



CRIMINAL INTELLIGENCE SERVICE CANADA

PUBLIC REPORT ON ORGANIZED CRIME IN CANADA

2019



FOREWORD FROM THE DIRECTOR GENERAL, CRIMINAL INTELLIGENCE SERVICE CANADA

On behalf of Criminal Intelligence Service Canada (CISC), I am pleased to present the first *Public Report on Organized Crime in Canada*. This strategic assessment provides an overview of the Canadian criminal landscape and the activities of the organized crime groups that operate within it. It combines federal, provincial, and municipal law enforcement reporting, open source reporting, and intelligence from other domestic and international government agencies to assess significant organized crime threats to Canada.

Organized crime remains the pre-eminent threat to public safety, contributing to thousands of deaths annually from overdoses related to illicit drugs and gang violence that is affecting Canadian communities. While most intelligence produced by CISC is shared only with law enforcement agencies, CISC is increasingly releasing information to the public in order to raise awareness about the nature and extent of organized crime threats in Canada. This national perspective helps ensure that law enforcement, government, and the general Canadian public have a consistent view of organized crime, and contributes to building and maintaining the partnerships that are instrumental to our ability to combat this threat.

CISC works collaboratively with its provincial bureaus and with many federal, provincial, and municipal law enforcement agencies. These partnerships allow for the exchange of vital information without which our ability to assess and ultimately disrupt organized crime threats would be compromised. I would like to express my sincere appreciation to our partners for their valued contributions to this report.

Chief Superintendent Rob Gilchrist
Director General
Criminal Intelligence Service Canada



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BACKGROUND

Criminal Intelligence Service Canada

Criminal Intelligence Service Canada (CISC) is an umbrella organization that unites Canada's criminal intelligence community. It consists of approximately 400 member agencies, including federal, provincial, and municipal police services and partner agencies, and supports the effort to reduce the harm caused by organized crime through the delivery of criminal intelligence products and services. It informs partners, government, and other stakeholders about criminal markets in Canada and assists law enforcement leaders in making decisions regarding organized crime enforcement priorities.

The organization is comprised of ten CISC Provincial Bureaus, which provide leadership and guidance in the creation of provincial intelligence products and services, and CISC Central Bureau, located in Ottawa, which assesses the national scope and direction of organized criminal activity in Canada. While each Bureau operates independently, each assesses organized crime through a common Integrated Threat Assessment (ITA) process, which ensures a consistent national approach to assessing organized crime and facilitates comparisons between provinces.

Integrated Threat Assessment Process

In 2012, the National Executive Committee (NEC) of CISC and of the Canadian Integrated Response to Organized Crime (CIROC) approved the establishment of an ITA Working Group to develop and define a common threat measurement tool to assess organized crime groups (OCGs) across Canada. Subsequently, Central Bureau and each Provincial Bureau adopted a common set of business rules for the application of the ITA process that facilitates the scoring of the threat posed by the OCGs operating in their regions.

Threat-scoring is based on information and intelligence within the last two years ranked against eight ITA Threat Measurement Criteria. Although older information and intelligence can provide context to a group's capabilities, it is not used to assess the current threat-level. The eight criteria focus on the following attributes:

- involvement in corruption or infiltration of law enforcement, security, or government agencies
- use of violence
- involvement in the private sector
- geographical scope (criminal reach)
- associations to other OCGs
- involvement in criminal enterprise (illicit drugs, financial crime, and other illicit goods and services)
- technological capability
- specialized skills

Organized Crime Group Threat-Levels

The threat-level of each assessed OCG is determined by combining the weights for all eight criteria, conducting a comparative review of each group's ranking, and analyzing the threat they present. Each criterion is classified as High, Medium, or Low. OCGs that have been identified as higher-level threat groups are those that, as a general rule: use violence as an integral part of their strategy; are involved in the infiltration of law enforcement, security, or government agencies; have access to multiple types of business; are criminally associated to several other OCGs; and possess an interprovincial or international scope.

A group does not have to rate "high" in all criteria to be considered a national High-Level Threat (HLT). The final assessment is based on an analysis of all ITA attributes. Although provincial bureaus are required to use the same criteria and definitions to assess OCGs, they can weigh the individual criteria differently. This flexibility allows for regional, provincial, and national threat-level distinctions, based on the requirements of the bureau's clients. For instance, a group that may present an overall high provincial threat may pose a different level of threat at the

national level, depending on the relative ranking of each criterion. The use of common threat criteria and definitions allows for a consistent analysis of the information and intelligence gathered for each OCG.

In November 2018, CISC developed a common definition to identify potential Key Facilitators. This definition assesses a potential Key Facilitator as *a person responsible for coordinating the work of a criminal network, or who plays an important role within it, whose disruption may compromise the criminal activities of multiple groups in this network*. This definition is intended to serve as a guide for the identification of potential Key Facilitators, and has been phrased in such a way as to account for regional and thematic differences, and to allow for the final determination to be subject to analytical judgement.

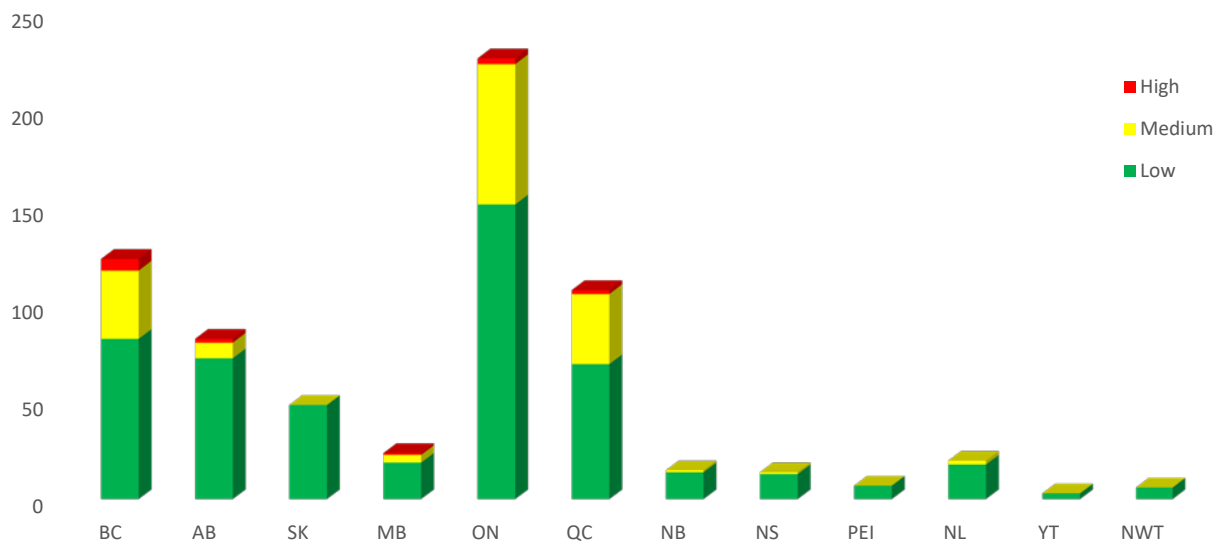


ORGANIZED CRIME GROUP OVERVIEW

Assessment of Organized Crime Group Threat-Levels

More than 1850 OCGs are believed to be operating in Canada. Of these, 680 have been assessed in 2019 as part of the ITA process. Limited recent reporting on the remaining identified OCGs prevents an in-depth assessment on their capabilities at this time. **Figure 1** shows the number of assessed groups, per province or territory, and by their threat-levels: high, medium, and low.

Figure 1 – Assessed OCGs in 2019, by Province and Territory, and by Threat-Level*



* No OCGs based in Nunavut were reported in 2019.

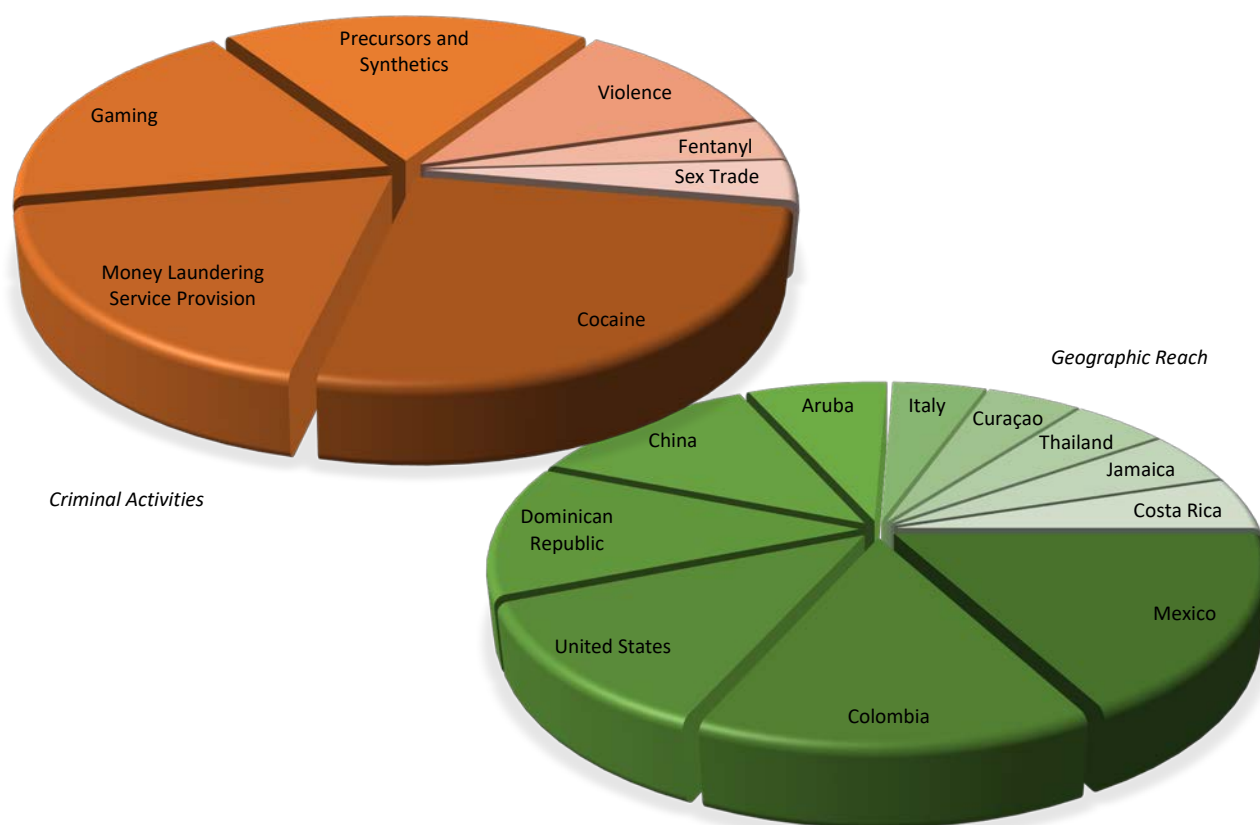
Although numbers are relatively consistent with those reported last year, representing only a slight increase from the number of OCGs assessed in 2018, almost 30 percent of assessed OCGs in 2019 are newly-reported. This trend can be attributed to different factors, including changes in targeting to focus on newly-identified priorities, on previous investigations being concluded, and on limited law enforcement resources available to continue reporting on previously-identified groups. Increased reporting of OCGs that have been assessed over multiple years through the ITA process has also led to the identification of new groups that interact with previously-reported ones. Moreover, as law enforcement gains a better understanding of the ways that criminal actors work together, moving away from reporting based on hierarchical and cultural structures to more fluid and interchangeable memberships, the identification of new groups has increased.

The increase of almost 39 percent in the identification of all groups believed to be operating in Canada, however, can be attributed in large part to enhanced sharing among law enforcement partners. For example, more than 375 street gangs were identified through the ITA process in 2018-2019, representing an increase of 68 percent.

National High-Level Threats

Fourteen OCGs have been assessed as national HLTs in 2019. They have interprovincial networks, if not always international connections, engage in multiple criminal markets, use violence to further their criminal business, and have a large number of criminal OCG association links. **Figure 2** on the next page provides an anonymized proportional overview into these HLTs' criminal activities and international scope.

Figure 2 – Proportional Overview of 2019 National High-Level Threat Groups' Criminal Activities and Scope



Five HLTs are involved in some of the largest cocaine importing networks in Canada, which leverage ties to Mexican and Colombian drug trafficking organizations, such as the Sinaloa Cartel, to import up to 1000 kilograms of cocaine per month. They are believed to use land or marine modes to import via the United States, or through Mexico, the Dominican Republic, and Colombia. These networks are often highly-entrenched, use multiple cocaine importation facilitators, and have extensive international criminal connections throughout Latin and Central America that likely facilitate cocaine importations into Canada and overseas to destinations such as Italy, Australia, and New Zealand.

An equal number of HLTs are also involved in large methamphetamine networks. Their activities include the importation of precursor chemicals from China for the domestic production of methamphetamine, the diversion of unregulated chemicals in Canada to domestic clan labs, and, increasingly, the importation of methamphetamine or precursors from sources in Mexico. Several of these groups are also involved in money laundering as a primary criminal activity or maintain associations to professional money laundering service providers with extensive ties to South East Asia, and are potentially associated to Triads based in China.

At least four HLTs are linked to money launderers for large international organized crime networks, providing laundering services for domestic and international drug traffickers. Many of these groups have links to Mexican cartels, are suspected of importing synthetic drugs and cocaine and of being involved in illegal gaming, and are involved in the international movement of bulk cash and in loan sharking.

One of the largest and most influential street gangs in Canada is included as a 2019 HLT due to its extensive use of violence (including firearms) to expand its territory beyond its traditional provincial base and its substantial infiltration of the private and public sectors. This OCG has one of the highest reported number of rivalries, resulting in violent conflicts in the Prairies and in Central Canada.



Many of the HLTs are involved in violence, with members suspected of being involved in homicides, shootings, and assaults. Within the past two years, an unusual number of the more entrenched groups have been targeted and their members have been killed in Canada and overseas, suggesting that a new generation of criminal threats may be gaining power, or that foreign competitors, such as Colombian or Mexican drug trafficking organizations, may be attempting to increase their influence in Canada.

Of note, most HLTs are involved in numerous illicit commodity markets that are organized by members operating from abroad. Many have access to strategic drug trafficking points along national and provincial borders, as well as extensive business interests, including importing/exporting and transport companies, that can be used for drug trafficking and money laundering.

Threat Evolution of National High-Level Threats

OCGs are fluid and continuously evolving, which creates challenges for law enforcement targeting and intelligence reporting. Changes in the list of national HLT groups from year to year are representative of the ongoing transformative criminal networks operating in Canada and the threats that they pose. A five-year comparison of the evolving threat-levels of the 2019 national HLTs reveals that half have been assessed as important threats for the past three or more years. Despite repeated law enforcement efforts against some of these OCGs, reporting shows that many have remained resilient and adaptive to their changing environments.

Barring successful law enforcement action against higher-level OCGs, they are likely to continue evolving and to develop into increasingly pre-eminent threats. Twelve of the 14 national HLTs identified in 2019 have evolved from medium-level threats in the past five years. The other two national HLTs have maintained their status for more than five years, demonstrating a high degree of entrenchment and insulation against law enforcement targeting.

Since many of these OCGs operate in more than one province, interprovincial collaboration and cooperation between multiple law enforcement agencies is essential in order to impact and disrupt these entrenched groups and their criminal activities. Additionally, facilitators that work with more than one OCG should also be considered when identifying law enforcement opportunities and targeting, as they often provide further connectivity between multiple groups.

Key Facilitators

In addition to the national HLT groups, seven key facilitators have been assessed in 2019. They were identified by applying the newly-approved definition and assessing the role of potentially important players within the key networks. **Figure 3** provides an anonymized overview of these key facilitators.

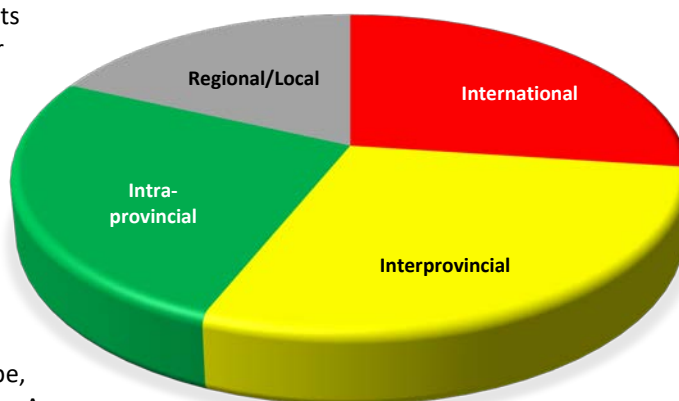
Figure 3 – Overview of 2019 Key Facilitators



Geographical Scope

Figure 4 provides a graphical representation of the scope of assessed OCGs, based on the ITA criterion. Reporting on the geographical scope of OCGs assists in assessing the depth and breadth of their criminal networks, and the threat they may pose to Canada and its international partners. The ITA criterion dealing with scope is broken down into international, interprovincial, intra-provincial, and regional / local.

Figure 4 – Geographical Scope of Assessed OCGs in 2019



More than half of all assessed OCGs are involved in criminal activities that are multi-jurisdictional in nature. Twenty-six percent of these OCGs have an international criminal scope, and another 28 percent have an interprovincial one. As a result, increased collaboration and simultaneous multi-jurisdictional targeting of OCGs is key for long-term impact. National-level collaboration or coordination between jurisdictions is essential to effectively optimize enforcement targeting efforts and disrupt criminal activities.

It should be noted that the ITA criteria preclude the identification of groups that have multiple scopes, in favour of identifying the highest scope threat. For example, whereas 28 percent of OCGs are assessed as having a medium scope threat (i.e. interprovincial), there are actually 44 percent of OCGs reported to have an interprovincial reach. The remaining 16 percent have both an interprovincial and an international scope, and are therefore assessed as having a high scope threat. Whereas international connections are an important indicator of a group's potential threat to Canada and its international partners, interprovincial links are important in assessing a group's domestic reach and its interoperability in collaborating with OCGs in other areas of the country.

International Links

OCGs' international nature has often been underreported. While this remains an intelligence gap, improvements have been made with respect to intelligence sharing, including, for example, with the RCMP's International Policing Program. Continued sharing will help augment the intelligence on Canadian OCGs operating abroad.

OCGs operating in Canada are known or suspected of having international associations to 72 countries. While travel to countries considered source or transit countries for certain illicit commodities could have been for non-criminal purposes, such as social activities and events, they have been included in the statistical analysis, as the determining motive remains unknown.

Many OCGs are linked to multiple countries, which may demonstrate their ability to establish international networks. Of those with international connections, almost 30 percent are linked to three or more countries. The top five countries to which the most Canadian-based OCGs are linked include the United States, Mexico, Colombia, China, and Australia. The four first countries remain unchanged from previous assessment; the increased reporting of links to Australia may be as a result of enhanced sharing with international partners. **Figure 5** provides an overview of the countries to which Canadian-based OCGs are linked.

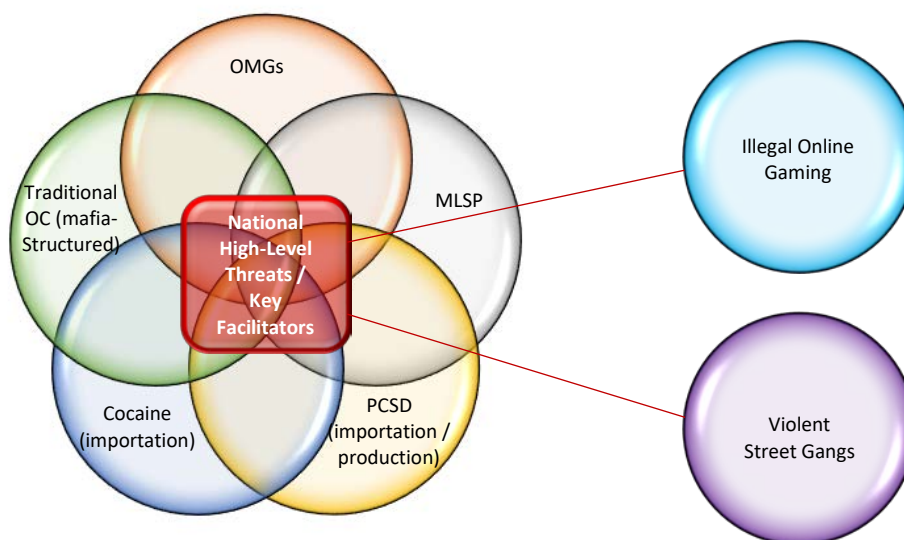
Of all OCGs, outlaw motorcycle gangs (OMGs) maintain the broadest international scope. One OMG global network consists of more than 500 chapters in 60 countries across Europe, North America, South America, Africa, Asia, and Oceania. Members of this OMG in Canada and their support clubs continue to travel extensively to the Caribbean, Europe, and Central/South America. Some of these countries represent source and transit points for importing/exporting cocaine.

NETWORK ASSESSMENT

Interconnectivity of High-Level Threat Networks and Priority Issues

In response to the potential for shifting priorities in operational targeting, an interconnected approach to assessing higher-level networks – and the HLTs and key facilitators that are involved within them – has been adopted in order to allow CISC to assess and propose a broad range of potential national-level targets for law enforcement operations. As illustrated in **Figure 6**, these networks include OMGs, traditional mafia-structured organized crime (TOC), cocaine importers, precursor chemicals and synthetic drugs (PCSD) – specifically those networks involved in the importation of precursors and the manufacture of methamphetamines and fentanyl, and money laundering service provision (MLSP). The priority issues include illegal online gaming and violent street gangs.

Figure 6 – Interconnectedness of High-Level Threat Networks and Priority Issues



The high-level threat networks and priority issues identified in 2019, when considered together, encompass a large proportion of interconnected OCGs in Canada. These interconnected networks and priority issues all include OCGs assessed as high-, medium-, and low-level threats, and the national HLTs and key facilitators assessed in 2019 all participate in one or more of these criminal spheres. No group is currently assessed to be involved in all of them. The networks are composed of OCGs that operate independently and also collaborate to further their collective criminal goals. While some include more national HLTs than others, each network in itself poses a national high-level threat, given its geographical scope, the number and nature of the OCGs involved within it, and the harm that the criminal activities in which the OCGs engage presents to the Canadian public.

OMGs collaborate with other OCGs in the importation of cocaine and other illicit drugs, and have networks stretching across Canada that facilitate their well-established distribution lines. They are criminally associated to groups that form the TOC network, and are involved with OCGs involved in illegal online gaming, which is seen as a high-profit/low-risk market. While generally not part of the larger PCSD networks, OMGs are involved in the supply and distribution of synthetic drugs. They are also closely associated to street gangs and leverage these associations to maintain/enforce their drug trafficking territories and outsource violence.

TOC groups, in addition to their links with OMGs, are involved primarily in cocaine importation, illegal online gaming, and money laundering via multiple private sector businesses. The networks benefit from groups' and members' high level of interconnectedness, both domestically and internationally. The OCGs also use street gangs for homicides and attempted homicides of rivals.



Importation networks are often controlled by OMGs and TOC, and involve street gangs as part of their distribution channels. These established networks also have redundancies implemented into their operations to limit disruptions: with more than 100 OCGs reported to import cocaine, these networks' operations are unlikely to be significantly affected by individual groups being compromised by law enforcement targeting. For example, in 2018, one of the more important key facilitators in Canada involved in cocaine importation and trafficking was arrested; however, this individual's network reactivated its operations within hours due to these redundancies.

The networks involved in **PCSD** (specifically the importation of precursors and the manufacture of methamphetamine and fentanyl) and **MLSP** are highly-interconnected, with the majority of the OCGs in the Western Canada network being involved in both markets and having ties to Southeast Asia, notably China.

Outlaw Motorcycle Gang Networks

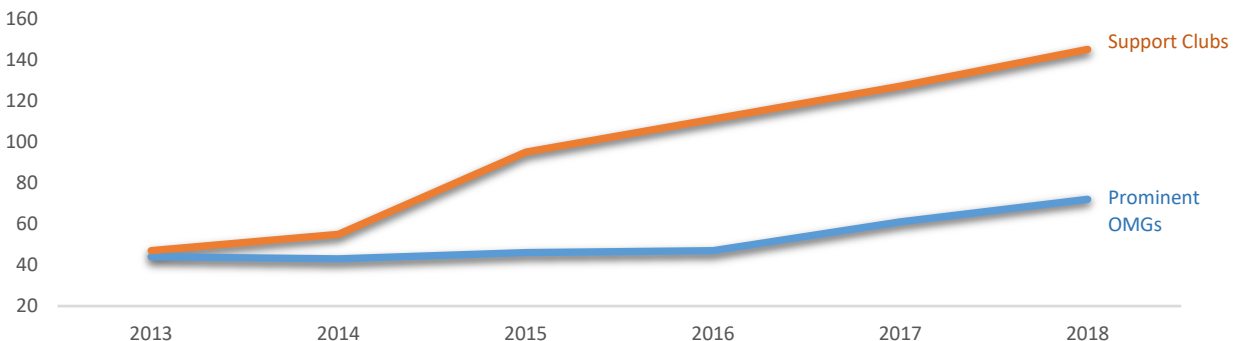
OMG networks continue to be among the most prominent OCGs in Canada. One prominent OMG is expanding across the country, consisting of 44 chapters, more than 500 full-patch members, prospects, and hangarounds, and more than 100 support clubs, which have also expanded more than 200 percent in the past five years. Through their networks, members manage vast drug territories. They are involved in importing cocaine, money laundering, gaming, the sex trade, synthetic drug production, and financial crime. OMG members use intimidation and violence, either directly or through their subordinates, to maintain control of their criminal territories. The expansion of certain OMGs has increased the threat of violence, much of which can be attributed to competition for control of drug territories.

Together, OMG members reach more parts of Canada than any other networks. Their scope reaches internationally to members overseas, as well as to Latin American cartels and other foreign figures, providing them with ample connections for the importation of drugs as well as money laundering opportunities. With multiple drug supply lines across the country, and by using intimidation to tax traffickers that seek their drugs from other sources, OMG members profit from a large part of drug trafficking in Canada.

Another competing OMG network, second only to one referred to above, continues to expand in Canada. Even though its membership is smaller, it is one of three major international OMGs, and its network has been expanding in Ontario and in the Atlantic Provinces via support clubs and new chapters.

Support clubs are sanctioned by and closely associated to, but not necessarily controlled by, prominent OMGs. Their members often socialize with these prominent OMGs, and some are involved in their criminal activities. Support club expansion – led by certain members of prominent OMGs – is inconsistent across Canada; some provinces are reporting a consolidation of support clubs. Additionally, the development of provincial coalitions of clubs, or councils, facilitates the management of these clubs. An OMG, or one of its support clubs, is believed to control coalitions in most provinces. **Figure 7** shows the expanding number of major OMG chapters and support clubs reported between 2013 and 2018.

Figure 7 – Number of Select OMG Chapters and Support Clubs, 2013-2018



Traditional Organized Crime Networks

TOC networks in Canada, comprising about two dozen OCGs forming overlapping criminal networks, are mainly based in the Greater Hamilton, Toronto, and Montreal areas and include OCGs whose membership is primarily of Italian descent and who ascribe to the hierarchy, norms, and rituals of the Italian mafia. These OCGs are likely operating beyond their traditional bases, extending to at least five other provinces in Western and Eastern Canada. These extended networks exist not only through the presence of members, but also through various contacts, private companies, and criminal enterprises. Some of the most lucrative domestic criminal associations in the TOC network are with OMG members. TOC networks are considered to be the most interconnected of OCGs in Canada, with links to approximately 20 percent of the assessed OCGs in 2019.

These networks are involved in various criminal activities, including importing, exporting, and distributing illicit drugs, illegal gaming, loan sharking, extortion, intimidation, violence, homicide, money laundering, financial crime, and fraud. Illegal online gaming is considered one of their more lucrative markets. They have an extensive number of importation channels, suggesting that enforcement activity against one or two related groups will have a limited impact on the networks' overall criminal activities. Likely as a result of their dominant roles in Ontario and Quebec, respectively, TOC groups maintain some of the most interconnected networks in Canada.

TOC groups maintain control of hundreds of businesses in multiple industries, including food services, transportation, construction and haulage, property management, finances/loans, payday loan businesses, real estate companies, and businesses that can be run primarily using cash, all of which can be used for laundering proceeds of crime. They continue to infiltrate the public and private sectors to facilitate the laundering of proceeds of crime, to maintain their status as reputable community members, and to increase their geographical scope.

In order to further their criminal activities, TOC groups maintain links with individuals and OCGs in drug source and transit countries such as Colombia, the Dominican Republic, and Mexico for the purpose of importing illicit substances and laundering their money. Approximately 90 percent of OCGs assessed to be part of the TOC network in Canada maintain international links.

There has been a rise in violence in the Greater Toronto Area (GTA) involving individuals associated to TOC. Most of the violence seems to be primarily directed at individuals, associates, or businesses belonging to OCGs linked to the 'NDRANGHETA¹. The violence in the GTA may have been a result of a power struggle for territorial control and conflicts related to cocaine importing, illegal gaming, and debts owed. Instability within the groups and the roles they play within the network in Quebec is leading to violence. Nonetheless, several influential TOC figures have recently been released from custody and may be positioning themselves within the networks. Consequently, the potential for violence is likely to increase by attempts to re-assert their roles within the TOC networks. However, the leadership of TOC in the GTA is relatively stable and there does not seem to be a current threat to its dominance.

The TOC network in Montreal is likely to be characterized and shaped by a new, younger generation of members. The likelihood that they will use technology, including encrypted communications and other technological advancements, will present new challenges for enforcement.

Cocaine Importation Networks

Cocaine remains one of the most prevalent criminal markets in Canada, with importers playing a vital role. In 2019, nearly 100 Canadian OCGs have been identified as importing cocaine into Canada, or of using Canada as a transit country to move cocaine to more profitable markets, such as in Oceania and Europe. These networks are criminally linked to cocaine source countries (Colombia and Peru) and key transit countries (Aruba, the Dominican Republic, Jamaica, Mexico, Panama, and the United States). Collaboration between Canadian OCGs and Mexican cartels / Colombian OCGs continues to occur, often in source or transit countries.

¹ The 'NDRANGHETA is a mafia-type organized crime group based in Calabria, Italy. It operates independently from the Sicilian mafia, though there is contact between the two due to the geographical proximity and shared culture and language between Calabria and Sicily.



Several of the OCGs included in the cocaine importation networks are entrenched in the Canadian criminal landscape; their involvement in importing cocaine dates back several years. The importance of these OCGs and of their networks is their interoperability and their resilience to law enforcement action, as disrupted groups are quickly replaced by other members of the network and some lesser-known groups are gaining prominence. Moreover, although not part of the larger networks, other OCGs and criminal entrepreneurs are also important actors in the cocaine market, exploiting connections to Colombia and access to businesses and transportation modes that can be used to facilitate the import and export of cocaine and other illicit commodities.

A significant number of key Canadian cocaine importation facilitators have been assassinated, both inside and outside the country, over the past few years, raising the possibility that Mexican cartels may be attempting to re-establish operational cells in Canada that had previously been largely disrupted through an integrated enforcement response. Cartels members are likely exploiting the absence of visa requirements for Mexican nationals entering Canada to send associates to play a more direct role in importing cocaine into Canada, as in the past. However, resulting violence of such a trend is not expected to rise to the level seen in the southern United States.

Precursor Chemicals and Synthetic Drugs Networks

The Canadian PCSD landscape includes more than 30 OCGs that are involved in the movement (international and/or domestic) of precursors and other essential chemicals used in synthetic drug production, and nearly 50 OCGs that produce methamphetamine and fentanyl (and its analogues). Moreover, about 20 OCGs import methamphetamine, and 15 import fentanyl. While many of these groups appear to work independently from one another, two distinct networks have an established history of collaboration and represent approximately 50 percent of all groups involved in the movement of precursors and other essential chemicals in Canada.

Higher-level OCGs that have almost unlimited access to chemicals used in synthetic drug production are the likely operators of recently-dismantled highly-sophisticated and large-scale illicit clandestine labs. Despite past targeting, the leadership and membership of these groups remain intact. As these networks also manufacture, they likely sell at the wholesale level and have associations to locally-based distributors that distribute intra- and interprovincially.

The announcement of new regulatory amendments on precursors under the *Controlled Drugs and Substances Act*, coupled with low prices and high profit margins, will likely prompt OCGs with connections to drug trafficking organizations in Mexico and/or the United States to increase the import of methamphetamine and/or fentanyl from Mexico. In the absence of stronger precursor and essential chemical-related legislation, OCGs involved in PCSD will continue operating, supplying clandestine labs and manufacturing and trafficking drugs to domestic and international markets while using laundered proceeds to re-invest into and further their criminal activities.

Money Laundering Service Provision Networks

Money laundering is a key activity for OCGs, and the practice is pervasive throughout all scopes of criminal enterprise. Money laundering service providers coordinate and move large sums of money to legitimize criminal proceeds, on behalf of Canadian and international OCGs. One high-level network based in British Columbia and in Ontario, for example, represents several key service providers nationally and internationally, conducting self-laundering, and providing third-party money laundering services to OCGs by conducting complex money laundering operations through their exploitation of casinos, underground banking systems, illegal gaming houses/sites, nominees/shell companies, trade based money laundering, and real estate investments.

The money laundering techniques used include: the exploitation of casinos and the real estate sectors, including large cash buy-ins at casinos by wealthy gamblers that have been provided proceeds of crime from members of the MLSP network; deposits of casino cheques, representing cashed-out casino chips bought with proceeds of crime, into Canadian banks and subsequently used to buy real estate; using nominees to hide ownership of real estate; and purchasing real estate with hundreds of thousands of dollars in cash, using mortgage brokers and lawyers. This network is comprised predominantly of career criminals and highly-interconnected OCGs, and is believed to have laundered proceeds of crime totalling upwards of hundreds of millions of Canadian dollars.

Illegal Online Gaming

These networks are comprised of OCGs either operating or profiting from illegal gaming websites. In Canada, this market is controlled by TOC and OMGs, either working together or on their own in numerous urban centres throughout Canada.

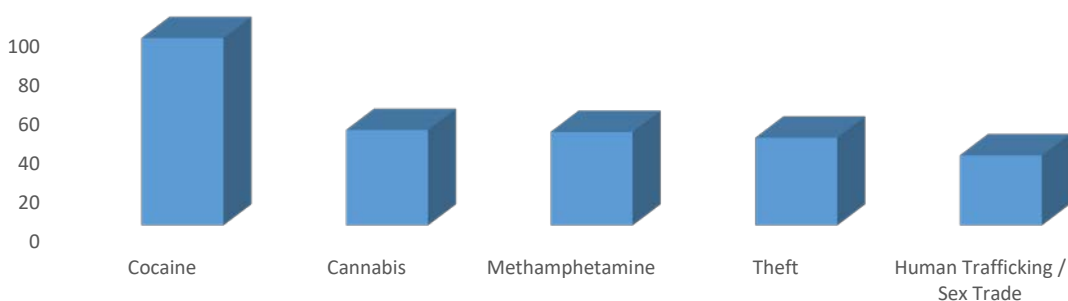
Although groups operating these gaming networks often try to circumvent Canadian law by running their websites on offshore servers, monetary transactions on Canadian soil make this a criminal activity. They also use violence, extortion, and intimidation to further their criminal goals. Gaming networks generate millions of dollars of revenue each year, and OCGs involved in this market use these illicit funds to finance other forms of criminality, such as drug importing and trafficking.

According to the Canadian Gaming Association, Canadians are estimated to wager four billion dollars CAD annually through offshore online sportsbooks.² When this figure is compared to the \$500 million CAD wagered annually through legal provincial sports lotteries, it is evident that OCGs are capitalizing on a market service in high demand.

Violent Street Gangs

More than 375 street gangs have been reported in Canada in 2019. Street gangs continue their involvement in high-visibility crimes. **Figure 8** provides an overview of the primary markets in which street gangs are heavily involved.

Figure 8 – Primary Reported Criminal Market Involvement of Street Gangs, 2019



Street gangs also continue their involvement in illicit drug markets (primarily in a retail to mid-level distribution role, with cocaine, cannabis, and methamphetamine being the most popular), in theft-related activities (including break and enters and home invasions), in violent incidents including shootings, and in sex crimes, causing them to come to the attention of the media, and subsequently of the general public, more frequently than higher-level, more insulated OCGs. Although street gangs are present in most areas of the country and collectively represent a national-level issue, their composition and operations vary to some degree from region to region.

Although some street gangs maintain a core group of longstanding members, gang membership is reportedly becoming more fluid, with alliances and rivalries among members and groups often quickly shifting. Additionally, information suggests that alliances are more frequently being formed based on “for profit” business deals, with violence often resulting from disputes over profit-making ventures such as control over drug trafficking territory, rather than the more traditional “blue vs red” or “Bloods vs Crips”-type conflict. Furthermore, street gang members based primarily in Quebec are believed to have been involved in murders both on behalf of higher-level OCGs, such as TOC, as well as against members of other gangs, including OMGs.

The increasing fluidity and evolution of gang membership presents difficulties relating to accurate and timely reporting of their statuses, rivalries, and members. Many street gangs, regardless of their threat-level, are of concern

² <http://canadiangaming.ca/canadian-gaming-association-calls-on-all-party-support-for-single-event-sports-betting/>



within the communities and provinces in which they operate, given their use of violence, engagements in conflict with other OCGs, and multi-jurisdictional criminal activities. From a national perspective, street gangs' individual levels of threat increase as they expand their territories, develop more rivalries, become increasingly violent, and engage in higher-level criminal activities. In 2019, 22 street gangs have been identified and assessed as posing a national medium-level threat; two have been assessed as national HLTs. Many of these street gangs exhibit characteristics that may indicate an evolution of their capabilities to higher threat-level OCGs.

Street gang members continue to commit violent acts, create fear within the communities in which they operate, and pose public safety concerns across Canada. Ongoing rivalries between street gangs and the associated violence that results presents an important public safety concern. Cities that report higher volumes of firearm-related violent offences also have a higher number of street gangs, and street gangs are more frequently involved in shootings than other OCGs. In British Columbia alone, there were 33 gang-related reported homicides in 2018, 15 of which were linked to the Lower Mainland Gang Conflict that involves several higher-level street gangs.

Similar to social media's popularity among the general public, its use by gang members in various regions of the country is reportedly becoming more prevalent. Street gangs are using their social media presence in recruitment efforts, often by promoting and/or glorifying the gang lifestyle, and to instigate conflicts with rival gang members, with at least some of the violence occurring on the street being precipitated by some form of online feud. The continued use of communication tools such as Snapchat, Instagram, and WhatsApp by gang members poses increasing investigational challenges for law enforcement agencies, and particularly agencies without dedicated open source/social media resources, as many of these applications offer varying levels of encryption and allow users to securely delete data before investigators become aware of their existence.

Street gang members, particularly in Ontario jurisdictions, seem to be more comfortable with carrying firearms on their person. Ready access to firearms in the hands of those street gang members with poor impulse control may lead to an increase in opportunistic gang-related shootings, compromising general public safety. Furthermore, as Ontario-based gang members continue to expand their scope both intra- and inter-provincially, other jurisdictions like Thunder Bay, to which Toronto- and Ottawa-based gangs have expanded operations, may subsequently experience continued increase in gang-related firearms violence in the future. The spread of firearms-related violence is not unique to Ontario, and will continue to follow the territorial expansion of violent groups across jurisdictions.