



Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

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ANNUAL REPORT

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PUBLIC PROSECUTION
SERVICE OF CANADA

Canada



If you would like to know more about the Public Prosecution Service of Canada (PPSC), please refer to the following documents, both of which are available through our website at www.ppsc-sppc.gc.ca:

- *The Director of Public Prosecutions Act*
- *The Federal Prosecution Service Deskbook*

Public Prosecution Service of Canada Annual Report 2011–2012

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Public Prosecution Service of Canada Service des poursuites pénales du Canada

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JUN 29 2012

The Honourable Robert Nicholson, P.C., Q.C., M.P.
Minister of Justice and Attorney General of Canada
House of Commons
Ottawa, Ontario K1A 0A6

Dear Attorney General:

Pursuant to section 16(1) of the *Director of Public Prosecutions Act*, I am pleased to present you with the 2011–2012 Annual Report of the Public Prosecution Service of Canada. The report covers the period from April 1, 2011 through March 31, 2012.

Yours sincerely,

Brian Saunders
Director of Public Prosecutions

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MESSAGE FROM THE DIRECTOR OF PUBLIC PROSECUTIONS

I am pleased to present the *Annual Report 2011–2012* of the Public Prosecution Service of Canada (PPSC).

The PPSC is an independent prosecuting authority with a mandate to prosecute cases under federal law and to provide high-quality legal advice to investigative agencies.

This past year, PPSC prosecutors have been involved in high-profile and significant cases in areas such as drug trafficking, terrorism, and regulatory prosecutions. Many of these cases are described in this report, which presents an overview of the PPSC's work throughout 2011–2012.

The PPSC continues to see a substantial number of high-complexity files. These files require prosecutors to devote considerable time and effort to them, and often take longer to resolve than more straightforward files.

The PPSC's reputation for legal excellence is becoming widely known, both within Canada and internationally. Other prosecution services and policing organizations have continued to seek out our expertise and advice throughout the past year.

The PPSC Executive Council has updated our organizational priorities for 2012–2013 to reflect the operational nature of the PPSC's mandate. These priorities are:

- the engagement and professional development of our employees;
- ensuring the security of our information, assets, and employees;
- resourcing and performance measurement; and
- advancing the PPSC's relationships with investigative agencies.

I would like to thank all PPSC staff for their continuing efforts on behalf of the organization and of the people of Canada. They embody our core values of respect, integrity, excellence, and leadership.



Brian Saunders
Director of Public Prosecutions



THE PUBLIC PROSECUTION SERVICE OF CANADA AN OVERVIEW

The Public Prosecution Service of Canada (PPSC) is an independent and accountable prosecuting authority whose main objective is to prosecute cases under federal jurisdiction in a manner that is free from any improper influence.

MANDATE

The mandate of the PPSC is set out in the *Director of Public Prosecutions Act*. The Act empowers the Director of Public Prosecutions (DPP) to:

- initiate and conduct federal prosecutions;
- intervene in proceedings that raise a question of public interest that may affect the conduct of prosecutions or related investigations;
- issue guidelines to federal prosecutors;
- advise law enforcement agencies or investigative bodies on general matters relating to prosecutions and on particular investigations that may lead to prosecutions;

- communicate with the media and the public on all matters that involve the initiation and conduct of prosecutions;
- exercise the authority of the Attorney General of Canada in respect of private prosecutions; and
- exercise any other power or carry out any other duty or function assigned by the Attorney General of Canada that is compatible with the office of the Director.

The *Director of Public Prosecutions Act* also empowers the DPP to:

- initiate and conduct prosecutions under the *Canada Elections Act*; and
- act, when requested by the Attorney General of Canada, in matters under the *Extradition Act* and the *Mutual Legal Assistance in Criminal Matters Act*.

In addition to being the Deputy Attorney General of Canada, the DPP also has the rank and status of a deputy head of a department, and in this capacity is responsible for the management of the PPSC as a distinct governmental organization.

With the exception of *Canada Elections Act* matters, the Attorney General of Canada can issue a directive to the DPP about a prosecution or even assume conduct of a prosecution, but must do so in writing and a notice must be published in the *Canada Gazette*. In turn, the DPP must inform the Attorney General of any prosecution or planned intervention that may raise important questions of general interest. Similarly, the Attorney General can assign additional responsibilities to the DPP, provided the assignment is in writing and published in the *Canada Gazette*.

The DPP does not report to the Attorney General on prosecutions under the *Canada Elections Act*; such matters are therefore not included in this report.

MISSION AND VALUES

The PPSC's mission and values statement articulates the essential principles that guide the organization.

MISSION

The mission of the PPSC is to serve the public by:

- prosecuting cases with diligence, in a manner that is fair, impartial, and objective;
- seeking to protect the rights of individuals and to uphold the rule of law; and
- working within the criminal justice system to help make Canada a safe and just society.

VALUES

In carrying out its mandate, the PPSC is guided by key values:

- **Respect** forms the basis of relationships with fellow employees and with the public.
- **Integrity** motivates employees to apply the highest ethical and professional standards.
- **Excellence** inspires employees in all aspects of their work.
- **Leadership** characterizes the organization's efforts to improve the quality of criminal justice throughout Canada.

ASSIGNMENTS AND DIRECTIVES

In 2011–2012, no assignments or directives were issued by the Attorney General of Canada to the DPP, nor did the Attorney General assume conduct of any prosecutions.

ROLES AND RESPONSIBILITIES

The PPSC prosecutes charges of violating federal law laid following an investigation by a law enforcement agency. The PPSC is not an investigative agency and does not conduct investigations. The separation of law enforcement agencies from the prosecution function is a well-established principle of the Canadian criminal justice system. However, cooperation between investigators and prosecutors is essential, particularly in the context of large and complex cases. As a result, the PPSC often provides legal advice and assistance to law enforcement officials at the investigative stage.

In all provinces and territories except Quebec and New Brunswick, the PPSC is responsible for prosecuting all drug offences under the *Controlled Drugs and Substances Act*, regardless of which police agency investigates the alleged offences. In Quebec and New Brunswick, the PPSC prosecutes only drug offences investigated by the Royal Canadian Mounted Police (RCMP).

In all provinces and territories, the PPSC prosecutes charges under federal statutes such as the *Income Tax Act*, the *Fisheries Act*, the *Excise Act*, the *Customs Act*, the *Canadian Environmental Protection Act*, the *Canada Shipping Act*, and the *Competition Act*, as well as conspiracies and attempts to violate these statutes. In total, over 250 federal statutes contain offences that fall under the PPSC's jurisdiction to prosecute, and the PPSC regularly provides prosecution services under approximately 60 of those statutes.

The PPSC is responsible for prosecuting all *Criminal Code* offences in the territories. In the provinces, the PPSC has jurisdiction to prosecute a limited number of *Criminal Code* offences, including those related to terrorism, criminal organizations, money laundering, proceeds of crime, and fraud. Under arrangements with the provinces,

the PPSC may also prosecute *Criminal Code* offences that are otherwise within provincial jurisdiction when the accused also faces charges within federal jurisdiction.

ROLE OF THE PROSECUTOR

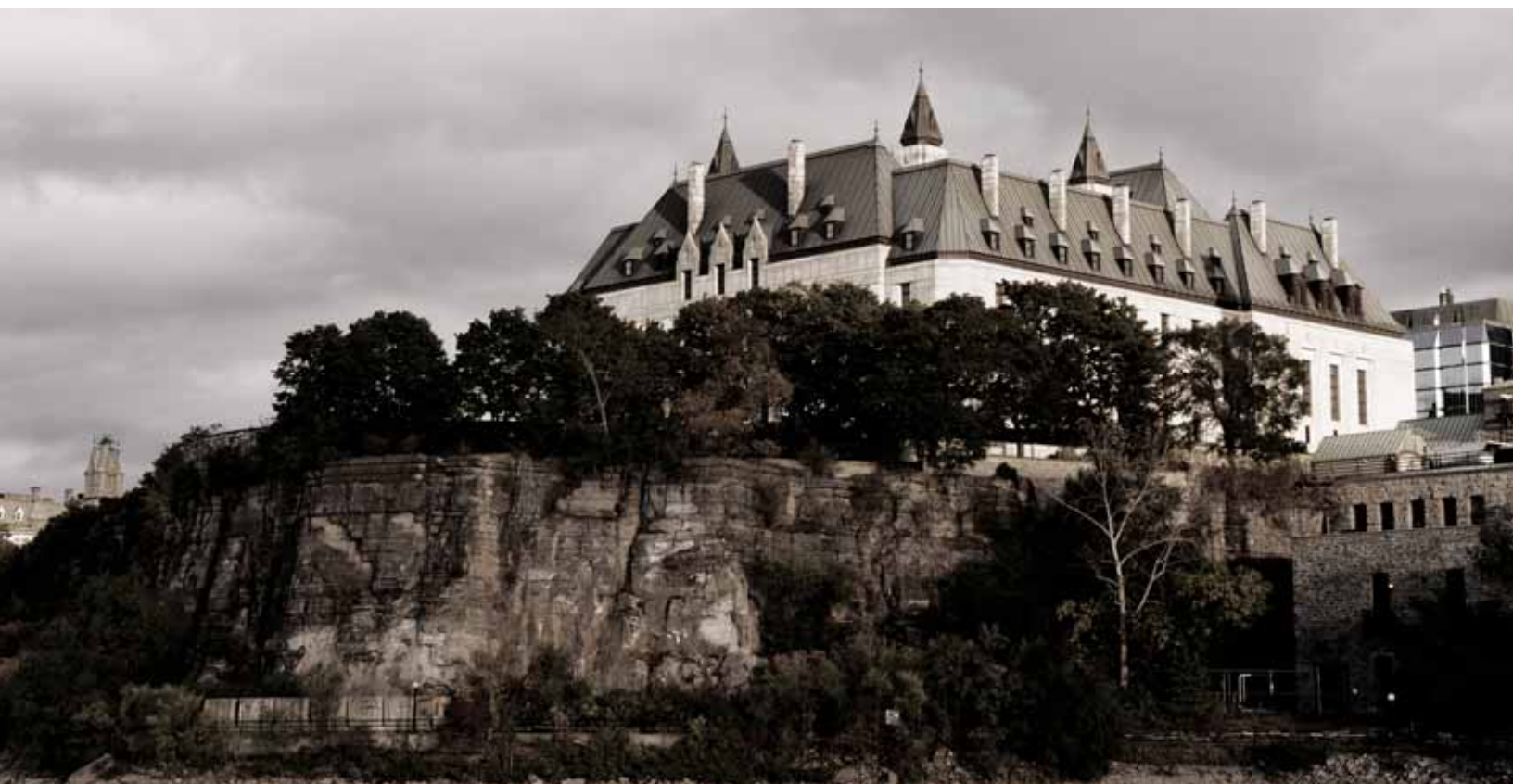
Prosecutors play a key role in the Canadian criminal justice system. This role is quasi-judicial in nature, and has been described by the Supreme Court of Canada as a “Minister of Justice” responsibility, which imposes on prosecutors the duty to be objective, independent, and dispassionate. They must see that all cases deserving of prosecution are brought to trial and prosecuted with competence, diligence, and fairness. Prosecutors must be of integrity, above all suspicion, and must exercise the considerable discretion bestowed on them fairly, in good faith, and without any consideration of the political implications of their decisions. Their role

is not to win convictions at any cost, but to put before the court all available, relevant, and admissible evidence necessary to enable the court to determine the guilt or innocence of an accused.

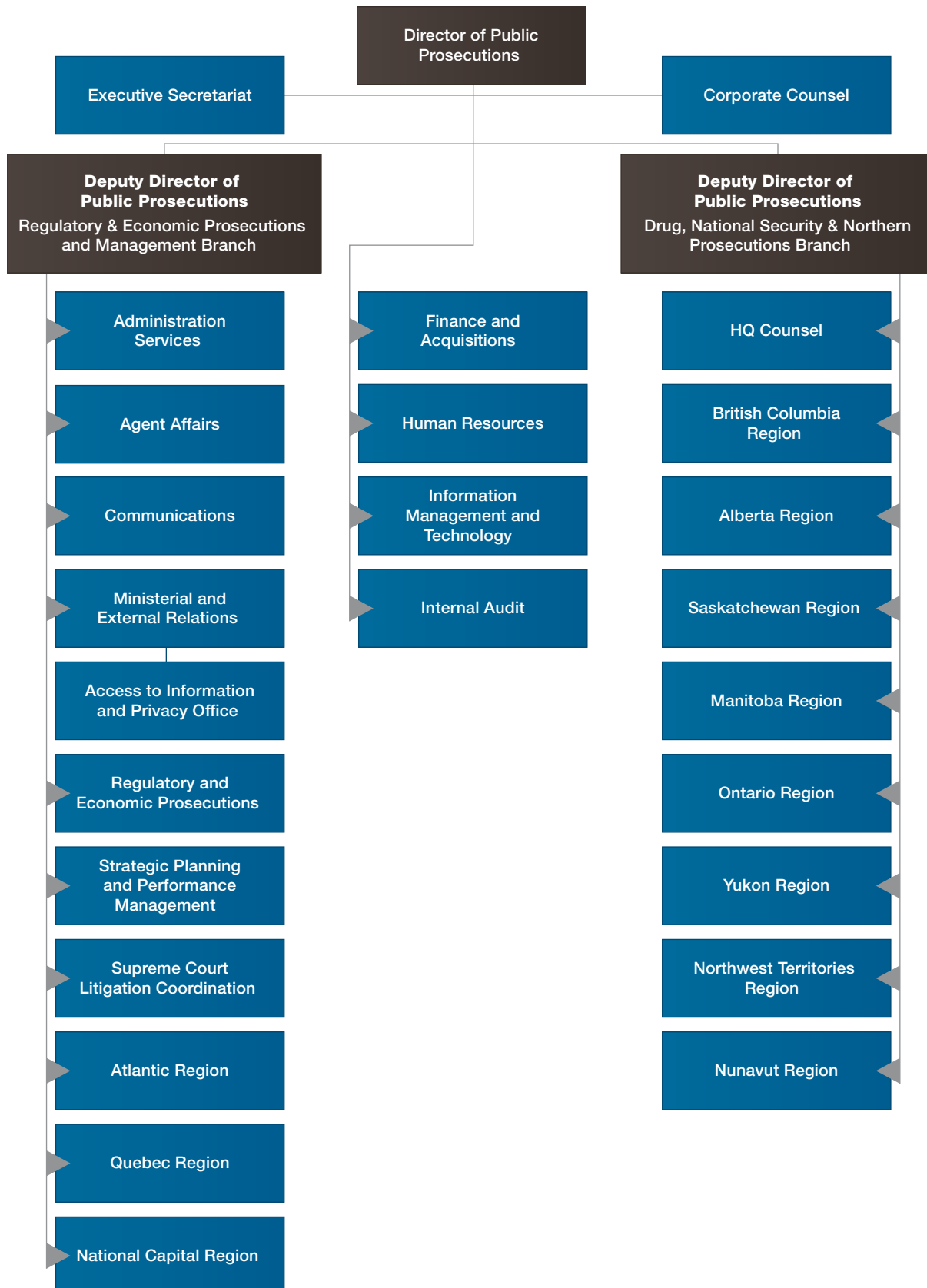
ABOUT THE ORGANIZATION

As of March 31, 2012, the PPSC had 988 employees across Canada, the largest group of whom were prosecutors. In addition to staff prosecutors, the PPSC retained the services of some 210 private-sector law firms, or 492 individually-appointed lawyers, as standing agents.

PPSC Headquarters is located in Ottawa, and the organization maintains a network of regional and local offices across Canada. Some PPSC staff prosecutors are also co-located with the Competition Bureau in the National Capital Region and with integrated enforcement teams across Canada.



ORGANIZATIONAL STRUCTURE



PARTNERS

Department of Justice Canada

The PPSC maintains a close and cooperative working relationship with the Department of Justice Canada. PPSC prosecutors consult Justice counsel in areas such as human rights law, constitutional law, Aboriginal law, and public law.

The PPSC relies on the Department of Justice for a number of internal transactional administrative services. In Canada's Northern territories, the PPSC provides such services to the Department of Justice. Memoranda of Understanding have been developed to govern the corporate and legal services provided by the Department of Justice and the PPSC to each other.

Investigative Agencies

The PPSC provides advice to law enforcement agencies during their investigations in order to ensure that the investigations are handled in such a way as to permit a prosecution on the merits of the case. The early and continual involvement of prosecutors during major investigations and in the implementation of national enforcement programs allows the police and other investigative agencies to benefit from legal advice as they decide how best to enforce the law.

PPSC counsel provide advice on such issues as the disclosure of evidence required by law, and assist

in obtaining key evidence-gathering orders, such as wiretap authorizations and orders to produce evidence.

Provinces and Territories

The federal and provincial governments share jurisdiction over prosecutions. This shared jurisdiction means cooperation and coordination are essential to the effective enforcement of the law. The PPSC and provincial prosecution services have standing and ad hoc arrangements that allow the prosecution service prosecuting an offence within its jurisdiction to also prosecute related "minor" offences that would normally fall under the jurisdiction of the other prosecution service. For example, the PPSC may prosecute a *Criminal Code* offence that is within provincial jurisdiction with the consent and on behalf of a provincial attorney general where it is related to a more serious federal charge. Similarly, provincial prosecution services may prosecute federal offences when they come about in relation to a more serious offence under the *Criminal Code*. The delegation relates only to the conduct of the prosecution. The jurisdiction delegating the conduct of the prosecution retains ultimate control over the prosecution and over major decisions regarding the case.

In the territories, all *Criminal Code* prosecutions are conducted by the PPSC. The PPSC also has arrangements with the territories to conduct certain territorial prosecutions.





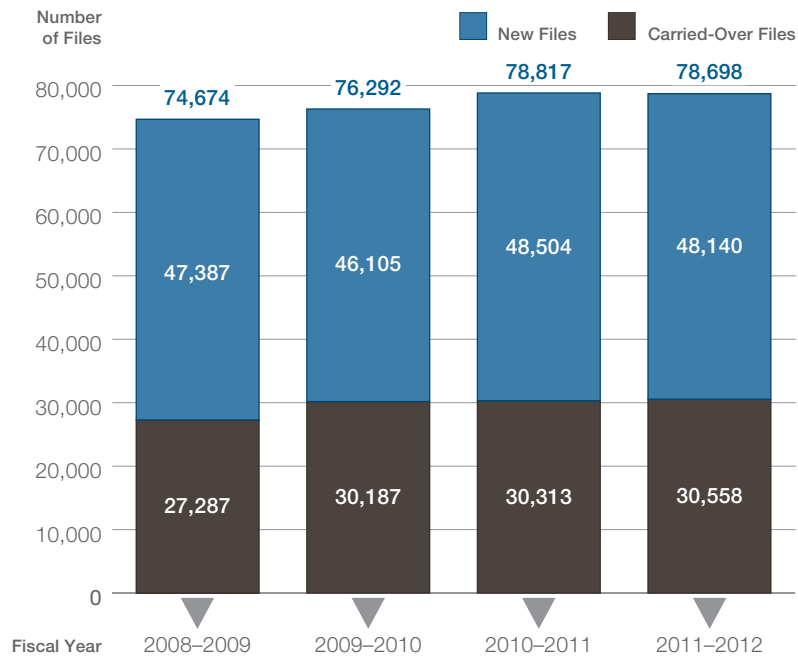
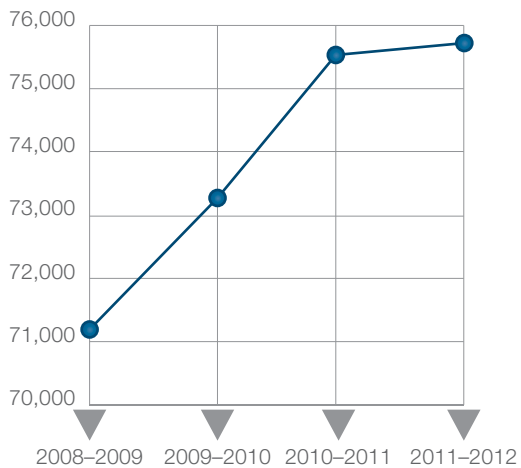
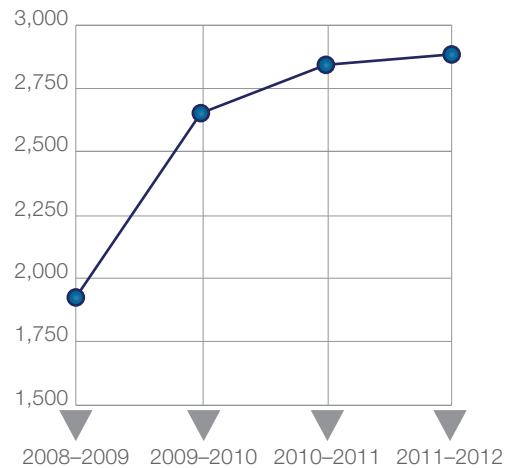
THE YEAR IN REVIEW

In 2011–2012, the PPSC worked on 78,698 files. This figure includes 48,140 files opened during the year, as well as 30,558 carried over from previous years. A file typically consists of an information or an indictment and may include more than one charge, involve more than one accused, and include charges under multiple acts. These numbers include all files worked on by PPSC prosecutors and paralegals as well as legal agents.

PPSC counsel prosecute offences in four broad areas:

- drug offences throughout the country;
- crimes that threaten national security, such as terrorism and war crimes;
- all federal offences in the three Northern territories, including *Criminal Code* offences; and
- economic crime and offences under federal regulatory legislation.

New Files and Carried-Over Files over the Past Four Years

Number of "Low" and "Moderate" Complexity Files
over the Past Four YearsNumber of "High" and "Mega" Complexity Files
over the Past Four Years

DRUG PROSECUTIONS

Drug prosecution files represent a significant proportion of the PPSC's total caseload. In 2011–2012, the PPSC handled 58,972 prosecution files related to offences under the *Controlled Drugs and Substances Act*. Of those, 34,619 files were new and 24,353 were carried over from previous years. These prosecutions vary greatly in complexity; some are simple cases of possession of a few grams of marihuana, while others involve complex schemes to import large quantities of cocaine or to manufacture methamphetamine for the purpose of exporting it.

PPSC prosecutors are often engaged early in an investigation to ensure that investigators receive timely advice on the techniques they are using and that the evidence is gathered in a manner that complies with the *Canadian Charter of Rights and Freedoms* and the laws of evidence.

Cases targeting criminal organizations have increased, largely as a result of police forces focusing more of their efforts on investigations of such organizations. Trafficking in drugs is one of the key activities of most organized crime groups.

Drug prosecutions can be extremely complex and time-consuming. In recent times, prosecutions that would once have been relatively straightforward have been prolonged as a result of the accused bringing motions focusing on such issues as the legality of the investigation, the constitutionality of the legislation or of the investigation, disclosure, allegations of abuse of process by the police or Crown prosecutors, and unreasonable delay.

High-complexity drug cases require a significant amount of PPSC resources. While such cases represented only 2.24% of staff counsel's drug caseload in 2011–2012, they took up 36.02% of the litigation time dedicated to drug prosecutions.

Drug offences are frequently revenue-generating crimes, and thus continue to represent the majority of offences that lead to the forfeiture of proceeds of crime and of the property used to commit the crime ("offence-related property"). In 2011–2012, the PPSC handled 1,803 cases involving either proceeds of crime or offence-related property (1,175 were carried over from previous years, and 628 were new). The proceeds or property at issue ranged from the money used to buy drugs from an undercover officer to real estate bought with proceeds of crime or used to produce drugs. A total of \$41.3 million of proceeds of crime and offence-related property was forfeited during 2011–2012.

Addiction-motivated crime presents particular challenges. To try to reduce the revolving door of crime committed to feed addiction, there are six federally-funded Drug Treatment Courts in Canada: in Vancouver, Edmonton, Regina, Winnipeg, Toronto, and Ottawa. As well, there are a number of community-funded Drug Treatment Courts, such as those found in Calgary, Kitchener, and Durham. These courts focus on the supervised treatment of an offender. Prosecutors work with judges, defence counsel, treatment providers, and others to cooperatively but accountably deal with the issues raised by the conduct of offenders diverted to these specialized courts. PPSC prosecutors currently staff all of Canada's federally-funded Drug Treatment Courts with the exception of the Regina Drug Treatment Court, which is staffed by prosecutors from the Ministry of the Attorney General of Saskatchewan. A PPSC prosecutor also works alongside the provincial prosecutor in the Calgary Drug Treatment Court.

NATIONAL SECURITY

Anti-terrorism

The PPSC has concurrent jurisdiction with provincial prosecution services to prosecute terrorism offences. To date, the PPSC has concluded proceedings for four prosecutions under the anti-terrorism provisions of the *Criminal Code*: *R. v. Namouh* in Quebec, *R. v. Khawaja* in Ontario, charges stemming from Project Osage, also in Ontario, and *R. v. Thambithurai* in British Columbia. Convictions were entered in all four proceedings, and appeals are outstanding in *R. v. Namouh*, *R. v. Khawaja*, and six of the prosecutions arising from Project Osage.

At the time of publication, two additional terrorism-related prosecutions were ongoing. In August 2010, charges were laid against three individuals in Ottawa stemming from Project Samossa. In March 2011, charges were laid in *R. v. Hersi* in Brampton, Ontario. As of March 31, 2012, a trial date had not yet been set for either of these matters.

There has also been a case of counter-proliferation, *R. v. Yadegari*, which was prosecuted in Ontario. Mahmoud Yadegari was convicted of offences under the *Customs Act*, the *United Nations Act*, the *Export and Import Permits Act*, the *Nuclear Safety and Control Act*, and the *Criminal Code*.

War Crimes and Crimes Against Humanity

The PPSC is responsible for prosecuting offences under the *Crimes Against Humanity and War Crimes Act*.

The PPSC's first prosecution under the Act resulted in the conviction of Désiré Munyaneza for genocide, crimes against humanity, and war crimes in relation to events that occurred in Rwanda in 1994. Mr. Munyaneza received a life sentence in 2009. An appeal was filed, but has not yet been heard.

A second case is ongoing. *R. v. Mungwarere* concerns a Rwandan national who was residing in Windsor, Ontario in 2009 and was charged with genocide and crimes against humanity. As of March 31, 2012, the trial was underway.

Security of Information

The prosecution of Jeffrey Paul Delisle for an alleged contravention of the *Security of Information Act* is underway in Halifax, Nova Scotia. As of March 31, 2012, a trial date had not yet been set.



PROSECUTIONS IN CANADA'S NORTH

In Canada's three Northern territories, the PPSC prosecutes all *Criminal Code* offences, in addition to offences under other federal legislation. In 2011–2012, the PPSC was responsible for 9,236 files in the territories, of which 8,480 involved *Criminal Code* offences. Of those files, 7,610 were new, and 1,626 were carried over from previous years. Northern prosecutions also included 518 drug offences, 219 regulatory offences, and 248 territorial offences. Some files involved multiple offences. Of the *Criminal Code* files, 28 were homicide files.

REGULATORY AND ECONOMIC PROSECUTIONS

The PPSC provides prosecution services related to legislation aimed at protecting the health, safety, economic and environmental security, and general welfare of the public.

Regulatory and economic prosecutions are the second-largest category of offences prosecuted by the PPSC, after drug prosecutions. Outcomes in these cases may generate large fines and penalties, and can result in remedial and preventative measures that enhance public and environmental health, safety, and security. In 2011–2012, the PPSC handled 9,348 files involving regulatory and economic offences, of which 4,248 were carried over from previous years. Approximately \$10 million in fines and surcharges were imposed by the courts.

Regulatory and economic prosecutions are typically complex and resource-intensive. Because of the nature of these cases, specialized teams of prosecutors have been established in most regional offices.

Bankruptcy Offences

The PPSC prosecutes offences under the *Bankruptcy and Insolvency Act*, as well as fraud offences related to and uncovered during the bankruptcy and insolvency process. In 2011–2012, the PPSC handled 243 files involving offences under the *Bankruptcy and Insolvency Act*. For example, in the case of *R. v. Elmore*, the Superintendent of Bankruptcy referred a matter to the RCMP for investigation based upon wrongdoings uncovered by the Trustee. Mr. Elmore, who presented himself as a financial advisor, accepted money from his clients and friends, which he said he was investing in Guaranteed Investment Certificates at TD Canada Trust. Instead, without their consent or knowledge, he used their money to purchase risky stocks. He lost \$2.9 million of his investors' funds and had no ability to repay them. He was convicted of offences under the *Bankruptcy and Insolvency Act* and related fraud and theft offences under the *Criminal Code*. He was sentenced to six years of incarceration and ordered to make restitution.

Canada Labour Code Offences

The PPSC prosecutes *Canada Labour Code* offences following investigations conducted by health and safety officers of Human Resources and Skills Development Canada regarding the protection of workers employed in the operation of federal works, undertakings, and businesses. In 2011–2012, the PPSC handled 135 such files, 72 of which were carried over from previous years.

A number of cases prosecuted by the PPSC in 2011–2012 involved workplace deaths. For example, in October 2009, an engineer died in a boiler explosion at an Ottawa plant. Charges were laid against Public Works and Government Services Canada, and the prosecution is ongoing. In 2009, an airplane de-icer working for Servisair died of a fall from an open cherry picker bucket. The company was acquitted at trial. In 2010, an independent contractor died in an excavator that fell from a railway flat car near Thunder Bay. Canadian Pacific Railway pleaded guilty under the *Canada Labour Code* to failing to inform him of foreseeable dangers in the workplace.

Census Offences

In 2011–2012, the PPSC handled 227 files involving census-related offences under the *Statistics Act*. Following the conclusion of the 2011 Census of Population, 16 charges were laid against individuals under the *Statistics Act* for refusing to answer questions on the Census of Population questionnaire. These charges are being prosecuted by the PPSC.

In 2010–2011, the PPSC prosecuted Sandra Finley under section 31 of the *Statistics Act* in relation to her refusal to answer questions on the 2006 Census of Population long-form questionnaire. Ms. Finley challenged the validity of section 31 on the grounds that it violated her constitutional rights. The Provincial Court of Saskatchewan dismissed Ms. Finley's challenge and found her guilty of the offences. Ms. Finley appealed her conviction and the Saskatchewan Court of Queen's Bench upheld the lower court's decision. Ms. Finley has appealed to the Saskatchewan Court of Appeal. That appeal is pending.

Citizenship and Immigration Offences

The PPSC has carriage of prosecutions related to the fraudulent activities of immigration consultants. In 2011–2012, the PPSC handled 479 files related to charges under the *Immigration and Refugee Protection Act* (IRPA) and the *Citizenship Act*, 185 of which were carried over from previous years.

In the case of *R. v. El-Akhal*, the RCMP laid approximately 70 charges against Ahmad El-Akhal and Hussam Saïf under IRPA, the *Citizenship Act*, and the *Criminal Code* in relation to the selling of addresses of convenience in Ontario to persons living in Jordan who then applied for Canadian citizenship or a renewal of their permanent residence cards. Mr. El-Akhal and his associates also filed false tax returns for these individuals, claiming child tax benefits and goods and services tax refunds on their behalf. Mr. El-Akhal pleaded guilty to IRPA, *Citizenship Act*, and fraud offences, and received a three-year jail sentence. He also forfeited to the Crown the sum of \$160,000, which had been seized from his residence in Montreal. Mr. Saïf pleaded guilty to the charges against him and received a five-month sentence.

Competition Law

The PPSC handles prosecutions under the *Competition Act* as well as the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act*, and the *Precious Metals Marking Act*. The PPSC also provides legal advice at the investigative stage on Competition Bureau files that may lead to prosecutions. In 2011–2012, the PPSC handled 70 files dealing with competition law.

Notable proceedings in 2011–2012 included a three-month preliminary hearing in a bid-rigging case relating to contracts to provide information technology services to the federal government and a variety of guilty pleas and other processes involving alleged price-fixing in retail gasoline markets in the province of Quebec.

Corruption of Foreign Public Officials

The PPSC shares with the provinces the responsibility for the prosecution of offences under the *Corruption of Foreign Public Officials Act* (CFPOA). The PPSC also provides pre-charge advice to the two RCMP units dedicated full-time to the investigation of alleged offences under the CFPOA.

The CFPOA was enacted to implement the Organisation for Economic Co-operation and Development (OECD) *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, which was signed by Canada in 1997. The Convention carries with it a robust and ongoing evaluation regime for signatory countries. The PPSC plays a role as part of the team representing Canada before international forums such as the OECD.

In 2011–2012, PPSC prosecutors were responsible for the conduct of a prosecution involving allegations of bribes paid to Indian government officials in order to obtain favorable treatment in the awarding of a contract to provide security software to Air India. The trial is ongoing.

Environmental and Fisheries Offences

The PPSC prosecutes offences aimed at protecting the welfare of the public, wildlife, and the environment under statutes such as the *Fisheries Act*, the *Migratory Birds Convention Act*, the *National Parks Act* and the *Wild*



Animal and Plant Protection and Regulation of International and Interprovincial Trade Act (WAPPRIITA). In 2011–2012, the PPSC handled 8,588 files dealing with offences under the *Fisheries Act* (3,988 carried over from previous years), and 157 files related to other environmental legislation (65 carried over from previous years).

In a number of prosecutions involving Métis or members of First Nations, the accused have defended themselves on the basis of a Métis or Aboriginal right to fish or a challenge to the regulation of Aboriginal fishing by Fisheries and Oceans Canada.

In 2011, Clark Builders pleaded guilty in Edmonton to one count of depositing a deleterious substance in water frequented by fish under s.36(3) of the *Fisheries Act*, and was sentenced to pay a fine of \$285,000. The charge arose from a discharge of 8-12 million litres of chlorinated water into the North Saskatchewan River.

In *R. v. Daeninck and 3774156 MB Ltd.*, the accused and his company, an aquarium and aquatic supplies dealer, were convicted in the Manitoba Provincial Court of nine counts each of violations of the WAPPRIITA. The charges related to the importation of 9,600 kilograms of coral rock from Indonesia. An expert testified that taking coral directly from reefs would have a devastating impact on the coral reef ecosystem. The accused have not yet been sentenced.

In the case of *R. v. Ontario Northland Transportation Commission (ONTC)*, a train derailment near Englehart, Ontario resulted in the deposit of 200 tonnes of sulphuric acid into Miller Creek, which is a tributary to the Blanche River. The ONTC was found to have failed to properly maintain the track and to take mitigating measures, such as lowering the speed limit or increasing the frequency of inspections. The ONTC entered a guilty plea and was sentenced to a monetary penalty of \$60,000 (a \$10,000 fine and a \$50,000 contribution to the Environmental Damages Fund for fish habitat in the region). The sentence also took into consideration that the ONTC had undertaken to conduct a full audit of its operations, touching upon track condition, management oversight, and capital resources devoted to long-term track integrity.

In December 2011, the town of Ponoka, Alberta, pleaded guilty to a charge under the *Fisheries Act* related to the release of municipal wastewater into the Battle River. The town was ordered to pay \$70,000. Of the penalty, \$66,250 was to be paid into the Environmental Damages Fund, to be used for the conservation and protection of fisheries and fish habitat in the Battle River, its tributaries and watershed. The remaining \$3,750 was allocated as a fine under the *Fisheries Act*. The court also ordered a number of public education initiatives for the town.

Integrated Market Enforcement Teams

PPSC counsel assigned to Integrated Market Enforcement Teams (IMET) work with members of the RCMP and other investigators, including forensic accountants, who investigate suspected capital market fraud. These IMET units are located in Vancouver, Calgary, Toronto, and Montreal. PPSC counsel provide training and up-to-date developments in relevant areas of law on an ongoing basis, as well as pre-charge and general legal advice and support to IMET teams. They may also support or participate in prosecutions of IMET cases.

The PPSC has concurrent jurisdiction to prosecute fraud charges under the *Criminal Code*. When a fraud charge is laid following an IMET investigation, the attorney general of the province in which the charge is laid has the right of first refusal to prosecute the offence. Where provinces, in the exercise of first refusal, choose not to assume responsibility for a case, the PPSC may assume carriage of the prosecution.

The second trial in Norbourg, a high-profile prosecution led by Quebec's Office of the Director of Criminal and Penal Prosecutions with PPSC support, concluded in 2011–2012. Jean Cholette and Serge Beugré were both found guilty and were sentenced to eight years in jail for frauds committed after September 15, 2004, and six years in jail for frauds committed before September 15, 2004. Mr. Cholette is appealing the sentence and Mr. Beugré is appealing the verdict and the sentence.

Revenue Offences

The PPSC prosecutes offences under all statutes administered by the Canada Revenue Agency (CRA), notably the *Income Tax Act*. Specialized PPSC prosecutors provide advice during the investigative stage, conduct prosecutions throughout Canada, and provide training to investigators.

In 2011–2012, 518 prosecutions were concluded. A total of \$3 million in fines was imposed by the courts during this period.

The following files are representative of the PPSC's tax evasion prosecutions.

Russell Porisky was found guilty by the Supreme Court of British Columbia of tax evasion and counselling. Mr. Porisky conducted business under the name Paradigm Education Group, and gave seminars and sold materials advising others that by structuring their affairs as a "natural person", they could be exempt from income tax. Mr. Porisky was sentenced to 4.5 years of imprisonment.

Jack Klundert was found guilty by the Ontario Supreme Court of income tax evasion after he did not disclose his income from 1993 to 1997, and did not pay any of the taxes owing on approximately \$1.4 million earned in those years. Mr. Klundert argued that his actions were intended to protest what he perceived to be unlawful government action. The Ontario Court of Appeal set aside the sentence of one year imprisonment and substituted it with a one-year conditional sentence.

The Court of Quebec sentenced Jacques Gagné to 42 months imprisonment and a \$600,000 fine after his conviction for tax evasion of an equivalent amount.

PROGRAMS

Agent Affairs

The PPSC retains the services of private-sector lawyers as agents to conduct prosecutions where it does not have a regional office or where it is impractical or otherwise not cost-effective for staff counsel to handle cases. In 2011–2012, 41,232 files of the total PPSC caseload were handled by agents. Of these, 22,735 were new files and 18,497 were carried over from previous years.

The Agent Affairs Program (AAP) looks after the management of agents. Its objective is to ensure that agents provide quality legal services at a reasonable cost. Each of the PPSC's regional offices (with the exception of the Northern regional offices) has an Agent Supervision Unit to handle the day-to-day supervision of agents and to support them in their work.

As part of its management control framework, the AAP uses modern audit techniques, such as risk management, for agent file review. Benchmarks have been developed for a number of case profiles under federal statutes such as the *Controlled Drugs and Substances Act*, the *Fisheries Act*, and the *Income Tax Act*.

WORKING AS A CROWN WITNESS COORDINATOR

By Kadla Tagak

My job as a Crown Witness Coordinator has included interpreting for Crown prosecutors, making appointments for victims and preparing them for court, helping to prepare other witnesses, photocopying statements, reading files, contacting the RCMP for additional information, writing memos, referring victims and witnesses to various service providers such as Social Services, helping people fill out victim impact statements, translating those statements for the Crown and the court, making phone calls, and building trust. I have even babysat young children so witnesses and victims could testify.

The largest part of my job, and sometimes the most difficult, is helping my fellow Inuit better understand the justice system. This means building trust between the victim and the prosecutor who will examine him or her on the witness stand. I have often also found myself educating the southern lawyers about our culture to help them do their jobs better.



In 2008–2009, the PPSC introduced a regime of fixed-term agreements for agents, replacing indeterminate appointments. Under the new regime, any law firm or lawyer interested in becoming an agent can apply for a five-year term when an opening occurs. The selection of agents is done pursuant to a competitive process.

The PPSC's transition to fixed-term agreements is progressing in accordance with a five-year plan. In 2011–2012, 42 fixed-term agreements were entered into with agents — a combination of incumbents as well as new private-sector lawyers and firms. As of March 31, 2012, the PPSC had retained the services of 492 agents from 210 law firms.

Crown Witness Coordinators

Crown Witness Coordinators (CWC) provide court-based support to victims and witnesses in the three territories and are based in the PPSC regional offices in the Yukon, the Northwest Territories and Nunavut. Currently 11 CWCs work with about 45 prosecutors in resident and circuit courts. The circuit court schedule takes the CWCs to many small and remote communities, many of which are only accessible by air. The CWCs locate and meet with victims and witnesses, and help them prepare for court appearances. The support and assistance of a CWC often means the difference between getting the evidence appropriately before the court or not.

The CWC annual training took place in January 2012 in Ottawa. The focus of this year's two-day training session was the development of a strategy for pertinent and useful data collection for the CWC program. As well, a workshop focusing on spousal assault and the cycle of violence and community trauma was presented.

Fine Recovery

The PPSC is responsible for administering the National Fine Recovery Program under the terms of an assignment issued by the Attorney General of Canada in 2007. The Program recovers outstanding court-ordered fines under federal statutes through the efforts of eight fine recovery units, located in PPSC regional offices.

Outstanding fines are recovered through various types of interventions, including an initial demand letter, telephone contacts, set-off of income tax refunds and GST/HST credits, payment negotiations, seizure of assets, registration of liens on property, and income garnishment.

In 2011–2012, the Program recovered almost \$7.3 million in outstanding fines.

In July 2008, the PPSC entered into an agreement with the CRA to allow the PPSC to recover offenders' outstanding fines by way of set-off against the offenders' income tax refunds and tax credits. In 2011–2012, this

process permitted the recovery of \$982,500, an increase of almost 10% compared to \$896,000 collected the previous year.

More than 7,300 fines (out of a total of 20,874 outstanding fines) with almost \$29 million owing are now registered with the CRA's set-off program, an increase of 22% over last year.

In 2011–2012, 3,600 new fines were added to the system, bringing the total of outstanding fines to almost \$131 million. Of these fines, 3,200 are less than \$5,000. Since the Program was first established in late 2002, over \$63 million in fines have been recovered.

LEGAL COMMITTEES

The PPSC's national legal committees provide advice and guidance on matters of law and policy for all regions of Canada. This national perspective helps to ensure that federal prosecutors apply the law consistently throughout the country and that Canadians everywhere are treated equitably.

National Litigation Committee and Supreme Court of Canada Litigation

The role of the National Litigation Committee is to advise the DPP on questions of law in the context of litigation, especially in the Supreme Court of Canada.

This involves the making of recommendations to the DPP with respect to the approval of applications for leave to appeal and factums in the Supreme Court, the filing of interventions in the DPP's name in any Canadian court and, on occasion, the provision of legal advice on other litigation issues.

During 2011–2012, the Committee considered 14 litigation files, 11 in the Supreme Court of Canada and three in lower courts.

During the year, PPSC prosecutors appeared in the Supreme Court of Canada in four cases: one appeal, two interventions and one oral hearing on a leave application.

National Prosecution Policy Committee

The National Prosecution Policy Committee serves as a senior advisory and decision-making body on matters that

affect the PPSC nationally and which are not related to a specific ongoing prosecution, investigation, appeal, or intervention. The Committee's purpose is to promote and ensure consistency and quality in PPSC legal advice, policy development, and prosecution practices, and to contribute to the dissemination of knowledge across the PPSC.

The Committee reviews proposed confidential advice directives to federal prosecutors and other legal issues, and makes recommendations to the Deputy DPPs and the DPP. It also considers revisions to the PPSC policy manual and monitors emerging trends in federal prosecution practice. Additionally, it provides a forum for resolution of divergent views on legal issues so as to ensure consistency in the arguments advanced by prosecutors on behalf of the DPP.

During 2011–2012, the Committee considered 26 guidelines and practice directives. In addition, the Committee considered two requests for specific advice relating to particular litigation issues.

Major Case Advisory Committee

The Major Case Advisory Committee is composed of senior PPSC prosecutors with expertise in major prosecutions from offices across Canada. It considers prosecution plans submitted for all mega-complexity prosecutions as well as for high-complexity prosecutions referred to it by Chief Federal Prosecutors, and makes recommendations to the responsible Deputy DPP. The Committee examined eight such plans in 2011–2012.

PPSC NATIONAL AWARDS

The recognition of excellence and exceptional performance on the part of PPSC employees is of great importance to the organization. The PPSC has, therefore, created awards to recognize merit at the national and local levels. There are three national awards:

- the **Excellence Award**, which recognizes exceptional performance and professionalism;
- the **Leadership Award**, which recognizes leadership in inspiring excellence, professionalism, and ethical behaviour; and

- the **Team Achievement Award**, which recognizes exceptional performance and contributions beyond normal expectations for a team or group.

There are two types of local awards: the **Merit Award** and the **Immediate Recognition Award**. Local awards allow managers to recognize employees who have exceeded normal performance expectations.

Recipients of the 2011 PPSC National Awards were as follows:

Excellence Award

Julie Riendeau — Quebec Regional Office

Ms. Riendeau received the excellence award in recognition of her exceptional dedication and professionalism, as displayed during the Norbourg file proceedings, a lengthy fraud prosecution in Montreal.

Leadership Award

Tom Andreopoulos — Ontario Regional Office

Mr. Andreopoulos received the leadership award in recognition of the innovative model he developed for the presentation of the electronic Crown brief for drug and criminal organization investigations. The model is based on the early and ongoing involvement of prosecution services in the investigation, ensuring the timely development of prosecution plans upon arrest and laying of charges.

Team Achievement Award

Team Colisée — Quebec Regional Office

Andréane Côté, Marisa D'Aliesio, Alexandre Dalmau, Serge Delisle, Sabrina Delli Fraine, Claudine Dib, Lisa Di Giacomo, Carmen Gasse, Joanne Granger, Norma Pavoni, Annie Piché, Alain Pilotte, Yvan Poulin, Ninette Singoye, and Mireille Villiard

The Project Colisée team received the team achievement award in recognition of their engagement and dedication throughout a lengthy prosecution against criminal organizations, including the mafia, involving 115 accused persons. The award underlines their exceptional performance and their contribution to increasing public confidence in the efficient administration of criminal justice.

TRAINING

School for Prosecutors

The PPSC School for Prosecutors offers annual in-house training aimed at promoting professional development relevant to the prosecution function.

In 2011, the School provided training to 134 lawyers at three separate training events.

In July, the School held a two-and-a-half-day **Written Advocacy course**. The course was developed to help counsel improve their writing skills. The course consisted of plenary presentations, small group workshops, and individual meetings. The small group workshops were led by a professional writing instructor assisted by an experienced lawyer.

In August, the School conducted two intensive one-week training events – one aimed at junior counsel, the other addressed to senior counsel.

The **Level One (Prosecution Fundamentals)** course provided an opportunity for junior counsel to enhance their professional development through practical and academic training and by developing mentoring relationships with colleagues from across Canada. Presentations focused on criminal law topics of particular interest to PPSC prosecutors, such as the role of the prosecutor, informer privilege, *Canadian Charter of Rights and Freedoms* issues, disclosure, preventing miscarriages of justice, regulatory prosecutions, expert evidence, and ethical issues in practice.

The **Level Two (Advanced Issues for Prosecutors)** course focused on wiretap and complex case issues. The goal of this training was to enhance the ability of experienced practitioners to analyse complex legal and operational issues that arise in federal prosecution practice.

OFFICIAL LANGUAGES

The Official Languages Committee is responsible for promoting official languages in the PPSC. It monitored the implementation of the *Official Languages Act* within the PPSC and ensured that the PPSC met its obligations.



School for Prosecutors, Written Advocacy – July 2011



School for Prosecutors, Prosecution Fundamentals – August 2011



School for Prosecutors, Advanced Issues for Prosecutors – August 2011

It also ensured the fulfillment of any follow-up on measures outlined in the reports issued by the Commissioner of Official Languages, Treasury Board Secretariat, and the Minister of Canadian Heritage.

The Committee is composed of the champion and co-champion of official languages, three counsel from regional offices in bilingual regions, and two representatives from the Human Resources Directorate.

The Committee has produced guidelines on bilingual meetings as well as visual tools designed to remind employees of the major provisions of the *Official Languages Act*.

OUTREACH

The PPSC continued to support and advance relations with key national and international stakeholders involved in the criminal justice field throughout the year.

In May 2011, the PPSC acted as host for three Latin American prosecutors participating in an internship program and seeking to learn more about Canada's criminal justice system. The interns spent three weeks shadowing federal Crown counsel in the National Capital Regional Office and the Quebec Regional Office.

In August 2011, the PPSC participated at a conference in Ottawa on the subject of criminal justice responses to the globalization of crime, which was organized by the International Centre for Criminal Law Reform and Criminal Justice Policy and the International Society of the Reform of Criminal Law. The participants addressed various issues related to the globalization of crime, such as international criminal tribunals, extraterritorial jurisdiction, human trafficking, cybercrime, and prosecutions. The DPP made a presentation dealing with "Challenges to the Independence of the Prosecutor in the 21st Century".

In September 2011, PPSC officials attended the Northern Border Law Enforcement Summit in Lake Placid, New York. The Summit was an opportunity to assemble prosecution and law enforcement leaders from both sides of the border to broaden the understanding of border issues, to identify any problems or impediments, and to discuss proposed solutions. Deputy Director of Public Prosecutions George Dolhai addressed the Summit participants about the role of the prosecutor and prosecution challenges in an environment of integrated cross-border law enforcement.

In March 2012, PPSC officials attended a hemispheric meeting in Mexico City on the subject of combating transnational organized crime. The subject of Canada's professional, non-partisan public service and its experience in the fight against transnational organized crime and corruption was discussed by Acting Deputy Director of Public Prosecutions André A. Morin, Ad. E.

Also in March 2012, the PPSC participated in the 11th Heads of Prosecution Agencies Conference in Singapore, where Mr. Morin spoke on the process of disclosure in Canadian criminal law.

Throughout the year, PPSC prosecutors provided training to the RCMP and other police forces on search and seizure issues, wiretap law, and disclosure obligations.

Since 2004, a PPSC prosecutor has been seconded to the Canadian Police College to contribute the prosecution perspective to police training.

United Nations-Sponsored Activities

In October 2011, the PPSC participated in an international workshop dealing with cross-border cooperation in respect of terrorism and related offences. PPSC officials made a presentation on the subject of "Canadian National Experience on the Investigation and Prosecution of Acts of Terrorism". The workshop, held in Jamaica, involved 20 Latin American countries, as well as the U.S., the U.K., and international criminal justice bodies such as Interpol.

The PPSC also participated in the Workshop on Transnational Cooperation in the Prevention and Fight Against Terrorism and its Financing, organized by the United Nations Office on Drugs and Crime, and held in Cartagena, Colombia, March 20-23, 2012. The PPSC presentation focused on terrorism as a cross-border phenomenon.

In late March 2012, the PPSC participated in a training workshop for Algerian judges organized by the Canadian Embassy in Algiers. The primary outcome of the training was an enhanced understanding among Algerian judges of Canada's criminal justice system and extradition process.



and, in turn, how Algeria can better cooperate with Canada and other common law countries in successfully prosecuting crime and terrorism cases.

Meetings with Foreign Delegations

In August 2011, a magistrate from the *Juridiction interrégionale spécialisée de Nancy* in France, a specialized court dealing with organized crime prosecutions, visited PPSC Headquarters, the National Capital Regional Office, and the Quebec Regional Office in Montreal to discuss issues related to organized crime investigations and prosecutions.

On October 19, 2011, PPSC officials met with a delegation of public prosecutors from Palestine (West Bank) and briefed them on prosecution-related issues in the Canadian context.

On December 2, 2011, PPSC officials met with members of the Judicial Committee of the Vietnam National Assembly. The Vietnamese delegation was in Canada on a 12-day study mission to examine Canada's criminal justice system, including its public prosecution service.

FPT Heads of Prosecutions Committee

The Federal-Provincial-Territorial Heads of Prosecutions Committee brings together the leaders of Canada's prosecution services to promote assistance and cooperation on operational issues. The DPP is permanent co-chair of the Committee and the PPSC acts as its secretariat.

The Committee held two meetings in 2011. The first, in April 2011, was organized jointly with the Ministry of the Attorney General of Ontario. The second, in September 2011, was organized with the Office of the Director of Public Prosecutions of Newfoundland and Labrador. The PPSC also organized several meetings and teleconferences of subcommittees and working groups of the Committee.

The Committee issued a report on wrongful convictions in September 2011, a follow-up to its 2005 report. The report concludes that "there now exists a higher level of awareness than ever before among Canadian police and prosecutors about the causes of wrongful convictions and what can be done to prevent them." The Committee's first report on the subject has been cited at all court levels,

including the Supreme Court of Canada. It has been studied at conferences in several countries and is now part of several law school curriculums dedicated to the study of wrongful convictions. The Committee has established a permanent committee of prosecutors and police officers on the prevention of wrongful convictions.

International Association of Prosecutors

The International Association of Prosecutors (IAP) is a non-governmental and non-political organization. It promotes the effective, fair, impartial, and efficient prosecution of criminal offences through high standards and principles, including procedures to prevent or address miscarriages of justice. It assists prosecutors internationally in the fight against organized or other serious crime, and fosters measures for the elimination of corruption in public administration. The PPSC participated in the Sixteenth Annual Conference and General Meeting of the IAP in Seoul, Korea, in June 2011, and the DPP was the chairperson of the open plenary session of the Fourth World Summit of Prosecutors General, Attorneys General and Chief Prosecutors that was held immediately after the IAP event.

A PPSC representative sits as vice-president on the board of the *Association internationale des procureurs et poursuivants francophones*, a sister organization of the IAP.

The PPSC also has a representative on the development board of the Global Prosecutors E-Crime Network (GPEN), a web-based platform launched by the IAP for specialist e-crime prosecutors that provides access to a library of documentary and training resources. The GPEN site offers cybercrime prosecutors a contacts database, a discussion forum, and a virtual library and training materials. The PPSC is responsible for Canadian content of the GPEN site, which is determined in consultation with the Federal-Provincial-Territorial Working Group on Cybercrime.

INTERNAL SERVICES

Administration Services

The Administration Services Division is responsible for the delivery of programs and services in the areas of Security, Facilities Management, Conflict Management,

and Occupational Health and Safety (OHS). Key activities undertaken during the year included:

- the relocation of the Alberta Regional Office's headquarters in Edmonton and the completion of fit-ups in St. John's, Yellowknife, London and Calgary;
- continued work toward the establishment of a consolidated Headquarters facility in the National Capital Region;
- coordination of conflict management including the publication of the PPSC Policy on Informal Conflict Management developed in consultation with employees and bargaining agents;
- the implementation of the core elements of the PPSC's Security Program in the areas of personnel security, security of information and security of assets; and
- coordination of the PPSC OHS program.

Communications

The Communications Division is responsible for the PPSC's communications activities aimed at the public and the media, as outlined in the *Director of Public Prosecutions Act*.

The Division provides communications products, services, and advice to PPSC prosecutors and managers. It is also responsible for internal communications and for publishing the PPSC intranet and other internal communications vehicles.

In 2011–2012, the Division provided media training sessions in regional offices and at Headquarters to assist prosecutors in the performance of their public and media communications role.

In 2011–2012, over 200,000 visits to the PPSC's Internet site were recorded.

Corporate Counsel

The Office of the Corporate Counsel (OCC) provides advice to the DPP and to PPSC management on administrative and public law matters, risk management, values and ethics, and conflicts of interest. In addition, the OCC is involved in the provision of advisory services in areas pertaining to management issues.

In 2011–2012, the OCC provided advice on the new federal *Values and Ethics Code for the Public Sector* and on political activities, and also conducted extensive research and drafted a document that will ultimately lead to the implementation of a PPSC Code of Conduct. The OCC also monitored and followed up on issues related to the Memorandum of Understanding on Corporate Services with the Department of Justice. The OCC provided direct support in the development of a draft complexity grid for evaluating prosecution files and for a PPSC Corporate Risk Profile.

Finance and Acquisitions

The Finance and Acquisitions Directorate is responsible for resource management, accounting operations, and acquisitions management. In 2011–12, in addition to fulfilling its ongoing commitments, the Directorate:

- improved management practices and increased efficiencies for processes related to cost recovery and financial situation reporting;
- developed and implemented an internal control framework as required under the Treasury Board *Policy on Internal Control*;
- implemented the transition to the new government cellular services contracts; and
- took over responsibility for procurement in the Alberta, Manitoba, and Saskatchewan Regional Offices, where it had been handled previously by the Department of Justice Canada, as well as in the Northern regional offices.

Human Resources

The Human Resources Directorate (HRD) is responsible for human resources management.

The HRD worked on developing a disability management approach that meets the PPSC's needs. As part of this process, it examined the prevalence of disability among PPSC employees, along with the impact of lost time arising from both occupational and non-occupational illness and injury. It also reviewed best practices in disability management.

The HRD worked on the implementation of the PPSC learning program. It conducted a learning needs

analysis assessment, developed a long-term strategy and action plan, and defined its talent management program. An electronic approval and registration system (Training Self Service System), a national training calendar and a formal process to evaluate education leave, education assistance and full-time non-statutory language training were implemented, ensuring fair access to learning across the organization.

The Corporate Services Forum was first introduced in February 2011 to strengthen the operational support of internal services within the PPSC. A follow-up session was held from October 24–26, 2011 to address the need for more practical hands-on training.

Information Management and Technology

The Information Management and Technology Directorate is responsible for the planning, management, and delivery of library, information management, information technology, and application services to all PPSC staff.

In addition to providing ongoing operational services during 2011–2012, the Directorate:

- partnered with the Law Practice Management Division to enhance and promote the organization's recently-developed knowledge management system;
- negotiated with Library and Archives Canada the terms and conditions of a Records Disposition Authority;
- addressed significant file storage issues arising from the pending closure of a number of Library and Archives Canada's Regional Service Centres; and
- in partnership with the Department of Justice, consolidated PPSC library materials into a single national library catalogue.

Internal Audit

The Internal Audit Division (IAD) assesses the effectiveness of the PPSC's processes and works with the Departmental Audit Committee (DAC) to provide objective advice and recommendations to the DPP regarding the sufficiency, quality, and results of the organization's risk management, control, and governance frameworks and processes.



In 2011–2012, the PPSC published two internal audit reports: the *Audit of Vote-Netted Revenue and Cost Recovery*, and the *Audit of the Ontario Regional Office*. The IAD also introduced a process to follow up on management action relative to prior internal audit recommendations. The DAC, which is chaired by the DPP, met four times during the year and reviewed a number of audit-related issues, as well as issues such as values and ethics, risk management, governance, and financial reporting.

Ministerial and External Relations

The Ministerial and External Relations Secretariat (MERS) is responsible for ministerial liaison, Cabinet and parliamentary affairs, correspondence, relations with external groups, and access to information and privacy.

MERS oversees the timely delivery of quality briefing material to the Office of the Attorney General. In addition, it responds to requests for information on PPSC activities and incoming correspondence from the general public. In 2011–2012, the PPSC responded to 56 questions placed on the Order Paper of the House of Commons.

The Access to Information and Privacy (ATIP) Office is responsible for the application of access to information and privacy legislation at the PPSC. The ATIP Office ensures that the PPSC complies with the *Access to Information Act* and the *Privacy Act*. It also carries out training and education activities to raise awareness among PPSC employees and agents about their roles and responsibilities under these acts. In 2011–2012, the ATIP office handled 29 requests under the *Access to Information Act* and 13 requests under the *Privacy Act*.

During 2011–2012, the ATIP Office developed an ATIP Governance Structure for the organization, in addition to a PPSC-specific *Privacy Policy* and a *Privacy Breach Protocol*. The Governance Structure outlines the roles and responsibilities of all employees and clarifies how the PPSC meets its access to information and privacy obligations. The *Privacy Policy* articulates how PPSC employees and agents are to collect, retain, and disclose personal information. It also outlines the safeguards that must be in place to protect personal information. The *Privacy Breach Protocol* indicates the steps that must

be followed in the event of a possible privacy breach. These policies are available on the PPSC's Internet site.

In September 2011, the ATIP Office began posting summaries of completed requests under the *Access to Information Act* on the PPSC's Internet site.

Strategic Planning and Performance Management

The Strategic Planning and Performance Management Division is responsible for corporate-level strategic and business planning, performance measurement and reporting, central agency liaison, and research and evaluation.

The Division coordinates the preparation of the PPSC's annual estimates reports to Parliament (Report on Plans and Priorities and Departmental Performance Report). The reports are available through the PPSC's Internet site.

It also coordinates the PPSC's participation in the annual Management Accountability Framework (MAF) assessment process. The MAF process helps federal departments and agencies measure how well they meet Treasury Board's expectations for good public service management. In 2011–2012, the PPSC participated in its third MAF assessment. The assessment's observations show a steady improvement in the PPSC's corporate management capacity.

Specifically, ratings increased for Values and Ethics as well as Procurement, while ratings for other areas of management have remained stable. Opportunities for improvement are again highlighted in Integrated Risk Management, Information Management, as well as Investment Planning and Management of Projects. The PPSC is developing an updated MAF action plan that will focus on increasing its overall capacity, but with particular emphasis on those areas still requiring improvement.

In 2011–2012, the Division directed the PPSC's participation in the Treasury Board-mandated evaluation of the National Fine Recovery Program as a component of the Federal Tobacco Control Strategy. It also contributed to annual performance reports on the horizontal initiatives in which the PPSC is a partner, including the Anti-Money

Laundering/Anti-Terrorist Financing Regime, the Integrated Proceeds of Crime initiative, and the National Anti-Drug Strategy. In addition, the Division supported the implementation of the management responses and action plans stemming from previously completed evaluations of these initiatives.

Finally, the Division played a key role in research on the jury recruitment process for trials to be conducted in French or both official languages. This survey was undertaken in collaboration with the Department of Justice Canada for the Federal Provincial Territorial Working Group on Access to Justice in Both Official Languages.



LARGE-QUANTITY DRUG FILES

In 2011–2012, the PPSC saw a significant number of cases involving very large quantities of illegal drugs (in excess of 50 kilograms of cocaine, for example) that were being trafficked into Canada.

Some traffickers attempt to move large quantities of drugs by sea: Project Outerlimits resulted in the seizure of 1,350 kilograms of cocaine off Costa Rica. James Frost, who was convicted of conspiracy to import the cocaine, was sentenced to 16.5 years of imprisonment. One individual was arrested in Montreal after 343 kilograms of cocaine were found in hollowed-out ceramic tiles being shipped by way of the Port of Halifax.

Many traffickers attempt to cross the Canada–United States border with substantial amounts of cocaine concealed in their vehicles. For example, at the Ambassador Bridge near Windsor, Ontario, 70 kilograms were found in a shipment of lettuce, and 117 kilograms were found in a shipment of aluminum coils. In British Columbia, as much as 100 kilograms of cocaine have been found hidden in false compartments in a car.

Other trafficking attempts have included a baggage handler at Vancouver International Airport who tried to collect several pieces of luggage containing 50 kilograms of cocaine and a border services officer who is alleged to have used his position to allow cocaine to be smuggled into Canada.

The PPSC also handles a wide variety of files dealing with other illegal drugs such as methamphetamines, heroin, and doda (an opiate derived from dried poppy pods).



REGIONAL PROFILES

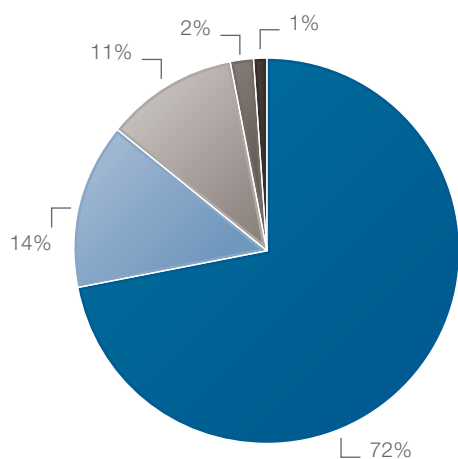


OVERVIEW

The PPSC has 11 regional offices across the country, as well as a number of smaller local offices. Each local office reports to a regional office, and each regional office is headed by a Chief Federal Prosecutor (CFP).

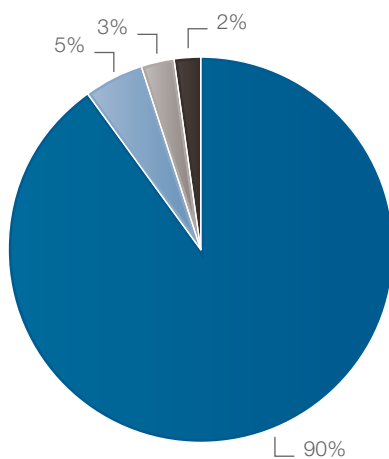
Employee Overview

Total Employees	988
Women	671
Aboriginal Peoples	44
Persons with Disabilities	50
Visible Minorities	116



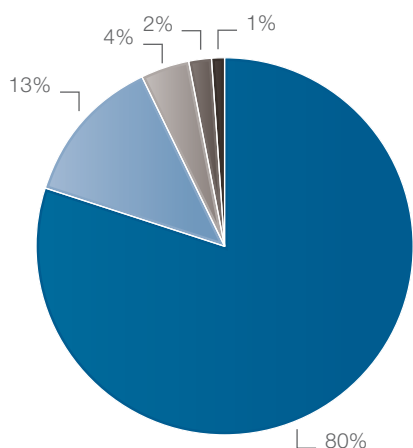
Files by Offence Type – All PPSC Regional Offices

- Files Involving Drug-Related Offences (58,992) (72%)
- Files Involving *Criminal Code* Offences (11,198) (14%)
- Files Involving Regulatory Offences and Economic Offences (9,348) (11%)
- Files Involving Proceeds of Crime and Offence-Related Property (1,803) (2%)
- Files Involving Other Offence Types (1,018) (1%)



Files by Offence Type – Regional Offices located in the territories

- Files Involving *Criminal Code* Offences, including Homicides and Attempted Murder (8,480) (90%)
- Files Involving Drug-Related Offences (518) (5%)
- Files Involving Territorial Offences (248) (3%)
- Files Involving Regulatory Offences and Economic Offences (219) (2%)



Files by Offence Type – Regional Offices located in the provinces

- Files Involving Drug-Related Offences (58,474) (80%)
- Files Involving Regulatory Offences and Economic Offences (9,129) (13%)
- Files Involving *Criminal Code* Offences (2,718) (4%)
- Files Involving Proceeds of Crime and Offence-Related Property (1,803) (2%)
- Files Involving Other Offence Types (770) (1%)

ALBERTA

Employee Distribution – Alberta

Total Employees	113
Law Group (LA)	60
Law Management Group (LC)	2
Program and Administration Services	36
Paralegals	15

The Alberta Regional Office includes a regional headquarters in Edmonton and a local office in Calgary, with a total complement of 113 staff, including counsel and legal support staff, under the direction of the CFP. Approximately 25 agents handle drug and some regulatory prosecutions in court circuit points outside Edmonton and Calgary.

Federal prosecutors handled a wide range of drug, organized crime, proceeds of crime, regulatory, and economic crime prosecutions throughout the province, with a significant volume of complex cases. Federal prosecutors assigned to drug and organized crime prosecutions worked closely with investigative agencies, including the RCMP, municipal police, federal investigative agencies, and specialized combined forces special enforcement units. Prosecutors with the Regulatory and Economic Crime group dealt with federal departments and agencies that have an enforcement mandate and handle significant high-profile public interest cases.

The Alberta Regional Office carried out progressive initiatives in areas such as major case management, electronic case presentation, knowledge management, and educational exercises, as well as a significant and highly successful initiative in restorative justice through the operation of Drug Treatment Courts. It collaborated with senior representatives of the Alberta Department of Justice and police forces to improve criminal practice and law enforcement support activities. These have included new and innovative work on a protocol for major-minor prosecutions, electronic court briefs, and a court case management system.

In 2011–2012, PPSC prosecutors and legal agents in the Alberta Regional Office handled 6,573 files.

ATLANTIC

Employee Distribution – Atlantic

Total Employees	70
Law Group (LA)	45
Law Management Group (LC)	2
Program and Administration Services	21
Paralegals	2

The Atlantic Regional Office (ARO) carries out the PPSC's mandate throughout the four Atlantic Provinces.

The ARO's regional headquarters is located in Halifax, Nova Scotia, with local offices in Moncton, New Brunswick and in St. John's, Newfoundland and Labrador. The ARO does not currently maintain an office in Prince Edward Island.

Prosecutors of the ARO travel extensively throughout the region delivering prosecution and advisory services in 52 judicial districts. In New Brunswick, prosecutions are regularly conducted in both official languages. There are 45 prosecutors and 23 support staff in the ARO. In addition to staff prosecutors, the PPSC has retained the services of 36 legal firms to work as agents in the region.

The ARO is comprised of seven different teams: General Prosecution Teams (which prosecute drug matters) in Halifax, Moncton, and St. John's; an Agent Supervision Team in Halifax; an Organized Crime and Proceeds of Crime Team in Halifax; an Economic Crimes Team with members in Halifax and St. John's; and a Regulatory Prosecutions Team with members in Halifax, Moncton and St. John's.

Fisheries Act prosecutions are commonplace in the ARO. In 2011–2012, 121 files with charges under the *Fisheries Act* were opened for prosecution by the Regulatory Prosecutions Team.

Cases of particular interest in the ARO this year included a human smuggling file and a file in which a lawyer was charged with smuggling drugs into a prison.

The human smuggling file, known as Operation Jada, involved four individuals who were charged under the *Criminal Code* and the *Immigration and Refugee*

Protection Act with conspiring to smuggle persons from New Brunswick to the United States, in violation of the immigration laws of the United States. The trial led to the conviction of three individuals, all of whom received terms of imprisonment.

Anne Calder was smuggling a package of drugs to a client in a Nova Scotia correctional facility. A search of her home and law office led to the discovery of two similar 'prison packages' containing drugs. She was charged under the *Controlled Drugs and Substances Act* with trafficking and possession for the purposes of trafficking. She was convicted of the charges, and sentenced to a term of 30 months imprisonment. The conviction and sentence were upheld on appeal.

BRITISH COLUMBIA

Employee Distribution – British Columbia

Employees	112
Law Group (LA)	65
Law Management Group (LC)	1
Program and Administration Services	41
Paralegals	5

The British Columbia Regional Office (BCRO) is based in Vancouver. Its counsel travel throughout the province, including Haida Gwaii (formerly the Queen Charlotte Islands) and several remote coastal communities.

Prosecutors worked on a wide range of files, including those involving drug offences, organized crime, economic crimes, and prosecutions directed towards protecting the environment. PPSC counsel worked closely with investigative agencies and provided pre-charge legal advice. In 2011–2012, the BCRO handled 12,918 files.

During the year, the BCRO worked closely with the RCMP on two projects aimed at identifying marihuana grow operations in northern British Columbia and on

Vancouver Island. As a result of these two projects, approximately 60 cases have been referred for prosecution, including grow operations with as many as 8,000 plants, with a street value of over \$4 million.

In the area of tax-related prosecutions, the BCRO prosecuted Russell Porisky, who operated schools under the name Paradigm Education Group to teach others to evade the payment of income taxes. He made over \$1 million teaching courses and selling the training materials. None of that income was reported. He was convicted in relation to both his personal income evasion and for counselling others to evade the payment of taxes. A number of the students who applied the teachings were convicted of tax evasion themselves and sentenced to jail terms.

MANITOBA

Employee Distribution – Manitoba

Employees	45
Law Group (LA)	22
Law Management Group (LC)	2
Program and Administration Services	17
Paralegals	4

The Manitoba Regional Office (MRO) provides service to the entire province, consisting of five judicial centers and over 60 circuit points. There are 22 federal prosecutors in the office. All but two prosecute drug and regulatory cases. Two are assigned to the Integrated Proceeds of Crime Section and work offsite.

A total of 3,227 files were handled by the MRO in 2011–2012, the majority of which were of moderate complexity. Approximately 85% of these files related to *Controlled Drug and Substances Act* matters. The remaining 15% involved regulatory matters relating to tax, immigration, smuggling, border integrity, food inspection, and public safety.

2011–2012 saw an increase in prosecutions of criminal organizations, as two major police investigations targeting drug trafficking led to a significant number of prosecutions.

Project Deplete, conducted by the Manitoba Integrated Organized Crime Task Force, targeted drug traffickers. A civilian agent who was a member of an outlaw motorcycle group provided information and physical and electronic surveillance was also used. The project resulted in numerous prosecutions and the dismantling of an organized drug trafficking group.

Project Flatlined, conducted by the Winnipeg Police, targeted the Hells Angels and their puppet club, the Redlined. Electronic intercepts and physical and electronic surveillance were used to collect evidence. The project resulted in numerous prosecutions, and the Redlined puppet club was dismantled.

In general, police investigations in Manitoba have become increasingly sophisticated to combat an increase in gang activity. The increased sophistication has led to increased charges, which has meant a corresponding increase in the number of files handled by the MRO.

The Agent Supervision Unit handles the day-to-day supervision of approximately 50 standing agents spread across the region and supports them in their work to ensure that agents provide quality legal services. Prosecutors from the NCRO regularly support circuit court activities in the PPSC's Nunavut Regional Office by conducting prosecutions in Nunavut.

Prosecutors participate in outreach initiatives with local justice partners to improve the delivery of services. Ongoing training is provided to police services in relation to search and seizure issues, wiretap law, and disclosure obligations. Prosecutors also work with judges, defence counsel, and treatment providers to cooperatively but accountably deal with the issues raised by the conduct of offenders diverted to the specialized drug treatment and mental health courts.

In 2011–2012, the NCRO handled 9,439 files. NCRO prosecutors are involved in the ongoing prosecutions arising from Project Samossa, an anti-terrorism investigation in the Ottawa area.

NATIONAL CAPITAL

Employee Distribution – National Capital

Employees	77
Law Group (LA)	43
Law Management Group (LC)	2
Program and Administration Services	20
Paralegals	12

The National Capital Regional Office (NCRO) is based in Ottawa, and is responsible for all federal prosecutions in Eastern Ontario, Northern Ontario, a portion of Central Ontario, and Western Quebec.

The office includes specialized teams focused on prosecuting offences related to drugs, regulatory matters, anti-terrorism, and national security issues, and complex prosecutions involving drug trafficking and related proceeds of crime activities of organized crime groups. Prosecutors provide legal advice and assistance to law enforcement and federal investigative agencies throughout the investigations leading to these prosecutions.

NORTHWEST TERRITORIES

Employee Distribution – Northwest Territories

Employees	43
Law Group (LA)	17
Law Management Group (LC)	2
Program and Administration Services	21
Paralegals	3

The PPSC is responsible for the prosecution of all offences under federal legislation in the Northwest Territories (NWT), and also conducts most territorial prosecutions. The Northwest Territories Regional Office (NWTRO) is located in Yellowknife. Communities throughout the NWT are served by circuit in both Territorial and Supreme Courts, and prosecutors travel by air to some 20 communities and by road to one. In 2011–2012, 27 Supreme Court jury trials were held in 12 communities. There were 91 Territorial Court circuits held outside of Yellowknife, and at least one court was held in Yellowknife each week.

In 2011–2012, the NWTRO offered two training sessions to its prosecutors and Crown Witness Coordinators in Fixed Wing Aircraft Safety, Wilderness First Aid and Arctic Survival. The training included an overnight wilderness component during which the participants experienced a simulation in which their plane had crashed, search and rescue was expected to be days away, and they had to build their own shelter. They constructed quinzees (snow huts) and lean-tos and set signal fires. The first session, at the end of February, experienced temperatures in the -30s. The second session, in late March, had warmer temperatures, but had to deal with wet, soft snow, which created different challenges.

The NWTRO is partnering with the University of Victoria Law School Co-op Program, and offers work placements to participating students. To date two of the co-op students have gone on to article in the NWT – one with the PPSC and one with the Department of Justice Canada.

In 2011–2012, the NWTRO handled 3,984 files: approximately 88% involved charges under the *Criminal Code* and 4% related to charges under the *Controlled Drugs and Substances Act*. The remainder of the files involved charges under the *Youth Criminal Justice Act*, territorial legislation, the *Fisheries Act*, and the *Indian Act*.

Spousal assaults continued to be a significant problem in the NWT, comprising approximately 17% of the files handled by the regional office. The Domestic Violence Treatment Option Court began hearing cases in Yellowknife in March 2011, and the NWTRO expects a positive impact as offenders and their counsel see the benefits of participating in the program.

In 2011–2012, the NWTRO conducted three dangerous offender applications, all of which resulted in dangerous offender designations. Each application involved an assessment by a forensic psychologist, followed by a lengthy hearing.

NUNAVUT

Employee Distribution – Nunavut

Employees	32
Law Group (LA)	15
Law Management Group (LC)	2
Program and Administration Services	14
Paralegals	1

The Nunavut Regional Office (NRO) serves a territory which encompasses over 2 million square kilometres. Within that area, 25 communities hold criminal court sittings. The northernmost is Grise Fiord, which is located at a latitude of 76.5 degrees North, 1,160 kilometres north of the Arctic Circle, and experiences 24-hour daylight from May to August and 24-hour darkness from October to early February. The PPSC Regional Office is situated in Iqaluit, the territorial capital. All other communities are served by circuit courts, which have periodic sittings. In 2011–2012, the PPSC transferred two prosecutors to Yellowknife, NWT, to serve the five Kitikmeot communities located in the western part of Nunavut.

There are 15 resident prosecutors in the NRO, ranging in experience from newly called lawyers to lawyers with 25 years of experience. The region's complement also includes an additional two prosecutors in the Kitikmeot local office located in Yellowknife.

In addition to the Crown counsel in the Nunavut offices, prosecution services are occasionally provided by prosecutors from southern Canada. Known colloquially as "Fly Ins", these prosecutors provide expertise in certain areas of law, deal with files that are conflicts for the NRO, and relieve resident prosecutors when scheduling matters present challenges. Last year, Fly Ins were used for approximately 50 weeks of Court time.

The NRO is responsible for all prosecutions conducted in the territory, including all *Criminal Code* matters, matters under the *Controlled Drug and Substances Act*, regulatory prosecutions, and even prosecutions under territorial statutes. In 2011–2012, the NRO handled 3,143 matters ranging from homicides (there are currently

15 homicides being prosecuted in Nunavut) to *Liquor Act* contraventions (many Nunavut communities limit the amount of alcohol that can be brought in). As well, the office handles all criminal appeals. One of the office's Crown counsel attended the Supreme Court of Canada to make submissions on a case this year.

ONTARIO

Employee Distribution – Ontario

Employees	180
Law Group (LA)	115
Law Management Group (LC)	3
Program and Administration Services	40
Paralegals	22

The Ontario Regional Office (ORO) has responsibility for all PPSC prosecutions in southern Ontario. Headquartered in Toronto, the region stretches from Windsor in the west, to Trenton in the east, and from Fort Erie in the north to Midland and Orillia. The region encompasses the largest population concentrations in the country.

The ORO provided advice to the police and other agencies that investigate offences ranging from drug possession, trafficking, cultivation and importation, to regulatory offences. Aside from the prosecution of drug offenders, including those who are members of organized crime groups, the ORO's principal cases were those involving alleged members of terrorist organizations, persons involved in human smuggling, and those who evaded the payment of income and harmonized sales taxes.



R. V. BULATCI

Emrah Bulatci shot and killed RCMP Constable Christopher Worden on October 6, 2007 in Hay River, Northwest Territories. After a lengthy jury trial in 2009, Mr. Bulatci was convicted of first-degree murder and sentenced to life imprisonment. Both the crime and the case had a profound effect on the community.

In January 2012, Mr. Bulatci appealed his conviction to the Northwest Territories Court of Appeal. He argued that wiretap evidence had been illegally gathered by the police, that the process of jury selection was unfair, and that the trial judge wrongly admitted bad character evidence against him. In April 2012, the Northwest Territories Court of Appeal dismissed his appeal on all three grounds and upheld the conviction.

ORO staff include 115 prosecutors and 62 support staff. The office was also assisted by 69 private firms who are retained as agents. In 2011–2012, 24,459 files were handled by prosecutors and agents in the ORO.

The ORO staff is organized into teams that provide advice to the police on the investigation of proceeds of crime offences and on capital market offences, and litigation teams which prosecute drug offences, tax fraud cases, and alien smuggling cases. Most of the teams are located in Toronto, but others are located in local offices situated in Brampton, Kitchener, and London.

QUEBEC

Employee Distribution – Quebec

Employees	94
Law Group (LA)	53
Law Management Group (LC)	3
Program and Administration Services	28
Paralegals	10

The Quebec Regional Office (QRO) is located in Montreal, with an Integrated Proceeds of Crime unit in Quebec City. The QRO is responsible for federal prosecutions throughout Quebec, except for Western Quebec, where prosecutions are handled by the National Capital Regional Office.

Prosecutors in the QRO deal primarily with complex and high-profile prosecutions, particularly relating to organized crime, economic crime offences, money laundering, terrorism, tax evasion and fraud, and national and border security. Approximately 59% of the QRO's 2,184 files in 2011–2012 were megacases or cases of high complexity.

Prosecutors provided advice to investigative agencies in the area of capital market fraud offences, in addition to conducting the related prosecutions. The QRO also handled prosecutions under the *Fisheries Act* that raised complex questions such as Aboriginal ancestral rights claims.

A dozen specialized QRO prosecutors acted as agents for the Minister of Public Safety and Emergency Preparedness for the purpose of obtaining authorizations for wiretap and video surveillance. In addition to authorizations obtained in the course of major investigations led by the RCMP in matters of national security, drugs, and organized crime, the work of these agents also applied to less traditional fields such as fraud, bankruptcy, and strategic goods.

The QRO also worked with Quebec's Director of Criminal and Penal Prosecutions in the prosecution of fraud, organized crime, and terrorism offences.

SASKATCHEWAN

Employee Distribution – Saskatchewan

Employees	25
Law Group (LA)	13
Law Management Group (LC)	2
Program and Administration Services	8
Paralegals	2

The Saskatchewan Regional Office (SRO) is based in Saskatoon. Counsel travel throughout the province and supervise agents to cover over 80 court locations.

The SRO has seen a significant increase in the areas of organized crime and drug cases. Cases are increasing in complexity, as different types and quantities of drugs are involved, and the number of accused in each group has increased. As a result, police resources have been increased in the various integrated drug enforcement units by both the provincial and federal governments, and federal prosecutors are certainly noticing the impact of these new resources.

In 2011–2012, SRO prosecutors and legal agents handled 3,708 files.

YUKON

Employee Distribution – Yukon

Employees	30
Law Group (LA)	10
Law Management Group (LC)	2
Program and Administration Services	17
Paralegals	1

The Yukon Regional Office (YRO) is located in Whitehorse. The YRO covers court in 14 locations throughout the territory, including Whitehorse. A minimum of six Territorial Court circuits are held in each location outside Whitehorse each year. The Supreme Court sits in each community on a special sitting basis, depending on demand. Prosecutors travel by road to all locations, except for Old Crow, which can only be accessed by air.

The YRO has 30 employees, including ten prosecutors and three Crown Witness Coordinators. In 2011–2012, a total of 3,424 charges were handled in the YRO, approximately 94% of which were *Criminal Code* offences, 3% of which were *Controlled Drugs and Substances Act* offences, and 2% of which were youth offences.

Criminal Code prosecutions sometimes involve disturbing material and images, which can be very difficult for those involved in the files. In 2011–2012, the YRO offered training to all regional office staff to help them deal with vicarious trauma. The training was provided one-on-one, with the opportunity for follow-up counselling with the facilitator on request. This training and counselling will be repeated in 2012–2013 and will also be offered to all new employees to the YRO.

A large number of offences in the YRO are related to spousal violence. The YRO appears before the Domestic Violence Treatment Option Court in the Yukon, which is available in Whitehorse and in the community of Watson Lake. This Court provides a treatment-based approach to spousal assault matters. It requires that the accused pleaded guilty at the outset, after which he or she may be eligible to receive treatment focused on spousal violence and addictions. At the end of the process, which takes on average 12 months, the offender receives a sentence mitigated by his or her involvement in the process.

The YRO is also an active partner in the Community Wellness Court, which deals with individuals affected by alcohol or drug addiction, mental health issues, or a cognitive deficiency (including Foetal Alcohol Spectrum Disorder).



Photo by Mathew Johnson



CORPORATE PRIORITIES



ENGAGEMENT AND EMPLOYEE DEVELOPMENT

The PPSC seeks to offer employees a rewarding career with diverse opportunities and intellectually challenging work. In 2011–2012, the PPSC made considerable progress on this priority.

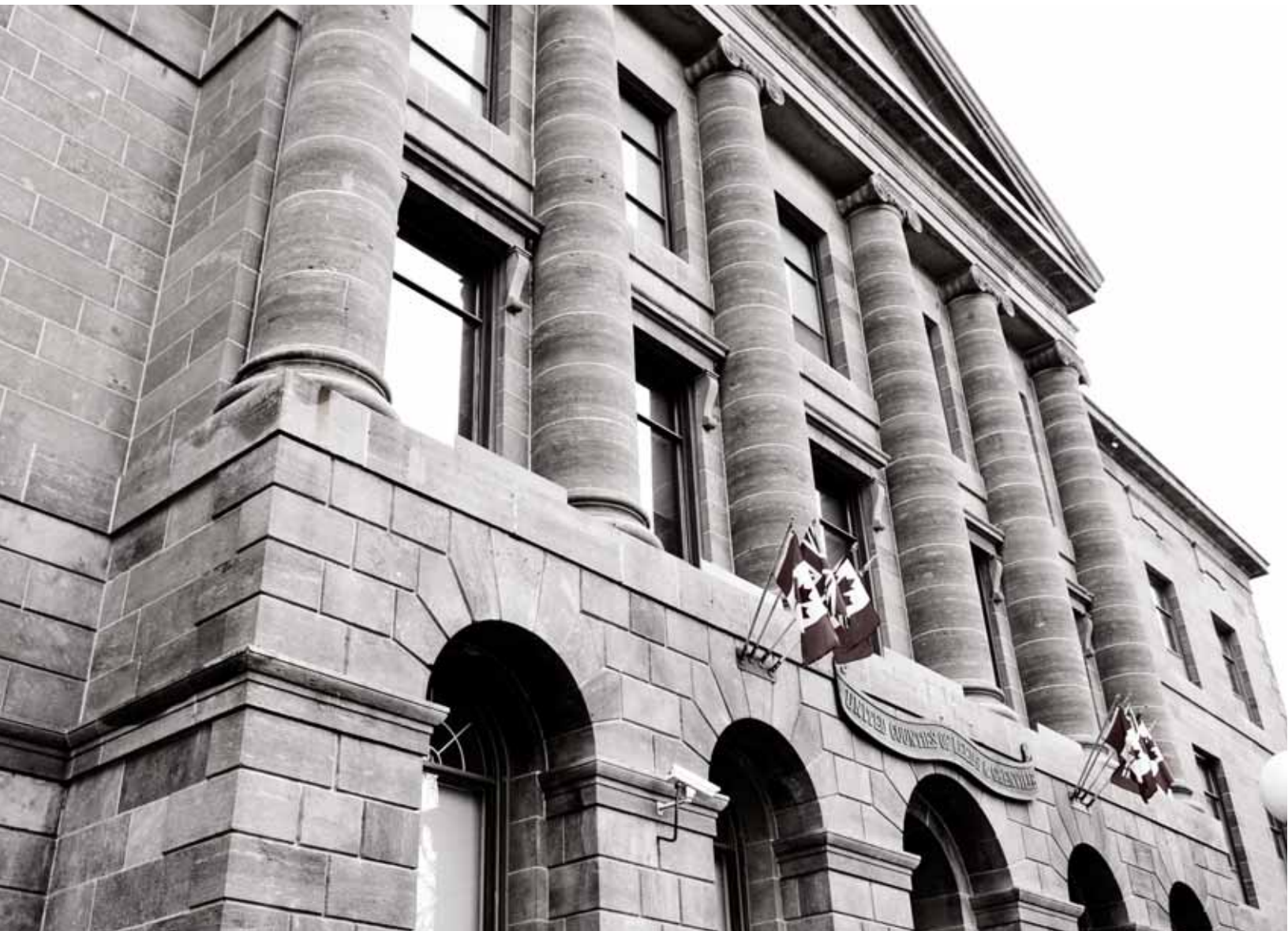
Phase I of the LA Group Project “Ensuring Excellence” was completed. Initiatives in this phase included:

- clearly defining the prosecutor’s role;
- introducing generic work descriptions for prosecutors;
- implementing competency profiles; and
- standardizing how prosecutors are hired at each level in order to develop a career path for prosecutors in the PPSC.

Work continued on the PPSC’s learning framework. A learning policy was finalized and new systems and tools were implemented to ensure a fair and consistent learning approach across the organization.

The Employment Equity and Diversity Committee and the Official Languages Committee developed a series of tools and processes to ensure a healthy and respectful workplace.

A workforce census and voluntary self-identification campaign was conducted for the purposes of Employment Equity.



PROJECT FLATLINED

During the summer of 2011, a gang war between the Hells Angels and the Rock Machine over control of the drug trade took place in Winnipeg. The conflict led to several bombings and shootings between the gangs. In response, police targeted the Hells Angels' support club, the Redlined, through a lengthy wiretap and proceeds of crime investigation, Project Flatlined. After a ten-month investigation, a total of sixteen people, including the leadership of the Redlined and the Hells Angels member who directed the Redlined, were arrested for offences related to the trafficking and production of cocaine and proceeds of crime offences committed in association with the criminal organization. Criminal organization peace bonds were sought for another nine persons belonging to either the Hells Angels or the Redlined to control their movements and associations in order to prevent future organized crime activity. Prosecutions related to Project Flatlined are ongoing.

R. V. SCOTT EVERETT PEDERSEN AND VINCENTE SERRANO-HERNANDEZ

In January 2010, Scott Pedersen and Vincente Serrano-Hernandez left Panama in Mr. Pedersen's boat, the *Huntress*, bound for Port Hardy, British Columbia. The vessel was transporting 1,001 kilograms of cocaine. In March 2010, a surveillance aircraft observed the vessel meeting with a Zodiac-style vessel. Three meetings were observed, and after each meeting, the Zodiac travelled to an isolated beach on the north coast of Vancouver Island. When the *Huntress* arrived in Port Hardy, the RCMP seized and searched the boat, but no cocaine was found on board. However, a search of the isolated beach resulted in the discovery and seizure of 37 duffle bags containing the cocaine, as well as a Zodiac boat and engine.

Mr. Pedersen and Mr. Serrano-Hernandez were charged jointly with possession of cocaine for the purpose of trafficking, under the *Controlled Drugs and Substances Act*, and were convicted at a trial concluded in July 2011. They were each sentenced to 16 years of imprisonment. The vessels and their contents were also forfeited.



SAFETY AND SECURITY OF EMPLOYEES

Ensuring the safety and security of its employees is of paramount importance to the PPSC. Due to the nature of their work, PPSC employees face the risk of direct and indirect threats to their safety.

The PPSC continues to work on the implementation of its Employee Protection Program – a framework and resources for the prevention of, as well as the management of and response to threats or acts of intimidation targeting PPSC staff.

MEASURING ORGANIZATIONAL PERFORMANCE

As a federal government organization, the PPSC is accountable for reporting on its performance. The availability of reliable performance information is central to the PPSC's ability to effectively describe its activities and results, as well as to support planning, decision-making and funding strategies.

In 2011–2012, the PPSC finalized standards for services provided to police and federal investigative agencies. In addition to the PPSC policy manual, the service standards establish what investigative agencies may expect from PPSC legal staff regarding matters such as the PPSC's normal business hours, response time for a request for a legal opinion, and when an agency can expect to be consulted by the PPSC.

In addition, the PPSC simplified and restructured various data sets in its case management system, in order to improve data quality.

A photograph of a cathedral interior, showing stone arches and columns. A large, bold, blue number '5' is overlaid on the right side of the image.

5

FINANCIAL INFORMATION



OPERATING BUDGET

The PPSC's entire budget is dedicated to operations. The organization has neither capital funds nor grants and contributions funds.

In 2011–2012, the budget at the beginning of the year was \$172.2 million. It was increased by \$14.4 million. This increase included an operating budget carry forward from 2010–2011 (\$6.3 million) as well as money for new and renewed initiatives (\$5.5 million), and severance pay entitlements and employee benefit adjustments (\$2.6 million). At year-end, the budget totalled \$186.6 million.

Table 1: Total Budget (millions)	2011–12			2010–11
	Budget at Beginning of the Year	Additions	Budget at Year-End	Budget at Year-End
Personnel (including employee benefit plans)	120.2	6.5	126.7	118.0
Other Operating Costs	65.7	10.6	76.3	68.5
Receipts and Revenues Credited to Vote	(13.7)	(2.7)	(16.4)	(13.6)
Total Net Budget	172.2	14.4	186.6	172.9

The increase in budget from 2010–2011 to 2011–2012 was largely due to funding for new initiatives, severance pay and parental leave entitlements, adjustments to the employee benefits plan, the relocation of offices, and increased revenues.



STRATEGIC REVIEW IMPLEMENTATION

The strategic review process is part of the federal government's efforts to control spending and provide value for taxpayers' money. As part of the process, governmental organizations such as the PPSC review their spending to assess how and whether programs are aligned with priorities, and whether they provide value for money. The PPSC participated in strategic review in 2010–2011, and the results were included in Budget 2011. The PPSC began implementing the following measures in 2011–2012, which will generate savings of \$0.5 million in 2012–2013:

- the PPSC closed its local office in Inuvik, Northwest Territories; and
- the PPSC relocated four positions from Iqaluit, Nunavut to Yellowknife, Northwest Territories, allowing for more effective service to the Kitikmeot region in Nunavut and the reduction of travel time and costs.

In 2013–2014, the PPSC will save an additional \$3.1 million through a restructuring of the National Fine Recovery Program and the elimination of its reserve fund associated with the Integrated Market Enforcement Teams.

ACTUAL SPENDING

The actual net spending for 2011–2012 came to \$156.4 million, an increase of \$10.1 million from 2010–2011. The increase was due to additional personnel and employee benefits plan costs for new staffing, severance pay and termination benefits disbursements, and increased spending for leasehold improvements and Crown agents.

Table 2: Total Actual Net Spending (millions)	2011–12	2010–11
	Actual Spending	Actual Spending
Personnel	99.8	90.3
Other Operating Costs	58.0	55.5
Contributions to Employee Benefits Plan	15.0	14.1
Total Spending	172.8	159.9
Receipts and Revenues Credited to Vote	(16.4)	(13.6)
Total Actual Net Spending	156.4	146.3

SPENDING BY PROGRAM ACTIVITIES

The PPSC has three program activities. The budget as well as the actual spending is apportioned approximately 75% for drug, *Criminal Code*, and terrorism prosecutions, 9% for regulatory offences and economic crime prosecutions, and 16% for internal services.

Table 3: Spending by Program Activity (millions)	2011–12			2010–11
	Budget at Year-End	Actual Spending	Unused Authorities	Unused Authorities
Drug, <i>Criminal Code</i> , and terrorism prosecution program	136.5	117.1	19.4	18.6
Regulatory offences and economic crime prosecution program	19.2	14	5.2	4.2
Internal Services	30.9	25.3	5.6	3.8
Total Net Spending	186.6	156.4	30.2	26.6

The unused authorities for 2011–2012 were due to frozen allotments (\$13.2 million), funds received at the end of the fiscal year with the coming in force of Bill C-10 (mandatory minimum penalties) (\$6.5 million), and an operating surplus (\$10.5 million). Frozen allotments may not be spent until specific conditions established by Treasury Board have been met.



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