a continuation of that pattern.

The effect of this proposed paragraph 207(4)(b) would be to take out a prohibition of gaming on single-event sports. As I'm sure most of you know, you can bet on multiple events, but you're not allowed to bet on single events in Canada, nor can you in any place in the United States, with the exception of Nevada. This would be a major plus to the gaming industry in Canada. A good deal of this gaming goes on at a distance, and this certainly attracts a number of people to Nevada.

The only other comment I'd like to make about the historical development—I'll come back to the economic side of this thing—is that in 1985 an accord was reached between the federal government and the provinces that, in effect, devolved all right to the provinces to carry on gaming activities. If this amendment goes through, although it has to be done at the federal level, the provinces will have the responsibility to implement it.

My motivation with regard to initiating this bill and pressing it forward was twofold. One was economic development. As you know, Windsor has one of the largest commercial casinos in the country. We're right on the border with the United States. Still, roughly 75% to 80% of the traffic coming through our casino—and Niagara has fairly similar numbers—is from the U.S. side of the border.

What's been happening since we opened almost 20 years ago is that the U.S., Michigan in particular, but now Ohio and Indiana, has begun to develop similarly large commercial casinos and has been taking away a significant amount of the trade that was coming to Windsor and Niagara. Buffalo has done the same in New York state.

A study has been done, commissioned by the Gaming Association. The senior executives are here with me today. They point out in the study that this will give us a significant advantage, assuming the system is based in the casinos. It will attract additional people to the casino who not only will be betting on games but will also be using the rest of the facilities at the casino, including staying overnight. It's a significant incentive for people to come to those casinos, let's say from Michigan, Ohio, or New York state.

I'm not going to get into a lot of the numbers. The one I would point out, because it's particular to my riding and my city, is the estimate that this will save and/or create at least 100 to 150 jobs in the Windsor casino, with similar numbers for the Niagara casino, because we are that close to the U.S. market.

The other major incentive I had for pushing this bill forward is that it's part of the overall struggle we continue to have to fight organized crime.

This gaming, which would now become legal, is in fact going on now, and, again, you'll hear huge numbers of the amount that goes on both in Canada and the United States. I'm talking about bets that exceed—the best idea we have in Canada—somewhere in the \$8 billion to \$10 billion per year range. Those are the amounts of the bets.

Almost all of that is organized by organized crime. They derive the revenue from that after the payouts are done. This is a way of striking a blow at that.

The amount we will take—Mr. Rutsey will probably be able to address any questions you might have in this regard—is really hard to estimate because it depends on how the province runs this out. Again, it's at the very least a shot at organized crime. I know you're still working on completing the organized crime study, but certainly a great deal of the evidence that we heard during that period of time was that one of the ways to undermine them is to take the money incentive away. This is a little part of that ongoing struggle and battle that governments have in order to do away with that kind of unlawful activity.

Mr. Chair, the support has been quite widespread. I want to particularly acknowledge the provinces of Ontario and British Columbia. They are both quite interested in moving this thing ahead. They've been doing planning to put it in place. The estimates I've been getting from my casino in Windsor is that it's a six- to twelve-month period of wind-up to get the process ready to go. They've been doing that work already. They will need, obviously, for the legislation to be changed before they complete that work, but they are very interested in moving ahead.

A number of the other provinces are studying it at this point, and the feedback we're getting from Saskatchewan, P.E.I., and Nova Scotia is that they are also very interested in pursuing this.

Inevitably, this is driven by the revenue it will generate for the provinces. I want to be clear. Depending on how this is rolled out, the amounts are not that significant, depending on whether they do it in a modest way, as opposed to, in particular, if they introduce electronic gaming over the Internet.

The figures vary quite dramatically. The bottom line, as far as we've been able to determine, is that none of the provinces are opposed to this. Most of them are in fact quite supportive. I'd also note that a number of municipalities—again, the two I know best are Windsor and Niagara, and both of those municipal governments have passed resolutions in support of this.

Let me finish, Mr. Chair, with the point that sometimes gets raised whenever we're talking about expanding our gaming services. That's the issue of compulsive gambling. How do we deal with that?

It is quite clear, for those of you who don't know, that I was fairly instrumental in getting the casino into Windsor. I was on the first public board that we had in Ontario for casinos. I've done a lot of study on this. Every study that I have seen that is a credible study shows very clearly that by legalizing one aspect of gaming, you do not increase the number of compulsive gamblers. They're already there.

Any number of longitudinal studies—and again, I think Mr. Rutsey can address this more specifically if you wish—show that in fact the rate of compulsive gambling doesn't change at all. There is a variance of very minor points. In fact, people who provide treatment tell me that it may even decrease somewhat, because if it's not illegal gaming that you're involved in, you're more likely to be willing to seek out help. You're also more likely to be identified by the province, the institute where you're using gambling facilities. You're

more likely to be identified and encouraged to get help. I certainly know that's the case in the casino in Windsor, and in most of the commercial casinos in the country, if not all of them.

We are spending a significant amount of money on this. I have to say, I don't think enough. It was one of the issues that I pushed really hard when I was working on the casino in Windsor. The Province of Ontario has quite significantly stepped up their participation.

● (1115)

[*Translation*]

Quebec is the province that spends the most money on helping compulsive gamblers.

● (1120)

[*English*]

Although Ontario spends more money overall, the casinos in Quebec have more active treatment on-site than any other province. I believe other provinces should be spending more money, and I'm not sure that Ontario and Quebec shouldn't either. So I say to you that if this does go through, encourage your provincial counterparts to take a look at that and see if there are additional services that should be provided, much as we do for any number of other addictions—around drugs and alcohol, etc.

If I can conclude, Mr. Chair, there are two reasons for supporting this: economic development and the fight against organized crime. It has widespread support across the country, in particular at the provincial government level.

Thank you.

The Chair: Thank you, Mr. Comartin.

Mr. Rutsey.

Mr. Bill Rutsey (President and Chief Executive Officer, Canadian Gaming Association): Thank you. Good morning, Mr. Chairman and honourable members. Thanks for inviting us here to appear before your committee.

I'm the CEO of the Canadian Gaming Association. With me is Paul Burns, our vice-president of public affairs.

Our association represents the major participants in Canadian gaming—facility operators, equipment manufacturers, and service providers. We sponsor research and speak out on important national and regional issues.

I have participated in gaming from both the private and public sector perspectives for more than 20 years, including assisting in the creation of gaming policy and casino development in Ontario, Nova Scotia, and New Brunswick.

As practice leader of the Coopers and Lybrand—now PricewaterhouseCoopers—Gaming Consulting Practice, I advise numerous private and public sector clients, including the Ontario government, and I authored the “Ontario Casino Market and Economic Impact Study”, the blueprint for the Ontario casino gaming industry.

As the CEO of private sector companies, I developed and managed gaming businesses in Ontario, Las Vegas, and internationally, and have been licensed by gaming regulators in Nevada and Ontario. I regularly comment on gaming issues in media and before government.

We're here today to speak in support of Bill C-290, an act to amend the Criminal Code that will allow wagering on the outcome of a single sporting event, and to answer any questions you may have.

As Joe pointed out, Canada has enjoyed legalized, parlay-style sports wagering for many decades, but the current restriction that prohibits wagering on a single sporting event does not reflect the modern reality for sports betters. With the passage of this bill, Canadians will have a legal and regulated product for wagering on the individual sporting events of their choice.

The Canadian Gaming Association has supported this initiative since it was raised by the Government of Ontario about three years ago and supported on the record by other provinces, including British Columbia, Alberta, and Saskatchewan. Since then we've met with numerous members of Parliament from all parties, as well as many senators, to discuss the merits.

The issue is seen by most as a tool of both law enforcement and economic development, as well as simply catching up with what Canadians are already doing. The reality is that Canadians are wagering on sports predominantly through illegal means, either with bookies or online. This bill will enable sports wagering to occur in safe, regulated environments, either in physical facilities or online.

A review of the annual reports of the Criminal Intelligence Service Canada indicates that illegal bookmaking exists in all regions of Canada, with organized crime ultimately profiting from the venture. While the size of the Canadian market is unknown, estimates suggest it is in excess of \$10 billion annually. The growth in wagering on sports through the Internet has significantly increased over the past decade, with estimates showing that Canadians wager almost \$4 billion annually through offshore sports books. Passage of this bill will allow: a legal and safe alternative for Canadians to do what they already are doing through illegal channels; for provincial agencies to compete online on a level playing field; for a product of competitive differentiation for gaming properties located at or near the U.S. border; and for the diversion of moneys from the underground economy. It's just good public policy to have the law catch up with what so many Canadians are doing and not simply treat them as miscreants.

For provinces that operate online, it can complete their offerings and eliminate the competitively disadvantageous environment in which they currently operate. Sports betting comprises approximately 40% of all online gaming activity, so right now Canadian provinces operating online just don't have a product for 40% of their potential clients.

It will be a potentially significant competitive factor for border and near-border properties. When people come to bet on sports, they often stay to watch the game. If so, they consume food and beverages, may play some blackjack or slots, and may stay

overnight. If they bring their spouse, then even more ancillary revenues are generated.

A recent report we commissioned on the impact of sports wagering on Ontario border casinos highlights the benefits of offering a legal, regulated sports wagering product in the Ontario border casinos of Windsor and Niagara Falls. The potential benefits created by additional visits from U.S. patrons include up to 250 new jobs directly in the two casinos, as well as generating economic benefits in the broader community.

Right now the only beneficiaries of the existing situation are offshore operators, bookies, and organized crime. It makes eminent sense to turn off the tap to such a source of funds for the bad guys and to make it available to provincial governments to help fund programs and services for the general good.

• (1125)

From a tourism and economic development perspective, it's a no-brainer. With more than 100 million Americans within a six-hour drive of a Canadian casino and existing U.S. federal law explicitly prohibiting sports wagering where it doesn't already legally exist—which is essentially Nevada—single-event sports betting can be a significant attractor, especially during times and events like March Madness, the NFL and NBA playoffs, and the Super Bowl.

And remember, the revenues from single-event sports betting already exist and continue to grow. The interest in betting on sports is significant and pervasive. Ordinary people, our neighbours and friends, bet on sports every day. Under the existing law, this makes them complicit in illegal activities. These people aren't criminals, and what they are doing is legal in many other countries around the world.

It really is time to catch up with what Canadians are doing and, more importantly, take that money away from the bad guys and make it available for the public good. Not only does it make sense, it's just the right thing to do.

Thank you. I will be happy to answer any questions you might have.

The Chair: Thank you very much.

Mr. Harris.

Mr. Jack Harris (St. John's East, NDP): Thank you, Chair.

Thank you, Mr. Comartin and gentlemen, for your presentation.

The former justice critic is here before our august committee. We have indicated our support for the bill, but I have to say that instinctively as a New Democrat I'm looking for issues and concerns, particularly because of the experience we had, for example, in my province.

Going back to the early nineties in my province, similar arguments were used by the government, with the then Minister of Finance, I think it was, saying that we needed to get into the business of putting gambling machines in bars. There were several handfuls of poker machines on bar desks that were put in by various people, and the warning was that it was the Mafia, organized crime, that was doing this, and we had better get involved because we would do it better. Of course, within two years, there were 800 machines in bars across Newfoundland and Labrador. We had a history, following that, of the vulnerable....

Joe, you talked about problem gamblers, but what was really happening was that the vulnerable were being impoverished. There were suicides associated with this. Some people were spending all their time hanging around these machines.

The culprit here, of course, is the video lottery machine, the so-called crack cocaine of gambling. There has been tremendous debate in my province about it. In Nova Scotia, they had them in grocery stores and convenience stores until they were removed because of the scourge they were.

When you talk about this and say "Oh, this is going to be in a casino where people come and we have means to deal with this", my understanding is—and Mr. Comartin, you can correct me if I'm wrong—that all gambling is illegal except when it isn't. Even three-card monte, whatever that is, is illegal.

So we're saying, okay, what's now going to be legal is betting on a single race. Now, I thought we could do that at a racetrack, that you could place a bet on race one, race two, or race five or something. I remember having done that myself once or twice.

This is not necessarily by this legislation...all it does is leave it to the provinces to license as they see fit. They could give a licence to a football association if they wished. But that's up to the provinces. What this legislation does is really free up single-event betting to allow the provinces to regulate when or where it would occur.

Obviously, Mr. Comartin—and you're speaking for your constituents and based on your history—as an economic development tool, it doesn't seem to me to be problematic. The real problem might be if the unintended consequences actually come forward. Perhaps you might want to comment on that, Mr. Comartin.

I'd like to hear from the Canadian Gaming Association, too, because you fellows are representing the operators. What responsibility do you take for the kinds of consequences I'm talking about?

I'm talking about serious consequences in my province. We have histories of individuals who lost their homes, who committed suicide...with nobody helping them out. You'd go to bars and see people lined up when the bar opened, sitting at the machines, and there was nobody going in and asking to help them out. They're not people who would gamble online. They're not people who.... They have access; that's the key difference, I think.

The number of people may not change, but what can change is access. With controlled access through a casino, I don't see any difficulty, but once the cat is out of the bag, it's pretty hard to get it back in.

• (1130)

The Chair: One minute for answers.

Mr. Joe Comartin: You'd never guess that Mr. Harris is from Newfoundland and has the gift of the gab.

I can't respond to it all, but let me make this one point so we're clear. British Columbia is in fact considering going online with this, so it would certainly expand accessibility—as opposed to what Ontario is talking about, which is, at this point, restricting their going into the commercial casinos and maybe the charity ones.

You've hit the nail on the head, though, with regard to accessibility and what happened with the VLTs. Ontario, at that time—I know, I was part of the discussion during that time—opted not to. That still is the case in Ontario. The Province of Ontario does not allow VLTs in any place.

However, in other jurisdictions, after you get over that initial hump of the kind of problems you ran into, it tends to level off.

I don't know, but Mr. Rutsey or Mr. Burns might be able to comment more on that.

The Chair: Something fairly short.

Mr. Bill Rutsey: I'd be happy to talk about the VLT issue, separate and aside. The point to be considered here is that this betting is already occurring, and people are betting with bookies, or they're betting online themselves. All we're doing now is allowing the provinces to offer a safer, more secure alternative for people already doing this.

You're absolutely correct concerning some of the things you mentioned about VLTs and things of that nature. The way some of those programs were rolled out was probably not the most successful way to introduce gaming into communities. But we're not here to discuss VLTs; we're here to discuss Bill C-290 and legalizing betting on single sport events.

The Chair: Thank you.

Mr. Goguen, go ahead.

Mr. Robert Goguen (Moncton—Riverview—Dieppe, CPC): Thank you, Chair.

Thank you to the witnesses for coming.

My question deals with safeguards. We've talked about organized crime. Certainly organized crime benefits from single sport event betting, but there is always the prospect of an event being rigged. Certainly if it's mixed martial arts or if it's a boxing match, it's a little less complicated. Teams have been rigged before, as in 1919 with the Black Sox, and "Shoeless" Joe Jackson of the era.... What safeguards will be there to avoid this, and who would police it?

Mr. Bill Rutsey: That's a great question. I think that once you bring an activity above ground, where it's being measured and monitored by legitimate organizations—provincial agencies or the operators they hire to operate these things—those kinds of anomalies are noticed. People have been trying to fix sporting events ever since people began betting on them. But when you bring the activity above ground, then people can actually see anomalies in betting patterns.

A famous example is associated with tennis professionals. A couple of years ago the Russian player, Nikolay Davydenko, was playing some bum and all of a sudden, during the course of the match, a huge amount of money was wagered on the bum. The betting companies noticed this right away. They froze all the bets and they launched an investigation in conjunction with the ATP, found the source of the funny betting patterns, turned the information over to law enforcement, and law enforcement proceeded.

That's a real advantage, as opposed to people just phoning up their bookie and saying they want to bet on this or that. By making it visible, it really does address your concerns, and then those kinds of anomalies are a lot easier to spot.

•(1135)

Mr. Robert Goguen: Thank you.

That's good.

Mr. Joe Comartin: Mr. Chair, could I address that as well? I'd just like to expand on this a bit because we talked about this as we were preparing.

The other thing that happens here, which doesn't happen when it's illegal, is that because it's regulated and because the funds flow in a really different pattern, if organized crime were fixing an event, there would be no way we would know they were doing that, as it is now.

I know that Paul at one point said to me that he asked somebody in the NFL, "What are you doing now to watch the way of the betting?" Other than what they can get out of Nevada, they have no way of watching for it.

This will in fact allow provincial governments, in particular, and the people who are operating the single sporting events, the opportunity to be able to monitor that on an ongoing basis. In that particular circumstance, if a big influx of funds came in, their people would say there is no reason for that. They've done their analysis and the Montreal Canadiens are in fact going to win the Stanley Cup this year. Hope springs eternal.

Voices: Oh, oh!

Mr. Joe Comartin: But if they saw a huge influx coming in to support the Canadiens to win the Cup, they would be talking to the police. At this point, we cannot identify it, so this would be part of the tools to fight that kind of corruption.

Mr. Paul Burns (Vice-President, Public Affairs, Canadian Gaming Association): One reason is because the sports books run on a very small profit margin, 5%, which means 95% of the money gets returned to the bettor. They have to be very accurate on how they set odds and watch the flow of money, because the odds would change if the money changes and so on. It's a continual monitoring of behaviour, because sports books only offer bets on sports that are widely known and widely accessible, so there is a knowledge base that everybody has access to in a lot of ways to make those bets. It is something that is very keenly watched, because if they don't get it right or money moves the wrong way, sports books can lose money, and that's happened in Nevada and Super Bowl games in the past. It does happen where the overall book would lose money on a game because they either didn't get it right or the money went the other way on the odds. So they are keenly aware of where money flows.

The Chair: Thank you.

Mr. Casey.

Mr. Sean Casey (Charlottetown, Lib.): Thank you.

Welcome, gentlemen.

As you know, I spoke in support of this bill when it was initially introduced. I was almost immediately contacted by organizations within the industry—and forgive me, Mr. Burns and Mr. Rutsey, it may well have been yours—to say this is good, but it doesn't go far enough; we want this as well.

My question to you is if this is number one on your wish list, what's number 2? I want some anticipation for where we are going.

Mr. Bill Rutsey: There is no hidden agenda with this. What we are talking about here is something the Province of Ontario was looking to get done almost three years ago. We believe it is the right thing to do. This isn't step one of a two- or three-step process. We have nothing ulterior or beyond what this bill is proposing.

It wasn't us that was talking to you about wanting this and this and this.

Mr. Sean Casey: I'm sorry if I implied that you had a hidden agenda. That certainly wasn't what I meant to imply.

I guess what I'm trying to get at is this. Within your industry, obviously this is a significant issue, otherwise we wouldn't be here. What's the next one? The gambling laws and betting laws in this country are in need of modernization. They need to catch up with what is actually happening. This is one example.

Mr. Paul Burns: If I may, there are factions within the industry that would see different types of... People have talked about a betting exchange or charities being able to offer sports betting. It's not an easy product for people to offer. It does require a strong knowledge base and it does require some sophistication and understanding of what you're offering bets on.

A betting exchange is a brokering of a bet between two people. In essence you are not the house making the book; you are facilitating two people placing a bet. There are online organizations that do that. It is a way of offering it.

I think the provinces could determine on their own if that's a product they wish for their provinces. The essence of this was that betting exchanges still couldn't occur if this change wasn't made either. Whether people want to do that in the future or not, I think the provinces have been indicating that they would simply like this opportunity. I don't think charitable gaming has the capacity to offer any kind of product on sports wagering in terms of where they are. It's all done under the purview of the Criminal Code and by the province, because charities cannot offer electronic gaming on their own; they must do it in conjunction with the provincial agencies.

•(1140)

Mr. Sean Casey: That's what I was looking for. Thank you.

The gaming in my part of the world is pretty much all run through the Atlantic Lottery Corporation. Is that also how this would work? Is that what you envision?

Mr. Bill Rutsey: The short answer is yes. If the bill passes, then each province will choose how it wants to offer the product. If they decide ALC would be the organization that would be mandated to deliver the product, then the product would be delivered in whatever format is determined by each one of the individual provinces that make up ALC.

Mr. Sean Casey: Harness racing is a significant industry in Prince Edward Island, and the biggest track is in my riding.

Should the people in the harness racing industry have concerns over this new option available for the gambling dollar?

Mr. Bill Rutsey: No. The sports book may well be offered at the racetrack there in P.E.I.

Nothing changes with respect to the laws regarding wagering on horse racing. This allows you simply to bet on who is going to win the game tonight without having to pick two or three other winners.

Mr. Sean Casey: Thank you. That's all.

The Chair: Thank you, Mr. Casey.

Ms. Findlay.

Ms. Kerry-Lynne D. Findlay (Delta—Richmond East, CPC): Thank you to all of you for being here to assist us this morning.

I do generally believe in regulation in this industry over allowing those in organized crime and others to profit and benefit. I've had occasion in my past life to actually testify before the Nevada Gaming Commission on behalf of a client. It was an interesting exercise, and their level of scrutiny is remarkable—something we don't really hear a lot about here in Canada.

What I'm wondering, Mr. Comartin, is whether you have canvassed the provinces on this. Have provinces spoken up—perhaps the other witnesses know this—on their support or non-support for your bill?

Mr. Joe Comartin: It would be better for the others to comment.

We know...and in fact we have letters from the Ontario and B.C. governments directly to the Minister of Justice requesting this amendment. They are formally on record.

I would turn over the balance, because Paul or Bill would be better positioned to talk about the interaction they have had with the other provinces.

Mr. Bill Rutsey: We've spoken with the lottery corporations and/or the ministers responsible for gaming in each and every province. No one has indicated to us that they're opposed to this.

There were one or two provinces a couple of years ago that had some misgivings. They wondered what was going to happen if people started betting on peewee hockey games and things like that. It's pretty easy to allay those fears. Those bets just aren't offered. I mean, the only way a peewee hockey game has a bet is if two dads are having a coffee, watching their kids play.

• (1145)

Ms. Kerry-Lynne D. Findlay: And it will happen at that level.

Mr. Bill Rutsey: You can't regulate that.

Mr. Paul Burns: We have been told that there are letters from the governments in Alberta and Saskatchewan requesting this change

and in support of it, and other provinces have been working through processes, we've heard. Lottery corporations obviously have been very much in favour. In terms of official correspondence, it's British Columbia, Alberta, Saskatchewan, and Ontario at this point.

The previous government in Nova Scotia had written early on as well, but the current government in Nova Scotia has not, as of yet, but is considering.

Ms. Kerry-Lynne D. Findlay: I'm from British Columbia, but I'm wondering if every province and region of Canada—and I'm thinking of the northern territories as well—has a lottery corporation-type regulation. Or are there differences throughout the country?

Mr. Bill Rutsey: Each province chooses to administer and regulate gaming in an individual fashion.

There are different operating models, and there are different regulatory regimes from province to province. For example, in Quebec, Loto-Québec operates all aspects of gaming. Civil servants will clean the washroom facilities and deal the cards.

In Ontario, you have OLG overseeing private sector companies that operate the major casinos, and OLG directly operates the smaller properties. In British Columbia, your province, private sector companies build the facilities and operate them on behalf of BCLC, with BCLC oversight, with revenue-sharing arrangements.

In Saskatchewan, for example, there is a crown agency that operates two casinos, and there is a first nations organization that operates six casinos.

The short answer is that each province is different. There is a regulatory process in place in each and every jurisdiction, and there is a crown agency charged with conducting and managing gaming on behalf of its provincial government.

The Chair: Thank you.

Madame Boivin, go ahead.

[*Translation*]

Ms. Françoise Boivin (Gatineau, NDP): Thank you, Mr. Chair. I'd also like to thank the witnesses and my colleague Joe Comartin.

As Mr. Harris said, we support this bill. In any case, I'm from a province, Quebec, as you just said, Mr. Rutsey, where gambling is highly regulated by Loto-Québec. That means that there isn't much room for organized crime, even though the criminal organizations still find a way to be present. I'm not the kind of person who thinks that setting up this type of system makes it possible to resolve every problem related to organized crime. But, I obviously agree that it takes away some of their resources.

I'd like to ask a question that Mr. Comartin might be able to answer. The single-event betting that you spoke about, would that also extend to the UFC, for example? We know that there are provisions other than those in the Criminal Code that prohibit it. I don't think this would go that far, but I would like confirmation on that.

[*English*]

Would the scope of your bill cover that?

[Translation]

Mr. Joe Comartin: Madam Boivin, it really depends on what happens in the provinces. Yes, it's possible to place bets on fights organized by the UFC.

Ms. Françoise Boivin: They won't be considered prize fights, which are banned under the Criminal Code?

[English]

Mr. Bill Rutsey: No. You'd be able to bet. If Loto-Québec, in your case, decided to make those bets available, then those bets would be available. It's up to each province to decide what it wants and doesn't want to offer.

[Translation]

Ms. Françoise Boivin: That's the other aspect of the bill that I'm pleased about. It's that we are legalizing something that was considered criminal by allowing the provinces to determine whether they want to go ahead with all this. As Mr. Harris said, gambling may or may not be a problem in some provinces, depending on how they manage it.

I'm from Gatineau, a region with a magnificent casino. Still, there were some societal issues with regard to compulsive gambling. However, I'm very proud to see that, in Quebec, we are investing a lot in education. But that doesn't solve all the problems. I don't want to suggest that it does.

I don't remember whether it was Mr. Rutsey or Mr. Burns who talked about the odds. You said that the odds are better for a player who places a bet on a single event. I don't have any trouble understanding this principle, mathematically speaking. Could you compare this type of betting with others? Since we have some insiders here, we could get an idea of how to benefit from better odds and on what we should—

• (1150)

[English]

Mr. Bill Rutsey: Well, I'm no tout, but I can tell you that currently in Canada if you want to bet on sports, you've got to pick the winners of three different events. So it's like buying a lottery ticket. It's pretty hard—the outcome of one event is...but you've got to pick three—

Ms. Françoise Boivin: It's hard.

Mr. Bill Rutsey: It's hard. The lottery corporations make about a 40% margin on that business, so it's really not a very good game for the customers. That's why the overall amount of legal sports betting in Canada has plateaued at a sort of modest \$450 million—is it, Paul?—a year, as opposed to the billions of dollars wagered on single events. There, about 95% of the amount bet gets returned to the bettors because their proposition bet was correct. So if you're interested in the outcome of a game—and it makes it more interesting for you if you've got a couple of dollars on the line—then this is the one product that people want and choose and pursue.

Ms. Françoise Boivin: Thank you.

The Chair: Mr. Jean, go ahead.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

I have just a couple of questions. I'm sure that your actuaries or forecasters have forecast the amount of money that could be generated from this kind of activity in Canada, or particularly in Ontario. Could you tell us what that would be?

Mr. Bill Rutsey: That's very hard. As we said, there's approximately \$10 billion worth. When people are trying to determine illegal activities, the best estimate is about \$10 billion overall and an additional \$4 billion online. The law changes, and now it's legal to...that doesn't mean all of that economic activity is going to come above ground, for a whole host of reasons. One, a province might decide not to offer the product. Two, they'll only decide to offer the product in casinos. It would still be easier for someone to pick up the phone and call their bookie than it would be to get in the car and drive down the highway to see Niagara Falls.

A voice: There's a phone ringing.

An hon. member: I arranged that phone call to see if it would throw you off.

Voices: Oh, oh!

Mr. Bill Rutsey: Who knows, maybe someone is calling in a bet.

Mr. Paul Burns: The attractiveness of online product right now... Where the growth has come in sports wagering is in the technology and access through the Internet.

Mr. Brian Jean: That was my next question actually. I don't want to interrupt you, but I only have five minutes, and since two of those minutes have been taken up with the phone ringing, I do want to get on to the points.

I understood that somewhere between \$80 billion and \$380 billion could be generated in the U.S., or it's estimated from the U.S. that that is what's currently spent on gaming.

Mr. Paul Burns: That was based on the national gaming impact study done in the 1990s. That was an estimate they felt they had.

Mr. Brian Jean: So it might even be more now if in the 1990s it was—

Mr. Paul Burns: It could be.

Mr. Brian Jean: In fact, if I can...and I'm sorry, the phone is throwing me off now.

That amount of money...I mean \$80 billion to \$380 billion is a significant amount of money. Right now it's still illegal in the United States in most states, so we could generate a tremendous amount of American investors, I would call it, here in Canada.

Mr. Paul Burns: It would depend on how and where it was offered and their access.

Mr. Brian Jean: You say the margins are slim, but 5%...I'll take any percent of that 5%. I mean, we're talking some very significant money.

Mr. Paul Burns: It could very well be. One of the things we found with online gambling in Canada, because we did some research not two years ago—and this was prior to British Columbia or Loto-Québec offering any online product—was that in the current forms, 70% of Canadians thought it was illegal in the current form they were using, which was offshore sites. Over 50% thought it was being regulated by the government in Canada. In fact none of that was occurring. So it's discomfort with the product. To say they would change their habits is interesting.

I think what the lottery corporations want is a chance to compete. I think what they're looking for now is having to compete for that product and those dollars that they've never had the opportunity to compete for before. So there is potential. I would say about 10% of the gambling product—

• (1155)

Mr. Brian Jean: I think I'm already over my time, so I just want to clear this up.

In Alberta most of the money that's generated from this goes to non-profit groups. Is that the case in Ontario as well? As I said, it's a significant amount of money.

I was a criminal lawyer, and I can assure you that, like Mr. Harris, I saw many families destroyed as a result of gambling. Many people went to jail numerous times, repetitively, no matter what people did. How are you going to deal with that? In Alberta I understand some of the money goes back to fund groups like Gamblers Anonymous and things like that. Does that happen here in Ontario?

Mr. Bill Rutsey: Oh yes, Ontario is the largest, with about \$40 million allocated to the study and treatment of problem gambling. That's more money than any other jurisdiction anywhere in the world. The issue is taken very seriously.

Having said that, the interesting thing is that when you measure rates of problem gambling, and they've been measured across Canada, the United States, and around the world for at least 20 years, whether gaming is introduced or not—there's no legal gaming, legal gaming is introduced, legal gaming is increased—the rate of problem gambling doesn't change. It's about 1% of the general population.

As Mr. Harris said, what you do change is people's access. Building a bar around the corner from your home won't make you an alcoholic, but if your neighbour is an alcoholic, it might make it a little bit easier for him to go get a drink. That's really a good analogy. Problem gambling is a very severe problem for a very small minority of people.

Mr. Brian Jean: One per cent is quite a few people.

Mr. Joe Comartin: But it already exists.

The Chair: Thank you.

Mr. Harris said he had one brief question.

Mr. Joe Comartin: Let me respond to that. Alberta, in fact, spends hardly anything. According to a 2010 study, Alberta spends \$1.5 million on research. But we don't have any figures, and this was a study done on what all the provinces spend. So my guess is they spend very little by comparison with the other provinces.

Mr. Bill Rutsey: Across the country it's more than \$100 million on an annual basis.

Mr. Brian Jean: People can check themselves out of gambling sites as well, can they not?

The Chair: Let's try to get it back on track. I know Mr. Comartin is a little delusional about his hockey team, but we did want to...

Mr. Jack Harris: I have one quick question on the odds. You mentioned 95% of the money is returned to the people who are betting and there's a 5% take. I don't know if that's a rule; it must be a practice. How does that compare with the competition from the so-called online gambling, the organized crime gambling, or whatever? Is it a rule, that 95%?

Mr. Bill Rutsey: It's not a rule; it's an average of what occurs when you have people who are interested in a single event, whether it's the Super Bowl or tonight's hockey game. They've studied the teams, and they're not betting with the heart. They take a look at the line and then they place their bets. When people are betting from that perspective, 95% of the time they get it right. Hence, the low return. It's a high-volume, low-margin business.

I think in Nevada sports betting represents one per cent of the overall amount of revenue earned there. What also occurs is that when people come to the sports book, they inevitably buy some food or have some drinks. They'll sit and watch the game, or go off and do something else, or they may even stay overnight. So there's all kinds of additional revenue created. From a bricks-and-mortar perspective, this is a traffic generator. It's just another reason for people to come in.

• (1200)

The Chair: Thank you.

Mr. Woodworth, please be brief.

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

Mr. Comartin, I noticed that your bill seeks to repeal paragraph 207(4)(b), but not paragraph (a) or (c). I wondered if you could explain for us how you distinguish the activity referred to in paragraph (b) from the activity referred to in (a) or (c). Why is paragraph (b) worthy of repealing but not (a) or (c)?

Mr. Joe Comartin: I'm sorry, the part that we're repealing is (b) of (4). I don't have a (c).

Mr. Stephen Woodworth: I'm looking at a 2012 Martin's Criminal Code and it seems to have a (c). But even if you were to distinguish for me the activity referred to in (b) from the activity referred to in (a), that would be helpful.

Mr. Joe Comartin: I was in another part of section 207. Just give me a second.

I think the answer, Mr. Woodworth, if I'm reading this correctly, and I'm doing this quickly, is that it's only in (b) that you have the single sport event prohibited.

Mr. Stephen Woodworth: That's my question. On what basis are you distinguishing a single sport event from three-card monte, punch board, coin table, or the activities referred to in (c)? What is the distinguishing feature of that for you, that you want to repeal that paragraph but not those that refer to these other activities?

Mr. Joe Comartin: Why am I in favour of keeping three-card monte illegal?

Mr. Stephen Woodworth: I guess so, yes. Why is that different from—

Mr. Joe Comartin: I haven't addressed my mind to that at all. This was all about simply...

I don't even know what that type of sport would mean if—

Mr. Stephen Woodworth: So there's no reason in principle why you're—

Mr. Joe Comartin: No. I did not address it.

We know that the single sport event is a major area of betting, at this point, illegally. I have no idea what it is in three-card monte, if it's a very small percentage or whatever, but this is the area that we know—again, I'm speaking particularly from the perspective of the casinos in my province—would enhance the economic well-being of the community.

Mr. Stephen Woodworth: I'd like to squeeze in one other real quick one.

You mentioned, Mr. Comartin, that you have studies that indicate legalizing one aspect of gambling does not increase compulsive gambling overall, and I wonder if I might be provided with a copy of the most persuasive study in that regard. I don't need it just at this moment, but if you were to send it to me or to the committee, that would be wonderful.

Mr. Joe Comartin: Mr. Rutsey.

Mr. Bill Rutsey: That's a study we commissioned. It was done about two or three years ago by—

Mr. Stephen Woodworth: Can we see it?

Mr. Bill Rutsey: Yes.

Mr. Stephen Woodworth: That's all I want.

Mr. Bill Rutsey: Okay, you'll get it.

It's on our website as well.

Mr. Stephen Woodworth: Thank you.

The Chair: Thank you.

I'd like to thank the witnesses for appearing before us.

Because I think there's been good cooperation on all sides here, we've agreed that we will do the clause-by-clause consideration right now. Hopefully that will go very well.

(Clause 1 agreed to)

The Chair: Mr. Goguen.

Mr. Robert Goguen: Chair, I wanted to make an amendment to the bill. I've made Mr. Comartin aware of this and also Mr. Harris and Madam Boivin. I believe they've shared that with their colleagues.

In essence, this motion is to add a clause to Bill C-290 to bring the bill into force on a date to be fixed by an order in council. The objective of this is to give each of the jurisdictions the time to consider whether and how the betting on a single game will take place.

I have the actual wording of what would be proposed. It would be a clause 2 that says:

This act comes into force on a day to be fixed by order of the Governor in Council.

•(1205)

[Translation]

In French, we say "*Que la présente loi entre en vigueur à la date fixée par décret.*"

[English]

I can deposit those with the clerk, if that's acceptable.

The Chair: Having heard the amendment, those in favour?

(Amendment agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill as amended carry?

Some hon. members: Agreed.

The Chair: Shall the chair report the bill as amended to the House?

Some hon. members: Agreed.

The Chair: Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

Some hon. members: Agreed.

Mr. Joe Comartin: I want to thank you, all of you.

The Chair: Thank you.

We'll stand down for a few minutes while we bring in our other panel.

•(1205)

_____ (Pause) _____

•(1210)

The Chair: We'll call the meeting back to order. We're a little late on our start time.

We have some witnesses before us to try to update the study on organized crime. We have with us Michel Aubin, from Criminal Intelligence Service Canada, and Ken Lamontagne and Eric Slinn, from the Royal Canadian Mounted Police.

If any of you have an opening statement you wish to make, we'd be very happy to hear from you.

Go ahead.

Chief Superintendent Michel Aubin (Director General, Criminal Intelligence Service Canada): Thank you, Mr. Chairman.

As you know, my name is Michel Aubin. I am the director general of Criminal Intelligence Service Canada's central bureau.

The committee has asked me here today to provide an update on four items. The first relates to the total number of reported organized crime groups in Canada. Second, I was asked to address the number of organized crime groups based on their levels of threat. Third, you requested information on the types of criminal activities pursued by organized crime and which ones are the most prevalent. Lastly, I was asked to provide an update on the efforts to replace or upgrade the automated criminal intelligence information system, which is known as ACIIS.

Prior to providing these answers, I think it's important for me to first briefly comment on how CISC collects information and produces its criminal intelligence assessments. The intention is to provide you, the committee members, with the necessary context in appreciating the integrity of the information and also in some measure understanding related limitations.

Criminal Intelligence Service Canada has 10 provincial bureaus. Each one has intrinsic working relationships with local policing agencies and other important members of the law enforcement community. Provincial bureaus are responsible for collecting and analyzing information on serious and organized crime in their areas and for developing provincial intelligence assessments accordingly.

When these reports are developed, they are used to promote an intelligence-led policing model at the provincial level. Additionally, the provincial assessments are then submitted to the central bureau so that our strategic analysts and intelligence officers can provide a national overview of the strategic direction and scope of organized and serious crime in Canada.

The machinery behind all of this, and the primary tool that allows law enforcement to collect and share information on a common platform, is the automated criminal intelligence information system, or ACIIS. The system links information on organized and serious crime across Canada and is a fundamental resource in our efforts to combat the multi-jurisdictional nature of illicit activity in our communities. ACIIS is integral to our threat assessment reporting process and is a critical means of sharing information between member agencies.

I have an update on a number of reported organized crime groups in Canada. The total number has steadily fluctuated between approximately 700 and 900 within the past five years. The fluctuation is largely reflective of problems with information sharing on ACIIS. Since 2005, the concept of organized crime within law enforcement across Canada has broadened to include not only tightly knit groups, but also more loosely associated, ethnically diverse, and integrated criminal networks.

On the second point, you requested statistics on the number of organized crime groups based on their level of threat. I'm going to do my best to answer this; however, it is important for me to ensure the integrity of operations and to respect the third party rule in the collection of information from our member agencies. While I'm unable to offer specific numbers, I am able to provide percentages and to offer some important insight into high-level threat groups.

Three per cent of organized crime groups represent the highest national threat. They involve groups with an international, interprovincial, or cross-jurisdictional scope and who enjoy an

important share of certain organized crime business lines. The majority of these groups are based in Canada's three criminal hubs: British Columbia, Ontario, and Quebec.

Ninety-seven per cent of organized crime groups fall within a national threat category that is representative of provincial or more localized threats in scope.

All groups, whether national, provincial, or local, represent significant threats to public safety. Organized crime is a network and distributed problem that needs to be addressed through a network and cross-jurisdictional response. Currently, ACIIS is the dedicated national repository in achieving this network approach.

The committee also requested information on the types of criminal activities pursued by organized crime and which ones are the most prevalent. CISC has divided the criminal marketplace into three business lines: illicit drugs, other illicit goods and services, and financial crimes.

As in previous years, illicit drugs continue to dominate. They account for 57% of the criminal marketplace activities share. Cocaine, cannabis, and synthetic drugs, such as ketamine, are dominant within this business line. In particular, we are seeing a moderate expansion with respect to ketamine, pharmaceutical opiates such as OxyContin, and heroin trafficking outside of the traditional criminal hubs.

● (1215)

In 2011 we reported that financial crime accounted for approximately 11% of the criminal marketplace activity. Payment card fraud continues to represent by far the most prevalent market, and continues to expand. Other illicit goods and services account for the remaining 32%. Theft, contraband such as alcohol and tobacco, and the sex trade are the most significant markets of organized crime.

As far as an update on ACIIS, this system was built in 1976. It was initially intended for 50 users across Canada. Today we have well over 3,000 users located in 1,400 different sites across Canada using the database. In addition to obvious capacity issues, intelligence and operational communities are unable to take advantage of the significant technological innovation that is currently available.

In the absence of a replacement for ACIIS, some police agencies and provinces are currently considering an alternative system in a localized environment. Crime is not confined by geography, so it is imperative for all law enforcement to be able to continue to share and access real-time information across jurisdictions and provincial boundaries to a national repository. There is a need to replace ACIIS. How this could be addressed needs to be considered under the new government framework for national police services.

The reality of policing in 2012 is one of increasing complexity and constant change. The value of information and intelligence today arises from how fast law enforcement can gather, understand, and move information.

Innovation in technology and globalization have enabled organized crime to flourish across municipal, provincial, and national borders. Crime groups are uninhibited by jurisdictions and victimize Canadians in very profound ways. Although drug trafficking remains a primary activity among organized crime, many have expanded their scope and have become involved in more than one type of criminal activity. They're also becoming more sophisticated and diversified, as I'm sure you've heard during your study.

In closing, CISC and its member agencies are working hard to share information to promote an integrated, intelligence-led policing model in Canada. We have recently formalized a working relationship with our counterparts in operational units. It's actually a national strategy. By having the intelligence and operation units working in tandem, we are well positioned to exchange information and mitigate the negative impact that organized crime groups have on our communities. However, it is critical for law enforcement to have the technological solutions that will allow them to further enhance public safety.

I would like to thank you again for inviting us to appear today. We will be pleased to answer any questions you may have.

The Chair: Thank you very much.

Superintendent Eric Slinn (Director, Drug Branch, Royal Canadian Mounted Police): Mr. Chair, if you so desire, everybody has the speech. I can forego the speech and get right to your questions, if that's more beneficial for this group. I'm willing to do that.

The Chair: Go ahead and give it. Mr. Harris can't read it as fast as you can say it.

Mr. Jack Harris: We can read it, but we can't ask questions while we're reading it.

Supt Eric Slinn: Okay, that's fair.

Mr. Jack Harris: We usually hear a presentation.

Supt Eric Slinn: Do you want me to read the speech then?

The Chair: Yes, please.

Supt Eric Slinn: Very good.

[Translation]

Good morning, Mr. Chair, honourable members of the committee. Thank you for inviting us here today.

My name is Eric Slinn and I am the director of the Drug and Organized Crime Branches. I am accompanied by Inspector Greg Bowen, the OIC of the witness protection program at NHQ.

● (1220)

[English]

Witness protection is recognized internationally as an essential tool in effectively investigating and prosecuting those involved in organized crime and terrorism. Simply put, it is unlikely that persons would agree to put themselves at risk through testifying in court or collaborating with law enforcement in the absence of a mechanism designed to provide them protection.

The Witness Protection Program Act identifies the Commissioner of the RCMP as the administrator of the federal witness protection

program. This program is mandated to provide witness protection services to all Canadian law enforcement and, under certain circumstances, to enter into protection agreements with foreign governments and our international criminal courts or tribunals with the concurrence of both the Minister of Public Safety and the Minister of Citizenship and Immigration.

As Chief Superintendent Thomas Bucher previously testified before this committee on April 13, 2010, it is important to note that the federal witness protection program is not the only program in Canada. The provinces of Ontario, Quebec, Manitoba, Alberta, and Saskatchewan all have their own provincial programs. The three prairie provinces currently have legislated programs. Ontario and Quebec have policy-based programs. Most urban and provincial policing agencies have witness protection units within their respective organizations.

Having independent programs does not preclude these agencies from utilizing the federal program. If, for example, a particularly challenging case arises, the RCMP may be called upon for assistance and the witness will be given consideration for entry into the federal program. These situations occasionally arise because the provincial or municipal programs were generally created to meet the short-term needs of the witness and are not necessarily designed to accommodate those requiring lifelong protection or change of identity.

[Translation]

I would also add that there is no dedicated federal funding for witness protection in Canada. This includes the federal witness protection program administered by the RCMP. This situation therefore creates challenges for the federal program and for smaller agencies who are investigating serious crimes but do not have sufficient resources to pay for witness protection.

Currently, the RCMP expends between \$8 million and \$9 million per year on witness protection; however, this number can easily fluctuate, depending upon the number and complexity of the case is presented.

The challenges associated with providing an effective witness protection service are considerable. Criminal organizations have an ever-increasing capacity and networks to locate and intimidate and/or harm witnesses and as a result, witness protection processes continually evolve.

Post 9/11, the expanded use of biometrics and technology has posed additional challenges to witness protection partners.

[English]

The Standing House Committee on Public Safety and National Security report on witness protection in 2008, as well as the subsequent 2010 report from the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182, made a number of recommendations intended to improve the federal witness protection program.

These recommendations were all taken into consideration as the RCMP, in concert with representatives of Public Safety, initiated in-depth consultations into the administration of the federal witness protection program with a breadth of partners and other stakeholders at both the federal and provincial levels.

Although the program was generally well supported, these consultations identified a number of areas where program improvements could be made. These areas of change, in concert with changes already contemplated by the RCMP, became the focus of an internal RCMP document, which contained a series of recommendations designed to improve the overall effectiveness and efficiency of the federal witness protection program.

Efforts are currently being undertaken to address two areas of concern. Consideration is being given to amending the Witness Protection Program Act. These proposed amendments are intended to respond to shortcomings identified by provincial partners, with an overall view of making the federal legislation more relevant to provincial needs.

In addition, the RCMP is implementing a number of program changes, with a view to significantly enhance the delivery of the witness protection services. The focus of the planned changes is to ensure that the federal program would become more protectee-focused, provide an enhanced level of security to the public, greater accountability, and introduce a series of other program changes, which will result in a vastly superior program to what currently exists.

I would like to take a moment to briefly discuss a number of the program changes currently being introduced into the federal program. The RCMP is finalizing the development of a risk assessment and management model that will be unique to witness protection. This risk assessment and management model will be applied in all cases where an individual and/or their dependants are considered for inclusion into the program. The model will ensure that all considerations about who may be entered into the federal witness protection program will be based upon a consistent national standard, which will be applied in all cases, prior to anyone being entered into the program.

Further, this process will incorporate the input of specially trained psychologists, who will play a critical role in ensuring that the protectees' needs are addressed and that potential risks to both protectees and the public are identified and addressed at a very early stage.

Witness protection training has been increased substantially. Greater training emphasis is being placed on the identification of the socio-psychological needs of protectees, and this training will be augmented by mandatory annual upgrades and tactical training specific to the witness protection function.

•(1225)

[Translation]

The federal program will also benefit from an expanded use of technology currently being developed and designed to afford witness protection coordinators an enhanced capability to monitor witness protection cases, identify outstanding issues and provide greater levels of accountability and more accurate reporting.

The referred changes will ensure that the FWPP will remain a contemporary and world leading witness protection service meeting the needs of both the Canadian public and the Canadian justice system.

[English]

These changes are consistent with those previously discussed by RCMP Chief Superintendent Thomas Bucher and Inspector Greg Bowen when they last appeared before the committee and responded to committee questions about witness protection.

At that time, the RCMP agreed to provide a copy of the planned changes to the federal witness protection program to the committee. The document referred to was provided to Public Safety Canada and to this committee. Your executive service should be able to confirm this. If not, I will confirm this.

At this time, I'll be happy to answer any questions you may have.

Thank you.

The Chair: Thank you very much.

We will begin questions with Mr. Harris.

Mr. Jack Harris: Thank you. Let me start with the RCMP, with Superintendent Slinn.

If your report had been distributed beforehand, we might have had a chance to read it. You can't ask questions without reading it.

Concerning your last comment, about the report, are you saying that a report was prepared and sent to this committee? One of the reasons you are here is that we were looking for that report. I haven't seen it, but maybe we do have it. You said you were going to develop a document to make the protection program more protectee-focused. We were going to ask about that.

Robin, do we have it?

The committee doesn't seem to have it for the writing of our own report. We would like to have a copy of it, if you could forward it to us.

Turning to the question of funding for the federal witness protection program and the number of participants, how many people are involved in it now on a national basis?

Supt Eric Slinn: First of all, we forwarded the report in August 2010 to Public Safety Canada. I offer my apologies that you don't have it. I was here fully anticipating that you have read the report and that the questions would be based on it. It's most unfortunate. We will ensure that you get it in the coming days.

With respect to how many people are in the federal witness protection program, as of right now there are 830 people in the program.

Mr. Jack Harris: You referred to the recommendations, and of course I'm assuming that the report, which we haven't seen, addresses—it was nine recommendations in the public safety committee—some of those, one being to suggest that an independent agency work within the Department of Justice on this so that it wouldn't be related to your police force and it would be able to coordinate the provincial thing better.

Is that addressed? What is the view on that, Chief Superintendent?

Supt Eric Slinn: Yes, that is addressed in the report.

Mr. Jack Harris: We'll wait for the report then.

I refer to Mr. Aubin.

I listened carefully to your comments, sir, and frankly didn't find them very specific. There were a lot of generalities there. In fact, during the last testimony before this committee, there were details as to how many fit into category 1, category 2, category 3, and category 4. You have just talked about the 3% representing the highest national threat, which I'm assuming would be category 1.

Is that the case? Category 1 seems to be designed as those providing the strongest threat and being international in scope, and in that there were 16 organizations. Category 2 was with international and interprovincial scope, but there was no reference as to the degree of threat, and you identified 300 groups at that level. Category 3 was confined to a single province of more than one city; there were 100 there. Category 4 was basically a single area, town, or city—I guess we're talking about street gangs or small operations.

The fluctuation seems rather large from one year to the next, and he was talking about information sharing being up in the air. This is a little bothersome, frankly. You have 10 separate agencies collecting this information. Can they not get it right? They are off by a factor of 150 out of 900. That seems a bit odd.

And where is the fluctuation? Is it in the number of individual local organizations? I'm sure the Hells Angels don't come on and off the list; the major threats wouldn't come on and off the list.

Is there a fluctuation in activity at the local level, or are we talking about individual small groups of drug dealers being picked up and thrown in jail, and therefore they disappear? What are we talking about here?

●(1230)

C/Supt Michel Aubin: Thank you, Mr. Harris. I'm going to try to do my best to answer with as much clarity as possible.

You've touched on a couple of topics. First of all, if I may, I'll premise it by saying that the collection process—how we arrive at the last number on a yearly basis—is done from the law enforcement agency basis up to provincial bureaus and into central bureau. So it is in fact a national collection process.

The collection process, from a theoretical perspective, should happen through the ACIIS database. The database itself presents so many challenges that not everybody uses it and hence provincial bureaus and even central bureau have to use separate collection plans to try to get the full number.

This process is called the integrated spread assessment process and it was put in place in 2003. In fact, I'd say it came about that we had all 10 provinces participating around 2007. It took a number of years to get everybody on board and working on it. Since 2005, across Canada everybody has been working with the same definition of organized crime. It's the definition that's provided in the Criminal Code.

What we're seeing through the variance, the fluctuations, is that in fact it is due to a number of factors. On one hand it is the use of

ACIIS itself, but it's the agencies being able to respect the timelines at the provincial level and national level. If a province is late in submissions, it may affect the number.

As well, as an example, last year with the G-8 and the G-20 in Ontario, it seriously affected the provincial bureau of Ontario being able to provide a full collection process and provide the full numbers or the full situation of organized crime in their province.

This past year, Alberta has been looking at their whole process. This year, and going into 2012, we're anticipating having submissions from all provinces.

The fluctuations can also be due to.... You're correct, some organizations such as the Hells Angels are there constantly. But other organizations may be brought to our attention and we might go a couple of years without getting some intelligence on them. Sometimes what happens is that some of the bureaus will drop those organizations from their listing, or they'll cap their listing of organizations in the province.

Mr. Jack Harris: Could I just interrupt with a question?

Is the definition of organized crime itself a problem here? Organized crime, in the definition in the Criminal Code, would take you and me and Superintendent Slinn doing some criminal act together on a more than one event basis. That would be for the purpose of prosecution under the Criminal Code, but we may not be a threat in any real sense. We may not be a serious threat in the sense of guns and a high level of violent criminal activity, yet we would be considered to be organized crime.

How do we use that term “organized crime” to determine the threat? I get it when we're talking about the international organizations with violent aims, etc. But how is that useful on the local city level, if it's a definition in the Criminal Code but not really something about threat levels? That's what I'm interested in and what I think the public is interested in, about threat, and not whether two or three people are committing a crime together in a sort of aiding and abetting sense, because there may not be an organization.

●(1235)

The Chair: Just a short definition. We're quite a way over.

C/Supt Michel Aubin: I fully agree with you.

Mr. Jack Harris: The question is, is it useful?

C/Supt Michel Aubin: The definition that we try to apply is exactly that; it's to get away from those three persons getting together and running a string of break and enters at a bunch of cottages and then they get away. It's really organizations—three or more—that get together and do it not on a random basis but on a continuing basis, and it has to be for the benefit of the organization, not for one person. So it's a strict application.

Quite candidly, have we applied it perfectly? The answer is no. Law enforcement is learning to work together more and more. We're becoming more and more specific.

Going into 2012, the fact that we have all 10 provinces participating is indicative in itself.

The issue of having to rely on an antiquated database is also a reality with which we have to deal. The database does not work with current technology, not the record management systems of the law enforcement services or the major case management systems. In fact, it requires agencies to do a manual upload. It can't even accept current versions of certain software, so Adobe version 2010 has to be downgraded to version 2003 to be uploaded and read. It's the challenge we face right now, and we have to use some workarounds to try to get the best picture we can.

The Chair: Thank you.

Superintendent Slinn, I think the problem we ran into was in a previous Parliament with a different committee. That was the public safety committee that the document got sent to, and this is the justice committee. So if you can just send it to justice, we'll be happy.

Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

Thank you for coming today. I did have a chance to read chapter 3 of the federal witness protection program report that you refer to, and I did notice a couple of things in the report. In particular, it seems that.... You mentioned that the total cost of the program was how much per year?

Supt Eric Slinn: About \$7 million or \$8 million.

Mr. Brian Jean: That must include the cost of the RCMP officers. Is that correct?

Supt Eric Slinn: Yes, that's all built in.

Mr. Brian Jean: In 2005-06 the program itself was about \$2 million, which is the most recent data. It seems to indicate that in 1996-97, admissions were 152, whereas in 2005-06 they're 66. So there's quite a drop over that 10-year period. Indeed, voluntary terminations were four in 1996-97, and 21 in 2005-06.

It appears to me that a lot of people are not taking advantage of the program. Is that fair to say, or the trend is certainly moving that way?

Supt Eric Slinn: Statistics sometimes can be misleading. There may be a host of reasons. Because of the level of violence organized crime is using, there may be a sense of security...that maybe the police can't protect them as well as they could. Then there are the networks that organized crime have to try to track down these witnesses. There's more awareness, I think.

Mr. Brian Jean: I understand.

In fact, wouldn't it be fair to say that most of the issues arise out of British Columbia right now? Is that fair? Most of the complaints came out of British Columbia, over 50% during that period of time, from 1996 to 2007.

Supt Eric Slinn: There are a number in British Columbia, but there are protectees from other areas of the country.

Mr. Brian Jean: I just meant the complaints, as far as the witness protection program is concerned.

Supt Eric Slinn: No, there are some complaints in Ontario, I believe.

Mr. Brian Jean: Yes, there were. But over 50% were in B.C., and I would suggest most of those would be drug-related complaints, or people who are involved in the drug trade with organized crime.

Supt Eric Slinn: I think that's probably fairly accurate.

Mr. Brian Jean: I play hockey, and what I'm most interested in with hockey is not the practice, but winning the game. I look at organized crime the same way. It surprised me to find out that there is such a low probability of conviction with organized crime, and primarily that's a result of sneaky lawyers—like I used to be, I guess. Lawyers in particular are using strategies that are not advantageous to anyone except their clients. I understand as well that it takes a significant amount of time and days for trials to be run, and there are two particular things—to define what organized crime is and whether or not that person is part of that organized crime.

I had a chance to go through the report, but what it seemed to indicate to me to be the best thing to do is to change some of the strategies around the criminal trial process to make sure we get more convictions, and use the resources more efficiently to get those convictions.

Would that be a fair comment?

• (1240)

Supt Eric Slinn: A more efficient system would always be welcome. There are frustrations expressed by law enforcement with the system in investigating organized crime, as there are amongst prosecutors.

Mr. Brian Jean: I agree, and in fact—

Mr. Jack Harris: On a point of order, I realize it's very interesting, and not only to Mr. Jean, but we're really talking about the witness protection program today and getting updates on that. This is what we're here for, and I think this is what we should be confined to.

The Chair: I think it goes to the whole point of the study, so I think it's appropriate.

Carry on, Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

I understand where Mr. Harris is coming from, but my interest is actually in seeing safer streets, and organized crime is one of the main—

Mr. Jack Harris: I have no objection to that. That's a pejorative remark, totally uncalled for.

We brought the witnesses back to talk about the witness protection program. You have now been ruled in order. You're not the only one who cares about safer streets.

Mr. Brian Jean: Thanks for that clarification, Mr. Harris.

One of the things that became clear to me in reading the report is that a significant amount of time is spent defining what a criminal organization is and whether or not the person belongs to that criminal organization. In fact, I discovered that probably three-fifths of the time was spent doing that during the trial process. Are you familiar with that?

I see Mr. Aubin is shaking his head affirmatively.

Supt Eric Slinn: Mr. Aubin was involved in a large organized crime investigation in Quebec, so he has some knowledge there.

I will say that there is a lot of investigative effort to prove that the person belongs to that organization, is acting for the benefit of, at the direction of, or in association with it. We have to prove the hierarchy of that organization and where the person fits in there.

So there's significant investigative work that has to go on there. Whether or not it happens at the trial process, I couldn't comment on.

Mr. Brian Jean: I have a simple proposal for you, and I want to make sure Mr. Harris recognizes that I was not trying to be sarcastic in my comments. I just wanted to make sure he understood where I'm coming from.

What advantage is there in keeping the definition or defining whether a person is in organized crime or whether that group is an organized crime group in the trial process? Wouldn't it be just as good to have it in the sentencing process?

I say that only because with the number of convictions that happen, if you did that during the sentencing process itself—defining whether that person is in the group or whether in fact that group is an organized crime group—it would then be exclusive to those 7% or 8% of people who are actually convicted of the crime in the first place. We could then use the government resources and courts to actually get more people into the trial process. Does that make sense?

Supt Eric Slinn: I'm not so sure that in law enforcement we're in a position to answer questions about the trial process. We're an integral part of it, but that's left to the prosecution.

Mr. Brian Jean: But you certainly confirm and agree that much of the work that's done has no benefit in the end, because we don't score that goal—we don't put people away—because of the procedure in the trial process.

C/Supt Michel Aubin: I think maybe I'll add one feature here. We've testified to this, and I've testified to it as well. The fact is when a criminal organization has been recognized as such through a court process, one of the areas in which we have a problem with law enforcement is having to again demonstrate that full evidence. The Hells Angels have been demonstrated to be such in one case, and if they are prosecuted somewhere else in Canada, again, we have to go through the exercise—

Mr. Brian Jean: Exactly.

C/Supt Michel Aubin: —of collecting the evidence, presenting the evidence, and making sure it's true time and again. So the position that was advanced, I believe in May 2009, was that we were supportive of listing criminal organizations once they'd been found to be criminal organizations.

Mr. Brian Jean: I agree.

Thank you very much.

The Chair: Mr. Casey.

Mr. Sean Casey: Mr. Chairman, this reminds me of some advice that was once given: sometimes it's better to sit mute and risk having people take you for a fool than to open your mouth and remove all doubt.

Voices: Oh, oh!

Mr. Sean Casey: I have no questions.

The Chair: Thank you.

Mr. Goguen.

Mr. Robert Goguen: Okay, well, I'll take the plunge.

Voices: Oh, oh!

Mr. Robert Goguen: The draft of this report dates back some time, and one of the recommendations it proposed was that the government amend its current provincial witness protection program to obtain the federal identification documentation without having to enter provincial protectees into the program.

The RCMP is not known to sit idle. Are you guys working on a framework? Do you see any kind of obstacle? Is this costly? Do you have any thoughts on that?

●(1245)

Supt Eric Slinn: I'm going to turn it over to Inspector Bowen, because he's the gatekeeper. He can probably give you more salient information than I can.

Inspector Greg Bowen (Officer in Charge, National Headquarters, Human Source and Witness Protection, Royal Canadian Mounted Police): Thank you very much.

Being able to obtain federal documentation for provincial witness protection initiatives without having to enter people from the provincial initiatives into the federal program is a long-standing issue. Currently, the RCMP is working very closely with Public Safety. Public Safety and the RCMP are in agreement that that should be the case, and we continue to work towards responding to that in a favourable fashion through the legislative process.

Mr. Robert Goguen: It can't be something that's all that troublesome. You have the resources already to do this. It wouldn't be costly, would it? Nothing is without cost, obviously, but it's not a —

Insp Greg Bowen: No. To enter a protected person from a provincial into the federal program is generally regarded by a number of the provinces as an infringement on their ability to run their own effective programs; however, it's something we've done since 1996.

There are two elements to it. One, we would agree that it's very important that the provinces have the opportunity to obtain the federal documents to promote their own program interests. On a greater scale, the greater consideration for us, of course, is to ensure that whatever processes are introduced in the future, as we move towards reaching that goal, are done in a very secure fashion to promote the security of those people who assist us in the provision of the services we require.

Mr. Robert Goguen: Thank you, sir.

That's good.

The Chair: Madam Borg.

[Translation]

Ms. Charmaine Borg (Terrebonne—Blainville, NDP): Thank you to the witnesses for being here today. My first question is for Mr. Aubin.

In the previous version of our report that we want to update, it was divided into four sections, as you mentioned. One section contains groups that work on the international scene. The statistics we had previously indicated that there were 16 organizations. Now you are saying that this is 3%. Could you explain the difference?

It looks like there's been a slight increase. Is it because links with new countries have been established?

C/Supt Michel Aubin: If I may, the figure 16 and the 3% are referring pretty much to the same thing. It's the number of organizations that have an international reach or influence. I would simply like to make a distinction about their impact because we haven't talked about that. If their influence is local, they can have the same impact internationally. The categories depend on their degree and sphere of influence. For example, for 2011, we noted that 24 groups had been involved in international activities, which represents about 4%, while 262 groups were active interprovincially, which represents about 40%.

For the groups working internationally, we see that, from one year to the next, this corresponds to about 3% or 4% of criminal organizations that are listed in Canada. The organizations in category 4 exercise their sphere of influence locally and represent about 20%. We are currently looking at how we categorize organizations in the national evaluation to possibly go from four categories to three. A national discussion is under way to be even more specific in our categorization.

Ms. Charmaine Borg: You're thinking about combining two categories? How will you do that?

C/Supt Michel Aubin: There is some difficulty in distinguishing between category 1 and category 2 because they both involve interprovincial or international activities. So we need to see to what extent these organizations dominate a market and how sophisticated they are. To ensure the process is clear, we involve all the analysts concerned across Canada. The analysts are currently looking at how we can refine this categorization to better inform the police services.

• (1250)

Ms. Charmaine Borg: Thank you.

Do you think that these organizations have links with certain countries in particular? We have the statistics for 2008. Have there been any changes since then?

C/Supt Michel Aubin: I don't have the information on the correlation between the countries, but it goes without saying that there is still a fairly significant correlation in the area of drugs in South America and the Caribbean, where those countries are used as a conduit for cocaine. There's also some correlation with heroin and countries in Southeast Asia.

Now, with what we call the

[English]

“strategic early warning”,

[Translation]

we pay close attention to what's going on in the world, for example in northern Africa. With what's currently going on there, it creates opportunities for organized crime. It's the same thing for certain European countries and the issue of economic stability. Will

there be a destabilization of the European Union that will create opportunities for organized crime established in Canada and having links in those countries?

First, we need to evaluate the current situation and the correlation between the countries. As I said, I don't have the data here. We are also looking at future events outside the country. Do they present opportunities for organized crime? So we're looking at those two factors.

Ms. Charmaine Borg: Okay. Do I have any time left?

[English]

The Chair: You have half a minute.

[Translation]

Ms. Charmaine Borg: I'll be brief. In your presentation, you said that there has been a slight increase in the trafficking of ketamine, pharmaceutical opioids, and so on. The 2008 report indicated that the trafficking of ecstasy and crystal meth is a big concern. Is that still the case? Is everything that's a concern on the list? Is it only because there's been an increase?

C/Supt Michel Aubin: Absolutely. We're seeing that these other markets remain relatively stable, based on the information we're given. In the case of ketamine, we're seeing that there is some impact and an increase in organized crime in that market. One of our duties is to inform operational bodies about which markets are growing, which are declining and which are stable.

Ms. Charmaine Borg: Thank you.

[English]

Supt Eric Slinn: If I may, I'll add to that in my role as the director of the drug branch, in terms of the trends, I think what's more disconcerting for us is the trend towards ecstasy. Many of you are aware of the deaths in the last couple of months in B.C. and Alberta. A lot of the ecstasy being sold is purported to be ecstasy but in fact is methamphetamine, which causes serious, serious concerns for our youth.

The Chair: Thank you.

I'm going to try, in a couple of areas, to help the analyst who has to write this report. For one of them, you talked about the groups. You have them divided into how many groups now...?

C/Supt Michel Aubin: In past years and right up to this year, sir, there are four categories. We're right now considering migrating to a three-category model.

The Chair: Given the four categories, can you give us the numbers and tell us what timeframe they are applicable to? Are they for 2010 or 2011?

Can you give us the numbers?

C/Supt Michel Aubin: The numbers for 2011, sir, are that we have 24 groups in category 1 and 262 in category 2; there are 121 in category 3 and 210 in category 4. We have 30 groups that we did not rate for various reasons, and we've received 82 additional groups that came in after the production of the national threat assessment.

The Chair: Okay, thank you.

Are category 4 primarily street gangs that fluctuate in number?

C/Supt Michel Aubin: No, they're primarily groups for which their sphere of influence is local.

Mr. Lamontagne can probably explain that.

The Chair: Are they the most fluid groups?

Mr. Ken Lamontagne (Director, Strategic Intelligence Analysis Central Bureau, Royal Canadian Mounted Police): At this point, I wouldn't say they're the most fluid groups, but they're the ones for which we have a greater problem to analyze because they appear and disappear from the provincial threat assessments a little more often; that impacts significantly on the national threat assessment.

Often enough, as Michel was explaining before, we rely significantly on the municipal, provincial, and other law enforcement agencies to provide this information to the provincial bureaus, and it then comes back to us. Often there is a cutoff point for the number of groups they report to us, so it's often the localized groups, we suspect, that are the ones coming down.

But there is a significant amount of fluidity. In the category 1 groups from this year, I think there's a change of perhaps 45% from the previous year. There is a significant turnaround, not only in the lower groups but in the higher-level groups as well.

•(1255)

The Chair: Could you clarify for the analyst what the categories signify?

Mr. Ken Lamontagne: The first category.... This is what Michel was mentioning briefly. Category 1 and category 2 are very similar. The distinction we make to category 1 is that the analysis of all the category 2 groups takes place to ascertain whether they deserve to be listed at the higher level of threat.

Essentially, what you have in category 1 is groups that are at a significant level of involvement in Canada—they're either inter-provincial, cross-border, or international. They're heavily involved in certain markets, either a market per se or in multiple markets. You have a group here that is very significant.

Category 2 again represents groups that are international, cross-border, or interprovincial in scope, but what happens is that those in category 2 are reassessed to ascertain whether they should fall within category 1. What essentially happens is that all category 1 groups, for lack of a better term—and I'm trying to describe this as well as I can—are initially in category 2 until the group of analysts both from our central bureau as well as the provincial bureaus get together and assess which are the higher priorities. These become category 1 groups.

Category 3 groups are usually those in a single province.

Category 4 groups are those with an operational scope that's in a single area. Often enough, the comparison is made to street gangs; that's the one we hear most often.

That's pretty much the distinction among the categories.

The Chair: And is there—probably more in category 4—a distinction between rural and urban, or are they mostly urban?

Mr. Ken Lamontagne: At this point we don't make a distinction between them. That's an area that's coming up increasingly with

respect to wanting to see analysis of it. We're seriously looking at it this year to see whether we can do something in that regard, but we haven't made this distinction necessarily in our assessments.

We did, however, do an assessment this year with respect to what we call our criminal intelligence estimate, which is an estimate of markets, and we did an assessment of what we call strategic early warning, wherein we're forecasting that some of the rural areas, because of expansion or various significant industry changes, etc., will impact upon organized crime. Organized crime will take advantage of the change.

So we are moving in that direction, but we're not at the point at which I could say there's a concrete analysis being done.

The Chair: Thank you.

Mr. Seeback.

Mr. Kyle Seeback (Brampton West, CPC): Concerning what you were just talking about, I was looking at the 2008 numbers. There were 430 groups in category 4, and category 3 had 200. I think you just told me now that there are 200 and 200.

Did I mishear that?

Mr. Ken Lamontagne: Sorry. Category 3 this year is 121, and category 4 is 210.

You're correct. There is a significant difference.

Mr. Kyle Seeback: Is there a reason why there's a significant difference?

Mr. Ken Lamontagne: Part of it this year was that one of the provinces did not provide us with the groups prior to the publication of the national threat assessment. There's another one where we had a significant number of groups that weren't rated this year.

Again, increasingly with the lack of resources and things like that, some of the provincial bureaus are having a cut-off point with the number of groups they actually report to us. They're reporting about those they have an interest in, and not necessarily all the ones that are there.

That's having a significant impact on those numbers.

C/Supt Michel Aubin: If I may—and thank you for identifying these items—as we're moving forward, I have to say that the process is becoming more and more refined. We're refining it.

As I say, going into 2012 we have all provinces participating. There are actually a number of areas in the collection process that have also been further refined.

I would suggest that as we move forward there will always be a fluctuation on these numbers because of the reality of fluctuation in organized crime groups across Canada, and other challenges, but the process itself of reporting, and the quality of reports, is getting better and better.

Mr. Kyle Seeback: You may have already given this information, but I wasn't here in the last Parliament when the study started, and it was a long time ago when I read the actual report.

You talked about how 57% of the criminal marketplace is through illicit drugs. Do you ever break down that number into the various categories: cocaine, cannabis, synthetic drugs? Do you have an idea of those numbers?

•(1300)

C/Supt Michel Aubin: I don't have the breakdown on what we call the submarkets, the market being illicit drugs. As we reported, 57% of the market share is illicit drugs. We also see that 83% of the organized crime groups are involved in the illicit drugs business line.

In terms of the exact numbers, I don't have them at my disposal right now, but by way of priority, cocaine remains the most predominant, followed by cannabis, and then followed by the pharmaceutical opiates, such as OxyContin.

Mr. Kyle Seeback: You talked about ACIIS, the automated criminal information system.

Do you have any estimates on the cost of replacing that system? I know you don't go into Walmart and take it off the shelf; I assume you'd have to have a custom-designed piece of software.

C/Supt Michel Aubin: We do, sir.

I'll try to keep it short. What happened is that in 2006, the governing body for CISC, the national executive committee, identified the need to replace it. There was actually a national effort that was done and a business case was put together. We've identified a new system that would be modern and would meet the needs of all.

There was an evaluation of the cost that was done at the time, and it was quite significant, around \$70 million. We're in the process of reviewing the cost, and in light of the business case and the architecture as well, making sure it is compliant to the current industry standards. That's under way right now because our ask for the replacement of the ACIIS system is now being directed to a new governance body for national police services.

As I said, in 2010 it was around the \$70 million mark. That being said, I have to add that the RCMP has procured some of the components of this new system and they're in the process of piloting it.

We're in the process of evaluating these components against the system, so there could be some cost savings that are going to happen there as well.

Mr. Kyle Seeback: Great. If there's any time left, I know Mr. Jean seemed to have a question.

Mr. Brian Jean: Thank you, Mr. Seeback.

Just very quickly, I noticed by the cost ratio that there's almost \$4 in RCMP officer cost for every \$1 cost for the witness protection program. Is that right?

It's \$9 million, compared to about \$1.8 million directly going to witnesses. So for the officer cost, it's about \$4 for every \$1 cost.

Insp Greg Bowen: Yes, the figures are the figures. That's the best we have.

Clearly the largest part of the compensation is for the people who do the actual protection. As you can imagine, it's a very laborious job.

Mr. Brian Jean: I understand it could be.

Since the numbers are so dramatically reduced, why have the costs not reduced correspondingly?

Insp Greg Bowen: Well, it depends. I guess I'll have to generalize. The costs of protection have increased. Some of the cases we've been challenged with over the last several years have been considerable, and as a result protection costs go up. With the amount of attention to detail, for instance, I believe the program today is far more protectee-focused than it was at the inception of the program.

All of these in concert result in the costs we have today. A lot of those costs for compensation would also include, for instance, overtime costs. Our coordinators have to travel, in some cases considerable distances, to meet with protectees.

Mr. Brian Jean: What portion of overtime costs would be—

The Chair: Sorry, Mr. Jean, but your time is up.

Insp Greg Bowen: I don't have that specific data. If you wish, I could probably get that for you.

The Chair: The analyst had a question, though.

He heard Superintendent Slinn yesterday before the Senate indicate that cannabis was the biggest....

Supt Eric Slinn: Statistically.... Let me recouch my statement. I see that my words are coming back to haunt me.

Cannabis is, for organized crime, the jet fuel. I think that was the terminology I used for organized crime. There's sort of a low deterrence in the sense that the punishments are not harsh for cannabis and the financial return on cannabis is huge, because the market in the United States is so high.

I'm not basing that on a statistical analysis; I'm basing that on, from an operational standpoint, my knowledge of organized crime, that a lot of these groups are involved in marijuana grow ops.

The Chair: Just before we leave, I'll let you know that the analyst can draft a report hopefully next week when we're away. We can have it back at a point not long after. I think one of our analysts is going to leave us for a little while. The sooner we can have a look at it when we get back....

•(1305)

Mr. Robert Goguen: Mr. Chair, I guess there is one letter that remains unanswered. That is the letter written to Don Head of Correctional Services Canada. I understand it was written four times. It dates back to December 15, 2011, or thereabouts.

Where does that leave us with finalizing this?

A hon. member: Subpoena him, I suppose.

Mr. Robert Goguen: There's that, but it means that—

The Chair: It'll mean that we don't get the report done. That's what it really means.

All you're doing there is organized crime within the prison, updating those numbers. I'm not sure if it matters.

Ms. Françoise Boivin: I'm still not impressed to know that somebody is not answering our letter. I'm in shock to hear that, honestly, coming from somebody of that stature.

Mr. Robert Goguen: I'm of equal mind. I'm willing to wait. But how much longer? Or do we press ahead and waive the information?

Mr. Jack Harris: There is an interim way of doing it, and we could pass a motion suggesting that if we don't hear from him by such and such a date, we'd ask to have him subpoenaed.

I don't mean to—

The Chair: My problem here is what you want to do about—

Mr. Jack Harris: Is there a gentler way of doing that? I agree with my colleague that we're asking for information, and their cooperation with parliamentary committees is to be expected.

I would move that if we don't get a letter from Don Head, the commissioner of Correctional Service of Canada, by the time we're back here in 10 days, we consider what measures might be required to have him appear before us.

Mr. Robert Goguen: I guess my only question is how critical this information is.

The Chair: As the chair, I say somebody had better decide, because it's either that or we're not going to get a report done.

A voice: That's a motion.

Ms. Françoise Boivin: It's either that or we write in the report that we couldn't update the data because he was.... I wouldn't write it that way, but you get my drift. Sadly, we invited him repeatedly, and he just didn't.... If that's the avenue, I still say we should compel him to come.

The Chair: Just a minute. You have to go through the chair.

There is a motion on the floor.

Mr. Robert Goguen: On the motion, I'm just reluctant to call him if nothing is going to turn on it. That's the only thing.

I don't have a crystal ball. I'm almost tempted to....

The Chair: The motion has been seconded.

Do we have any discussion?

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: Mr. Aubin, you had a comment.

C/Supt Michel Aubin: Mr. Chair, I had one point of clarification of my testimony.

In terms of the submarkets under illicit drugs, the actual third one is synthetic drugs. I mentioned it was pharmaceutical opiates, but it's synthetic drugs.

The Chair: Thank you very much.

I thank the panel for being here.

The meeting is adjourned.

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