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Chair: The Honourable Jim Carr



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• (1105)
[English]

The Chair (Hon. Jim Carr (Winnipeg South Centre, Lib.)):
Good morning, everyone. I call this meeting to order.

Welcome to meeting number seven of the House of Commons Standing Committee on Public Safety and National Security.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. So you are aware, the website will always show the person speaking, rather than the entirety of the committee.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute. I remind you that all comments by members should be addressed through the chair.

With regard to a speaking list, the committee clerk will advise the chair on whose hands are up, to the best of his ability, and we will do the best we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

First, I would like to inform members that regarding the committee's study of crowdfunding platforms and extremism financing, and pursuant to the motion adopted by the committee on Tuesday, February 1, GoFundMe has been invited and has accepted the committee's invitation. I can also report that GoFundMe has agreed to appear before this committee on Thursday, March 3, 2022.

Pursuant to the order adopted by the House of Commons on Tuesday, December 7, 2021, and the motion adopted on Tuesday, December 14, 2021, the committee is resuming its study of gun control, illegal arms trafficking and the increase in gun crimes committed by members of street gangs.

We have with us today, by video conference, from the Service de police de l'agglomération de Longueuil, Fady Dagher, director; from Sûreté du Québec, Benoît Dubé, chief inspector, director of

criminal investigation; and from the Vancouver Police Department, Michael Rowe, staff sergeant.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions. Witnesses may choose to split their allotted time for opening remarks with other witnesses if they so desire.

Welcome to all.

I now invite Director Dagher to make an opening statement of up to five minutes. The floor is yours.

• (1110)

Mr. Fady Dagher (Director, Service de police de l'agglomération de Longueuil): Thank you.

I will try to speak in French, and sometimes in English.

Thank you for receiving me.

[Translation]

With respect to current violence and firearms crimes in Quebec, my colleague Benoît Dubé can tell you about the repression aspect. He has extensive expertise in that area. Units have been established, including the one in Longueuil through which my team cooperates with Mr. Dubé.

Today I'm going to talk about police work. I've been a police officer for 30 years, 5 of them as chief of police. The work we do in the municipalities is prevention work.

[English]

Way before the crime happens, we work with the community. While children are very young, we work on prevention with them, in the community, along with police officers.

[Translation]

We've noticed that, the more we work with young people, the better we are at preventing problems with key partners. Members of the entire community intervene, not just its police officers.

[English]

It takes a village to control a community. It's impossible for the police department to anticipate all the violence that's happening in the community.

I read about your program “Rethink, Refocus, Reintegrate”, which has been financed by the government. I also read about MST, the multisystemic therapy program, and about LRP, the leadership and resiliency program, that you put into force and that are being financed by your government. I think these are great programs, especially with the great indicators to see if they're efficient or not, but there are always some “buts”.

What the police of Longueuil are trying to do is work in the same way. We grow contacts. This is a new approach that we're doing. It's also a new social approach for the police department: to be able to be with the community outside the 911 calls, to be integrated into the community and to be able to anticipate all the violence that is happening.

I can tell you that even in our communities—with a population of around half a million and with a thousand officers—even in some of the very rich areas of Longueuil, there is crime and the young kids have guns inside the schools, inside the lockers. It's incredible how much this is changing the mentality of the young people. They want to protect themselves. It's the first time we've seen such a movement over to violence.

If we're not in the classroom with the kids from a young age, we're only going to be reacting, and the Longueuil police don't want to work that way. We want to suppress this, but we want to work in a proactive way.

[*Translation*]

I'll stop there. We can discuss this later.

[*English*]

The Chair: Thank you very much.

Now I would invite Chief Inspector Dubé to speak to us, with his opening comments of up to five minutes.

Inspector, the floor is yours.

[*Translation*]

Mr. Benoît Dubé (Chief Inspector, Director Criminal Investigation, Sûreté du Québec): Thank you, Mr. Chair.

First, I'd like to say hello to all the members of the committee and to thank them for the opportunity to appear before the committee today.

My name is Benoît Dubé, and I have been the director of criminal investigation with Sûreté du Québec since 2020. Before that, starting in 2003, I spent most of my career fighting organized crime.

Sûreté du Québec is our provincial police force, which is responsible, in particular, for coordinating the fight against organized crime across Quebec in cooperation with our municipal, indigenous, provincial, national and international partners.

The fight against organized crime and the various types of criminal activity generally associated with it are Sûreté du Québec's priorities and those of our partners.

In 2017, we reviewed the structure of our investigation units so we could take simultaneous and coordinated action at all hierarchi-

cal levels of the criminal networks under investigation, the level of the most influential players and the local and regional levels. In our jargon, that's what we call a three-level strategy.

To guide and optimize investigative plan selection, we also attached organized crime intelligence teams directly to our investigation units, thus constituting what we call intelligence-based police services.

In the past two years, we have improved this structure by acquiring additional funding from the federal and provincial governments. In November 2019, thanks to the firearms-related violence and gangs action fund, we established two new teams, one dedicated to firearms manufacturing, importing and trafficking cases and the other to organized-crime-related disappearances and murders.

We are also deploying measures in response to the Quebec government's launch of Operation Centaur. As part of that operation, we have expanded the team detailed to firearms cases, which has become a joint team combining members of Sûreté du Québec, or SQ, the Service de police de la Ville de Montréal, or SPVM, the Royal Canadian Mounted Police, the RCMP, and the Canada Border Services Agency, CBSA. That team is now called the integrated weapons enforcement team, the EILTA, and it is headquartered in the Montreal area. We are also setting up an EILTA in Quebec City together with the Service de police de la Ville de Québec.

The mandate of these teams is to establish cases involving the manufacture, supply and importing of firearms. To strengthen investigation capacity at both local and regional levels, resources have also been added to all our six joint regional squads and local investigation teams, which are scattered across the province.

As part of Operation Centaur, these teams respectively have a mandate to establish simple weapons possession and distribution cases. We are therefore working simultaneously on weapons possession, procurement and distribution, thus implementing our strategy at three levels, as I just mentioned.

The cooperation of our partners is of course essential to ensuring the success of the activities deployed as part of the fight against armed violence. Our various joint investigation teams are backed by the involvement of the RCMP, CBSA, the Ontario Provincial Police, or OPP, and 26 municipal police forces, 7 of which have just joined us as part of Operation Centaur.

Sûreté du Québec is also proceeding with the devolution of resources among the partner organizations, which are the RCMP and its National Weapons Enforcement Support Team, or NWEST, the Ontario Provincial Police's Biker Enforcement Unit, the Akwesasne Mohawk Police Service, in order to step up intelligence exchange, and the U.S. Department of Homeland Security.

I would emphasize that the Quebec government has also announced further investment in various entities taking part in Operation Centaur, including its prosecution branch, the Direction des poursuites criminelles et pénales, and its forensic lab, the Laboratoire des sciences judiciaires et de médecine légale.

As you can see, many measures have been put in place in recent years to step up the fight against organized crime and armed violence.

To give you an idea of the scope of these measures, at Sûreté du Québec, we're talking about a structure that has expanded from 245 police investigative resources to 330 resources, which represents an increase of nearly 35% in barely two years. The addition of all those new resources has inevitably resulted in more operations and arrests.

• (1115)

[English]

The Chair: Inspector, I'm going to have to ask you to wrap up in the next 10 seconds, please.

[Translation]

Mr. Benoît Dubé: However, for these achievements to have a significant impact on crime, it is essential that they result in the charging and prosecution of offenders.

Thank you.

[English]

The Chair: Thank you very much.

I would now like to invite Staff Sergeant Rowe to take the floor and give his opening remarks for up to five minutes.

Staff Sergeant, please proceed.

Staff Sergeant Michael Rowe (Staff Sergeant, Vancouver Police Department): Good morning, everyone. Thank you very much for providing me the opportunity to speak to you all here today.

I'm currently assigned to the organized crime section of the Vancouver Police Department. Since May 2021, I have been in charge of a task force responsible for reducing gang violence within the city of Vancouver. The task force has a mandate to target people and groups involved in the Lower Mainland gang conflict. We also investigate the possession, trafficking and manufacturing of firearms.

We use a combination of proactive and reactive investigations to target those committing gang violence and react to incidents of gang violence in our community. For example, we've developed a protocol that allows us to proactively target gang members who we believe are involved in planning homicides. Since May of last year, this technique has allowed us to disrupt and prevent seven gang-related homicides before they could occur.

The Lower Mainland gang conflict is an ongoing conflict that involves approximately 48 gangs in the Lower Mainland area of British Columbia. These 48 gangs have divided themselves into three factions that are currently in conflict with each other. In 2021, across the region, the Lower Mainland gang conflict resulted in 46 homicides—70% of which were shootings—and 11 non-fatal shootings.

To give some context to the firearms work that the VPD has done, in 2021, the VPD seized or had surrendered over 1,500 firearms and replica firearms. To date in 2022, approximately 76 firearms have been seized or surrendered to the VPD. Since May 2021, the task force has seized over 30 firearms directly related to the gang conflict, six of which have been identified as privately made firearms or “ghost guns”. In 2021, firearm trace requests were submitted by the VPD for 60 investigations. Out of those, 26 firearms were found to have originated in Canada, 21 were found to have originated in the United States and 26 were not able to be traced to a known source.

The VPD also participates in gang violence prevention programs. We refer people involved in the gang conflict to community-based programs that provide support for people to leave gangs before they become the victims of violence. As an example of this, the combined forces special enforcement unit of British Columbia has an “end gang life” program through which they provide support to gang members to attempt to help them leave that lifestyle. The VPD also has two uniformed gang crime unit teams that are tasked with going out and having direct contact with gang members. They create professional relationships with these gang members and attempt to identify suitable candidates for referral to community-based treatment programs.

Based on my experience leading firearms investigations and gang violence investigations, I've identified some current trends that I believe are relevant to the committee.

For example, one of the trends we're seeing out here in Vancouver right now is the use of privately made firearms or “ghost guns”. During the gang conflict, we're seeing more ghost guns, specifically in the hands of people who are involved in active murder conspiracies or people who are believed to be working as hired contract killers. Ghost guns can be 3-D printed or modified from what's called a Polymer80 handgun. Specific styles of high-quality airsoft handguns can also be easily converted into fully functioning firearms. Ghost guns can also be composed of multiple parts from other firearms, resulting in a firearm that has multiple serial numbers on it. All of these factors mean these firearms cannot be traced through traditional systems.

Modern 3-D printing materials can produce a durable firearm, capable of shooting hundreds of rounds without a failure. For example, one of my teams recently completed an investigation in which we executed search warrants on a residential home. Inside this home, we located a sophisticated firearms manufacturing operation capable of producing 3-D printed firearms. They had firearm suppressors and they were completing airsoft conversions—converting airsoft pistols into fully functioning firearms.

Another trend we're dealing with is the use of high-capacity magazines. Magazines are modified to accept more than the lawfully allowed five rounds of ammunition. These magazines allow for more shots to be fired without the user having to pause to reload. High-capacity magazines can be manufactured by altering lawfully purchased magazines, but also through 3-D printing.

We're also noticing a trend with an increase in prohibited firearms accessories. We're seeing a growth in the use and possession of suppressors, which reduce the sound of a shot. Suppressors are prohibited in Canada but can be purchased through the United States, where they're lawfully allowed to be purchased, and then illegally imported into Canada. They can also be obtained through like items, such as an item called a solvent trap, which can be easily converted into a suppressor for a firearm.

• (1120)

Finally, we're noticing that people are manufacturing suppressors from lawfully obtained components, such as basic metals, and using 3-D printers to manufacture parts that are used to suppress the sound of a shot.

The Chair: Thank you very much.

If you have a very important thing to say, can you do it in 10 seconds?

S/Sgt Michael Rowe: No, I'm good.

The Chair: I'm sure there will opportunities during the question period to expand on some of your points.

I'm going to open the floor to questions from members. To open the first round, I'll call upon Mr. Shipley, who will have six minutes.

Sir, the floor is yours.

• (1125)

Mr. Doug Shipley (Barrie—Springwater—Oro-Medonte, CPC): Thank you, Chair.

Thank you to all the witnesses for being here today.

My first question is going to be directed towards Mr. Dubé.

Throughout the different meetings of this committee, we have heard from multiple witnesses that the Liberals' firearms buyback program is ineffective in dealing with the root cause of gun violence. We heard it can be quite costly and the resources could be better used elsewhere. Do you believe that the firearms buyback program is an effective tool against gun crimes?

[*Translation*]

Mr. Benoît Dubé: What I believe is that you have to consider many aspects. The issue is quite complicated. I'm not saying the

government's program hasn't had an impact. It's definitely having one to a certain extent, but I think it's a combination of a number of measures that will produce results.

The program's having an impact, but it's definitely not the only solution to armed violence.

[*English*]

Mr. Doug Shipley: To follow up on that, what do you think the number one solution could be to combat this issue?

[*Translation*]

Mr. Benoît Dubé: I more or less agree with Director Dagher. I don't think there's any single solution. You have to consider prevention, education and repression, and we have to work together on all those aspects. We can't focus on just one in isolation. A combination of measures designed to take action on all those aspects will ultimately have a direct impact on armed violence.

[*English*]

Mr. Doug Shipley: Thank you for that. I wasn't necessarily saying there was one solution. I was looking for the top priority.

Thank you, Mr. Dubé.

The next question is for Mr. Dagher and Mr. Rowe.

Montreal and Vancouver are close to the U.S. border. We know that illegal firearms being smuggled across the border is the largest source of firearms being used in crime. Of course, this would deviate from city to city across Canada.

How many of the guns used in crimes in your cities are sourced from illegal cross-border smuggled firearms? If you could both respond to that, it would be appreciated.

Mr. Fady Dagher: In Longueuil, it is not high. We know there are some transactions throughout the territory, but we don't have a main issue with gun control in Longueuil. What we have is with the youth in the community.

[*Translation*]

What we're increasingly seeing, on the one hand, is youth arming themselves because they're afraid. On the other hand, you have young people who are being paid by organized crime to engage in actual shooting. But is there a lot of firearms trafficking in Longueuil? No.

[*English*]

Mr. Doug Shipley: Before Mr. Rowe speaks up, I need some clarification, Mr. Dagher.

My question was more about the guns that you're seeing in your community. Where are they coming from? Are they smuggled from the U.S.?

Mr. Fady Dagher: Yes, they are.

Mr. Doug Shipley: Thank you.

Mr. Rowe, go ahead.

S/Sgt Michael Rowe: Yes, sir. We are also seeing firearms smuggled in from the United States, particularly handguns. The United States is a regular source of handguns in our gang conflicts.

However, another trend we're seeing is the importation of firearms parts from the United States, which are being used to create privately made firearms, or ghost guns. We recently had an importation of 50 Glock barrels and slides. These parts can be lawfully purchased in the United States and shipped without a licence here in Canada. These parts are being used to manufacture the untraceable ghost guns that we see being used in our gang conflicts.

Mr. Doug Shipley: Thank you, Mr. Rowe.

Your opening remarks about the ghost guns stuck out to me, too. I don't know a lot about guns. I'm learning more throughout this committee. That seems to be a trend that's developing that's concerning to everyone.

Are you seeing that increasing recently, or has this been going on for a while? How are we going to prevent more of these ghost guns? I was shocked to hear some of the numbers you used in your opening remarks.

S/Sgt Michael Rowe: Sir, it's going to be very challenging. Ghost guns can be produced using a 3-D printer, and 3-D printers can be purchased lawfully from a variety of stores for as little as \$300. The cost of the materials used to produce the firearms, the plastic material that is fed into the printer, can work out to literally dollars per firearm produced.

It's very challenging. Right now, we're actively targeting people who we believe are manufacturing ghost guns, and we're working with our partners in the RCMP and provincially with the CFSEU firearms team and also with NWEST, the national weapons enforcement support team. We're working hard to target people who are importing firearms parts, people involved in the sale of firearms parts, and then attempting to use that information to identify opportunities to take enforcement against ghost gun manufacturing.

• (1130)

Mr. Doug Shipley: Thank you for that. I think I'm running out of time, so my final question is back to Mr. Dagher.

You mentioned in your opening remarks that your department has tried to make community policing a crucial part of your policing strategy. Has this resulted in a substantive reduction in gang crime or diverted youth away from joining gangs? How effective have your programs been?

Mr. Fady Dagher: I'm blessed maybe; I don't know. I'm right next to Montreal and next to Laval, two big cities in the province of Quebec. In Montreal—I don't know if Benoit can agree with me—we have over 200 shootings, and in Laval we're at around 50 to 55 shootings in one year. In Longueuil, we have only one.

The Chair: Thank you very much, Mr. Dagher. I'm sorry, the time is up.

Mr. Fady Dagher: Okay.

The Chair: I would now like to turn the floor over to Mr. Chiang, who will have six minutes to pose his questions.

Sir, the floor is yours.

Mr. Paul Chiang (Markham—Unionville, Lib.): Thank you so much, Mr. Chair.

Thank you to all the witnesses for participating in our event today.

I want to direct my question to Staff Sergeant Michael Rowe of the VPD. With regard to your presentation about gang violence and gang crimes in Vancouver, what [*Technical difficulty—Editor*] your law enforcement agency to address the domestic movement of illegal firearms?

S/Sgt Michael Rowe: Thank you for the question, sir.

Being in the Lower Mainland, we have a lot of municipalities that are very close to each other, bordering on each other. We have a number of information-sharing initiatives, such as weekly, bi-weekly and monthly conference calls with all of the police forces in the region that are responsible for dealing with firearms trafficking, firearms offences and gang violence and working on the Lower Mainland gang conflict.

We share our information effectively through our various investigative and reporting systems, and we also work very closely with our provincial and federal partners to identify opportunities to work together to combat gun trafficking and illegal firearms manufacturing.

Mr. Paul Chiang: Thank you so much.

Earlier you mentioned the gun barrels being shipped across the border and not requiring licences. Would you have a suggestion of a possible way to stop these shipments, since they don't require licences?

S/Sgt Michael Rowe: Yes, sir. I'd respectfully like to submit that a potential solution would be to bring in legislative remedies to regulate the possession, sale and importation of firearms parts such as barrels, slides and trigger assemblies. This type of legislation would give us, the police, the necessary tools to be able to seize these items, get active enforcement action and more effectively target the manufacturing of privately made firearms.

Mr. Paul Chiang: Thank you so much.

What do you think about information sharing between law enforcement agencies? Could that be improved to address gun and gang violence across the major cities in Canada?

S/Sgt Michael Rowe: Yes, sir. Information is one of our key tools in conducting any type of successful law enforcement action, so the more information sharing we can engage in, the better. I do believe we work very effectively with our partners on a variety of different levels. I know our RCMP partners at the national weapons enforcement support team, NWEST, do a very good job of coordinating the various municipal agencies.

Mr. Paul Chiang: Thank you so much.

My next question is for Chief Inspector Dubé.

How do you think your service does in terms of information sharing between law enforcement agencies? Does it address the gun and gang violence within Canada, and could it be improved?

Mr. Benoît Dubé: That's for sure. I'm really proud of what we're doing in the province of Quebec with our partners. We are embedded with 26 municipalities like Longueuil, Laval and Montreal, sharing all the intelligence, and also with the Americans and with the RCMP.

As I was saying, the intel leading policing is really there to be more effective. The sharing is going really well all around the country with all the communities we have. We're really proud of what we have been doing in Quebec for the last couple of years.

• (1135)

Mr. Paul Chiang: Thank you so much, Inspector.

I want to ask about the successes your police service has had in relation to gang violence. What can other police services take away from what you're doing in the province of Quebec in terms of preventing gang violence?

Mr. Benoît Dubé: The strategy is repression on possession and distribution, being embedded with all the law enforcement, and also the prevention that Director Dagher was talking about, preventing kids from joining.

As I said, we're not attacking just the top. We're attacking from bottom to top, applying pressure every day to seize guns. Also, there's the prevention that we're doing. For us, a three-level strategy is really working.

Mr. Paul Chiang: That's excellent.

Have you seen any positive outcome of your three-level strategy?

Mr. Benoît Dubé: Yes, we seize a lot. If we see the [*Technical difficulty—Editor*] an arrest, more than 150 gun seizures. With that, we also seize drugs and 3-D impressions, and we put on that pressure.

With that three-level strategy, we're doing everything we can. We're seeing results. If we compare the last three months since Operation Centaur was put in place, we're seeing those results. We're talking about three months. I think next year, again, we'll be doing better than we're doing now.

Mr. Paul Chiang: That's great.

Thank you for your answers and co-operation.

Mr. Chair, those are my questions for our witnesses today.

The Chair: Thank you. You are perfectly on time, Mr. Chiang. Congratulations.

I would now like to turn the floor over to Ms. Michaud.

You have six minutes to pose your questions.

[*Translation*]

Ms. Kristina Michaud (Avignon—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chair.

Thanks to the witnesses for being with us today. We're grateful to them for doing so. Thanks in particular to Mr. Dubé for accepting our invitation.

Mr. Dubé, I'd appreciate some more details on the outcomes and successes of Operation Centaur.

First, I want to mention that the other day we heard from representatives of the Akwesasne Mohawk Police Service and the Mohawk Council of Akwesasne, who told us about the specific situation in their territory, which has a unique geography. That territory spans parts of Ontario, Quebec and the United States and thus involves several police forces.

My impression is that Operation Centaur is a space for cooperation among various police forces. However, there are problems, and traffickers take advantage of the fact that different authorities are involved. We understand there may not be enough cooperation or sharing of intelligence and resources on the ground to put a stop to firearms trafficking. Some 500 weapons can pass through the area every week, but authorities are unable to halt the traffic.

I'd like to hear your comments on that, Mr. Dubé.

Mr. Benoît Dubé: I'm in constant communication with Chief Dulude. The situation's complex, of course, as a result of the borders. We've been sending additional resources to Chief Dulude for some time now to help gather intelligence and determine better ways to work together.

The Centaur squad has helped us spread out our staffs, of which we now have two. The squad has helped us in our efforts to have a greater impact in Akwesasne. However, it shouldn't be forgotten that Akwesasne isn't the only territory and that we also have to work on other borders. We need to put our energy into Akwesasne, but we have to do the same elsewhere as well.

We're optimizing the cooperation you referred to. It's not that it wasn't already good, but we have to optimize it and find solutions to improve weapons seizures. We need to ensure we seize weapons before they turn up on the street. We have to attack the importing component. We also have to do that in cooperation with our Ontario and American partners. We meet with them constantly to optimize our procedures.

• (1140)

Ms. Kristina Michaud: Specifically with regard to borders and resources, representatives of certain organizations, particularly CB-SA, tell us that the Canada-U.S. border is so long it would be impossible to post officers all along it 24 hours a day.

People from the CBSA union, on the other hand, tell us that their results would be better if they had more resources and an expanded mandate, and if their officers could patrol between border posts. The Akwesasne representatives have told us more or less the same thing, that the situation would improve if they had more resources on the ground.

What's your opinion on that?

Could we provide them with more resources? Should we invest more money and deploy more human resources?

Mr. Benoît Dubé: It would be hard for me to express an opinion on the human resources needs of CBSA and Akwesasne. However, I can tell you that intelligence is critical. The more intelligence we have, the greater our impact. Of course, when you have more resources, you can gather more intelligence. Having said that, I won't venture any further because I don't know enough about the resources those people have.

Whatever the case may be, you have to acquire more intelligence and attack the subjects, the perpetrators, in order to have an impact on the ground and seize those weapons. You have to cut the supply. You know how the situation looks when supply exceeds demand.

In short, I'd say intelligence is the key to all that.

Ms. Kristina Michaud: On that point, you discussed your cooperation with Chief Dulude. Is the intelligence-sharing situation the same with the United States, with the New York police, for example?

Could your cooperation with them be better? Would they raise a red flag if they knew people were prowling along the border?

Mr. Benoît Dubé: We've really established a relationship with the U.S. Department of Homeland Security in recent months. We've deployed Sûreté du Québec resources to their squads to gather intelligence. We've been building that relationship for years, but we've been putting more energy into it in recent months to attack the firearms problem more effectively.

We aren't in the same position with the state police. I'm working on that with Chief Dulude and the Ontario Provincial Police to come up with better solutions.

Ms. Kristina Michaud: Please tell us about the squads that have been established in the past few years. There was the one that was created at SPVM in 2017 to combat violent crimes, the SPVM's ELTA anti-firearms squad in 2020, SQ's gangs and guns squad, also in 2020, and the joint EILTA squad in 2021, which, according to some sources, wasn't activated. The Centaur squad was launched in 2021.

Why do you think the Centaur squad will achieve better results than the other previously established squads?

[English]

The Chair: Sir, if you could do all of that in 20 seconds, that would be great. Thank you.

[Translation]

Mr. Benoît Dubé: Okay.

Operation Centaur is a strategy that includes all the units that were formerly more or less independent. The goal is to enable us to exchange intelligence more effectively. We joined together to avoid being too thin on the ground. This strategy requires new ways of doing things that can have a greater impact and allow for enhanced information sharing. That in fact is what will enable us to be more effective.

[English]

The Chair: Thank you very much.

Now I will invite Mr. MacGregor to ask his questions. He has six minutes to do it.

Sir, the floor is yours.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you, Chair.

I'll direct my questions to the Vancouver Police Department.

Staff Sergeant Rowe, in your opening remarks you mentioned the use of high-capacity magazines. In a previous meeting of our committee, Toronto Police Service reported that in a one-year period, they collected 50% more shell casings at crime scenes. Are you noticing a similar pattern in the Vancouver area?

• (1145)

S/Sgt Michael Rowe: Yes, sir, we are noticing more shots being fired. Even recently, we had a drive-by shooting of a residence. We noted that over 10 shots were fired in a very short period of time. I believe this is definitely a reflection of the access to more ammunition and high-capacity magazines. It can also be a reflection of the proliferation of fully automatic firearms as well.

Mr. Alistair MacGregor: In the mandate letter for the Minister of Public Safety there is an ask of him to require the permanent alteration of magazines so they can never hold more than the legal number of rounds—which would be five for a rifle and 10 for a handgun—and then further, ban the sale or transfer of magazines that can hold more than the legal number of rounds.

For a police officer looking at a high-capacity magazine, is it easy to tell whether a magazine has been permanently altered, especially if it looks like a large-capacity magazine?

S/Sgt Michael Rowe: The current practice to limit capacity on a magazine is that people will often insert a rivet in the back of the magazine that prevents the follower—the small piece that follows the rounds—from progressing lower and taking a higher capacity. Often we'll look for this rivet. You can often see on magazines where the capacity has been expanded that this rivet is simply drilled out. Therefore, it's not a permanent alteration. It's very easily defeated.

The other challenge is the manufacturing of these magazines using 3-D printers, or the import of these magazines from the United States, where they're legal.

I would definitely agree that the prohibition of high-capacity magazines is very important to law enforcement.

Mr. Alistair MacGregor: Yes, I wondered about that. For me, from a policy perspective, it seems it would be simpler just to ban high-capacity magazines outright so that there's never any doubt for a police officer.

Would that be something you think we should be recommending to the public safety minister?

S/Sgt Michael Rowe: Yes, I would certainly support the outright ban of high-capacity magazines.

Mr. Alistair MacGregor: Thank you.

On the question of ghost guns and the 3-D printing, from your experience, is it a specific type of 3-D printer that's needed to manufacture gun components? Are these types of 3-D printers widely available?

S/Sgt Michael Rowe: From my experience, and the education I've taken from experts in the field, we've learned that very basic 3-D printers—as I said, I think there's one on the market for about \$299—that are commonly available at regular stores, once loaded up with a certain type of filament, a certain type of plastic that goes in them, can produce a very durable, highly functioning firearm.

Mr. Alistair MacGregor: Is there any practical way, from a policy perspective, of trying to keep track of who is purchasing these 3-D printers? We don't want to go after innocent people who are using them for perfectly innocent purposes, but with the ability they have to manufacture these parts, is there a way of tracking how suspicious activity might be occurring with these 3-D printers?

S/Sgt Michael Rowe: Respectfully, sir, I would suggest that it's going to be through the regulation of firearms parts.

Each 3-D printed receiver, the component they can 3-D print, requires specific parts to turn it into a functioning firearm, such as a trigger assembly, a barrel, a slide and rails, the metal pieces that go inside it. If we're able to regulate the sale, possession and importation of these specific parts, that would allow us to more effectively target people who are putting together the 3-D printed receivers into the functioning guns.

Mr. Alistair MacGregor: Thank you for that.

Switching it up a bit, you've talked a lot about your proactive and reactive measures with respect to gangs in the Vancouver area. I live on Vancouver Island, so I'm very cognizant of the news we hear out of our largest port in Canada.

Can you talk to me a little about what your efforts have been like in high schools and reaching out to youth who are more in danger of falling into gang life?

S/Sgt Michael Rowe: We support a number of programs. Our gang crime units have programs. Some are sports-based, such as our "Gang Tackle" program, which is centred around football. We also have a supportive program in the community called "Her Time", which focuses on women and young girls who become involved in gangs.

We also have a very talented and very dedicated group of officers who work in our youth sections. They're very good at creating programs that engage youth and bring them into positive contact with police, which hopefully creates a relationship where they have somebody to turn to should a circumstance in their life come around where they're starting to be drawn into gangs or drawn into this type of criminality.

● (1150)

Mr. Alistair MacGregor: Thank you. I'll conclude there.

The Chair: Thank you very much.

Colleagues, we have 10 minutes left in the hour. A quick calculation tells me that we can have a representative from each party speak in the second round, but instead of the full allotment, it will be something less. I'll be as fair as I can be.

Mr. Doherty, the floor is yours. Let's say that you have four minutes.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Thank you, Chair.

Staff Sergeant Rowe, I come from an aviation background. I worked extensively on border perimeter, security measures and inter-agency work with CLEU. When you were talking about these ghost guns and 3-D printed firearms, it really struck a nerve with me. Are they able to avoid detection in the current screening measures at airports and border entry points?

S/Sgt Michael Rowe: Sir, it's my understanding that right now a lot of ghost guns still require metal components to make them function. The rails and typically the barrels, the slide and the trigger assembly are still made of metal. I know there are advancements right now for full polymer firearms, but currently there are still metal components that would make them detectable to traditional X-rays or metal detectors.

Mr. Todd Doherty: I'm from Prince George. I'm the member of Parliament for Cariboo—Prince George. You spoke extensively about the increasing gang wars that we have in the Lower Mainland, but we've seen that proliferation of gang violence and illicit crime and opioids up in our neck of the woods too, whether it's first nations gangs or some of the Indo or Asian gangs or other organized crime units or groups into the north.

Do you work extensively with that? Do you see any correlation between the importation of opioids and the illegal trafficking of weapons?

S/Sgt Michael Rowe: Yes, certainly, sir, there's a correlation there that I don't think can be disputed, especially as the manufacturing or sale of fentanyl produces an extremely lucrative drug market. That lucrative drug market typically invites conflict that will then result in gang violence. I know that from the Lower Mainland to the north, northern industries produce very attractive markets for drug trafficking, which causes a lot of the groups involved in our Lower Mainland gang complex to then migrate north in order to take advantage of those lucrative drug markets.

Mr. Todd Doherty: I did some work up in Fort McMurray early on in the 1990s. I worked with the inter-agencies. I was staggered to learn about the amount of drugs that were going in and out of the camps up there. It was quite shocking.

We have a huge problem with recidivism in my riding, specifically in Williams Lake and Prince George, where it seems that 90% of the crimes are committed by the same people. We can't seem to keep them off the streets and we can't keep illegal weapons out of their hands. What can we do at the ground level, the municipal level, and how can we help end the violence and keep these guys off the streets?

S/Sgt Michael Rowe: From a municipal policing level, it would be increasing funding, especially when it comes to firearms, and being able to provide funding to put together local municipal firearms enforcement teams. I believe there's more work than our provincial and federal firearms enforcement teams have the capacity for.

The funding to provide local municipalities—whether it's municipal RCMP detachments or municipal departments such as Vancouver—with a dedicated firearms enforcement capacity would go a long way to being able to make more arrests and lay more charges, but also get more firearms off the street.

Mr. Todd Doherty: I want to finish by saying thank you to all the officers here for their service. I know that the work you do very often goes unthanked. All of us appreciate the service that you provide, so thank you.

I think that's the end of my time, Mr. Chair.

● (1155)

The Chair: Yes, perfect. Thank you very much.

I'll now invite Mr. Noormohamed to take the floor.

You have four minutes, sir.

Mr. Taleeb Noormohamed (Vancouver Granville, Lib.): Thanks very much, Mr. Chair.

Just to echo my colleagues, thank you very much to all of you for coming. It's important to have your voices in this conversation.

I'd like to start with you, Staff Sergeant Rowe. First of all, thank you for all that you and the VPD do. It's great having you in my constituency of Vancouver Granville.

You talked about the ability of people to make firearms on their own. I have to say that I was at the Best Buy just behind VPD head-

quarters, and you can buy exactly that machine you were talking about right there. So I wonder, listening to this, when you think about where these weapons are really coming from and where we should be focusing our effort....

Would you say, first off, that it is primarily a concern about domestic weapons, domestically manufactured and domestically trafficked weapons, or is it really a border issue? I'd love to hear your perspective on that.

Then I have another question for you around the manufacturing of these weapons and what we might do.

S/Sgt Michael Rowe: Sir, not to split the difference, but I believe it's an equal problem on both sides. Firearms, especially handguns, are being brought in from the United States. These handguns are not being used for any lawful purpose. They're being used to commit violence.

We definitely need to work with our partners at CBSA and the RCMP border integrity teams in order to be able to combat those illegal importations and make sure that domestic firearms are secured and domestic firearms are not falling into the hands of the criminal element through theft or the use of straw purchasers. A straw purchaser is someone who has a lawful firearms licence, who is able to lawfully purchase firearms, but who is being used by the criminal element to go out and purchase non-restricted firearms, which are then entering into the criminal groups through that kind of lawful means.

Mr. Taleeb Noormohamed: I know we don't have much time, but I'd love to dig into the question you raised around the regulation of parts that are required to manufacture weapons. Can you talk a little bit about what you would like to see? In an ideal world, how would this roll out? What would be some of the recommendations you would have around this? This is uncharted territory and I think it's something that we need to get our heads around very quickly.

S/Sgt Michael Rowe: Yes, I'd like to see the regulation of the purchase of parts. As I said, we had a target recently who purchased 50 Glock slides and barrels. I would be hard pressed to find a lawful reason for a legal gun owner or gun enthusiast to possess 50 Glock slides and barrels. It's simply not a consumable part that you wear out that quickly.

It's the same thing with trigger assemblies. Definitely, I see there's a need for gun enthusiasts and lawful gun owners to be able to replace and upgrade their trigger assemblies, but when these are being purchased en masse or in bulk, being imported or being possessed in bulk, I believe it's definitely an indicator of firearms manufacturing.

I would like to see some type of regulation into the purchase, importation and possession of key firearms parts that are being used to manufacture ghost guns.

Mr. Taleeb Noormohamed: Fantastic.

I suspect I'm running out of time, but I'll say one more thing very quickly. If you would be willing—and your colleagues as well—to provide us any additional recommendations in writing around this or what you might like to see in terms of legislation, it would be very helpful to us. Recommendations like these are super helpful to us. I'll leave that invitation open to you and to your colleagues, sir.

Again, thank you all for your service, and thank you for what you are doing to keep our communities safe.

S/Sgt Michael Rowe: Thank you.

The Chair: Thank you very much.

Now I will invite Ms. Michaud to take full advantage of her two minutes.

The floor is yours.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

I have another question for Mr. Dubé.

Mr. Dubé, guns have become a serious problem, particularly in Montreal, or at least greater Montreal. In 2021, the Deputy Premier of Quebec, Geneviève Guilbault, announced Operation Centaur, with funding of \$90 million. A \$52-million violence prevention plan was announced afterwards.

There is of course federal funding in all of that, but the fact remains that Quebec seems to be a little more proactive than the federal government in combatting crime involving firearms.

Since it's the federal government that controls the borders, do you believe that it could introduce legislative changes for gun controls? Do you think it could have been somewhat more proactive in this area?

Mr. Benoît Dubé: That's a good question, Ms. Michaud.

As Mr. Rowe pointed out, legislative changes to control the importation of firearms at the border and of firearms parts via Canada Post, would help us in our work.

Currently, the act does not allow us to search or seize firearms parts at Canada Post. To be sure, these legislative changes might help us be even more proactive with respect to the matter of firearms manufacturing and the movement of parts.

A firearms part on its own is legal. It's only when parts are assembled that the weapon becomes illegal. As Mr. Rowe said, that's when it becomes a serious problem for us. It's difficult for us to conduct investigations when weapons leave the United States disassembled and arrive in Quebec assembled.

• (1200)

Ms. Kristina Michaud: Thank you very much.

I'd like to ask one last question.

Briefly, Mr. Dubé, there are many options and it's possible to take action on several fronts at the same time, but if you were to suggest to the government the single top priority to combat firearms trafficking, what would it be?

[*English*]

The Chair: You have 10 seconds, please.

[*Translation*]

Mr. Benoît Dubé: As I was saying, most of the weapons linked to crimes committed with firearms that we seize in Quebec come from the United States. We need to focus our efforts on the borders between the United States and Canada.

[*English*]

The Chair: Thank you very much.

Mr. MacGregor, you will close out this panel and this portion, and you have two minutes to do it. Thanks very much.

The floor is yours.

Mr. Alistair MacGregor: Thank you, Chair.

Staff Sergeant Rowe, I'll continue with you for the two minutes.

We have heard repeated testimony during this study about the intricate links between the drug trade and the firearms trade. I know that in Vancouver and British Columbia we have served as the epicentre for the ongoing opioid crisis. We know that the introduction of substances like fentanyl and carfentanil has increased the toxicity of the drug supply. They are far more addictive and are able to be smuggled in relatively smaller amounts because of their potency.

In the time I have remaining, can you talk a bit about the last six years, what the introduction of carfentanil and fentanyl has done to the drug trade and how that has impacted gang activity in the entire region?

S/Sgt Michael Rowe: Yes. The introduction of fentanyl into the drug trade and the popularity of fentanyl have changed significantly how we see controlled substances imported into Canada, how the precursors for them are imported into Canada, the sale of these controlled substances on the street and the profitability.

The profitability has increased significantly. It's my belief that where there are significant opportunities to make a profit, that's also where you see the violence increase as well, as people compete for that market. I do believe there is a direct link.

With the proliferation of firearms right now into our criminal element, we often will be executing search warrants for drug offences and often will find firearms. A couple of weeks ago, we were executing search warrants for a place being used to traffic fentanyl, and we ended up discovering multiple firearms in those premises. There is certainly a link between the two, and there is certainly a link between the profitability the current drug market provides and the amount of gun violence we're seeing.

The Chair: Thank you very much, Mr. Rowe.

Thank you to all of the witnesses over the last hour, who have shared a lot of experience, insight and wisdom with us. We are very appreciative of your contributions.

Colleagues, we will suspend for about five minutes in order to facilitate the change of panels, and then we will resume the meeting.

We will have a five-minute break. We'll see you in a bit.

• (1200) _____ (Pause) _____

• (1210)

The Chair: Welcome back, everybody. I call the meeting back to order.

In this second hour, by video conference, we have as individuals Solomon Friedman, criminal defence lawyer; and Michael Spratt, partner, AGP criminal and appeal lawyers. From Statistics Canada, we have Jeff Latimer, director general, health, justice, diversity and populations; and Lucie Léonard, director of the Canadian Centre for Justice and Community Safety Statistics. They will have up to five minutes for their opening remarks.

Welcome to you all.

I now invite Mr. Friedman to make his opening statement.

The floor is yours, sir.

• (1215)

Mr. Solomon Friedman (Criminal Defence Lawyer, As an Individual): Thank you.

Good afternoon, Mr. Chair and members of the committee. Thank you for inviting me to address you today. It's always a pleasure to appear before this committee and support your work. This is particularly the case in regard to the important study before you on gun control and illegal arms trafficking.

As some of you may know, I am a criminal defence counsel in Ottawa. Aside from being a certified specialist in criminal law by the Law Society of Ontario, I've also developed an expertise in firearms law. I'm the co-author of the only text in Canada on the subject, *Annotated Firearms Act*. I've researched, litigated and spoken widely on the subject.

My law practice also involves defending otherwise law-abiding firearms owners who are caught up in the criminal justice system as a result of our complex, ever-evolving and difficult-to-predict system of firearms regulation in Canada.

There are three general points that I would ask you to consider as you engage in your important work.

First, any approach to tackling gang violence must employ a holistic approach. If you are focusing on the implement of choice at the time of the offence, the problem has long passed you by. Consider instead the difficult and complex questions: Why did this young person end up where they did? What paths have been foreclosed to them? What do we as a society need to do to ensure that criminality is not a more attractive option than a pro-social life? These are not easy questions. They involve matters of discrimina-

tion, marginalization, mental health, substance abuse and others. Do not be distracted by the barrel at the time of the offence and lose focus on the big picture. In my view, band-aid solutions and political proclamations are no substitute for evidence-based policy.

Second, ensure that the decisions you are making are based not only on good evidence but on a good interpretation of that evidence. One example that comes to mind is the oft-cited claim that 70% of traceable crime guns have a domestic origin. This statistic is a good example of a number that is true, false and misleading all at the same time. For starters, this counts only those [*Technical difficulty—Editor*] traceable. It is therefore by definition a number that will skew towards domestic firearms, as these are much easier to trace. It doesn't count firearms with obliterated serial numbers or foreign firearms that cannot be traced.

Next, the definition of "crime gun" further self-selects and obscures our focus. "Crime gun" generally refers to firearms—including, by the way, pellet guns and replica firearms—seized by police in the course of their duties. This includes both offence- and public safety-related seizures. That definition does not differentiate between a handgun used in a gang shooting and a hundred non-restricted, safely stored firearms that are seized from an elderly gun collector who is the subject of a police wellness check because his daughter has not heard from him in days.

You can see now why that 70% number may be true on its face but is really irrelevant to the pressing matters before this committee, including the source of firearms used in gang homicides.

My third point is this. Canada is in woeful need of a top-to-bottom rethink of how we classify [*Technical difficulty—Editor*] firearms. Two things, in my view, are urgently required. We need a classification system that is evidence-based, one that classifies firearms by function and not by appearance. A wooden stock versus a black plastic stock should not be the basis for a legal classification. Our current system, which layers order in council upon order in council, is not only irrational but also widely seen as unfair and unpredictable.

Most importantly, we need a legal framework that distinguishes between what the Supreme Court has called the regulatory end of the spectrum and the true crime end of the spectrum. Right now all firearms offences are Criminal Code offences. The rural Manitoban who leaves her rifle in her locked hunting cabinet without a trigger lock on it and the gang member with a handgun tucked in his waistband are subject to the same legal regime.

A free-standing regulatory scheme for non-violent firearms offences is long overdue. It would ensure that the criminal sanction is only applied to the morally blameworthy. It would unclench our overburdened criminal courts, and it would go a long way to restoring the confidence of over two million licensed, law-abiding firearms owners in the wisdom and good sense of their legislators.

These are not easy questions, and like so many difficult issues, I would urge you to examine the evidence dispassionately and make decisions and recommendations on the basis not of politics but of good legal policy.

Thank you very much for your time. I look forward to answering any questions that you may have.

The Chair: Thank you very much.

I would now like to turn to Mr. Spratt and invite him to give his opening comments for up to five minutes.

Sir, the floor is yours.

• (1220)

Mr. Michael Spratt (Partner, Abergel Goldstein & Partners LLP, As an Individual): Thank you very much, Mr. Chair, and good afternoon. Thank you to all members of the committee for inviting me to address you today.

By way of a brief background, I'm a partner at Abergel Goldstein & Partners here in Ottawa, and I've been practising almost exclusively criminal law since 2005. Like Mr. Friedman, I'm a certified specialist by the Law Society of Ontario. I've represented scores of people accused of firearm offences. Some of my clients were factually innocent, some have been found not guilty, some have pleaded guilty and some were convicted after trial. Almost all of them were racialized or suffered from addiction or mental health issues or were struggling in poverty.

Before I talk about my experience and some solutions, I want to take a step back and look at some of the data. I'm very pleased that there's been an amendment and some experts from Statistics Canada are here. It cuts down what I was going to say on this point, because historically we are living in one of the safest periods in Canadian history. Crime rates, including serious crime and violent crime, have been trending down decade after decade. While it's true that there has been a recent increase in firearms-related offences, the use of firearms in homicides has remained fairly stable for the last 20 years and is dramatically lower than it has been since the mid-1970s. It looks like there was actually a decrease of almost 10% in gang-related homicides in 2020.

The statistics—I'm certainly not an expert here but it reflects what I'm seeing in court—don't necessarily back up the premise that there's a rash of new firearm offences in Canada. Having said that, statistics are cold comfort to individuals who are directly impacted by these offences, and reasonable people may disagree about the scope of the problem. I think we can all agree that one violent firearms offence is one firearms offence too many.

Having said that, I can tell you what some of the solutions are not. We can cross them off your list. One tired solution, dragged out by politicians after high-profile firearms incidents, is stricter bail. Toronto's mayor, John Tory, claimed that people were getting out

on bail 20 minutes after they were arrested for a gun crime, and Doug Ford jumped on that bandwagon as well, saying that many criminals convicted of gun crimes are back out on the streets the very next day.

To put it bluntly, Tory and Ford are lying. That's not true and it's not backed up by any data. Without ripping up the Charter of Rights and Freedoms, bail for firearm offences cannot be made any tougher. Already in firearm cases the onus at bail hearing is reversed so that accused individuals who are presumed innocent have to justify their release. Conditions imposed upon release are strict, the police monitor those conditions, and prosecutors never consent or agree to the release of people charged with firearm offences unless, as we've seen recently, those accused people are police officers.

Stricter bail is not the answer, and neither are minimum sentences or harsher sentences, as has been suggested by former Conservative leader Erin O'Toole and Ottawa's mayor, Jim Watson. Remember, the Supreme Court of Canada ruled mandatory minimum punishments in the firearm context unconstitutional, and we've seen them struck down in a variety of offences across the country.

Even if mandatory minimum penalties were available—so you invoke the notwithstanding clause or recommended that—the evidence is clear that they don't work. They don't deter crime. They don't increase public safety. In fact, it seems that they might actually increase recidivism and they disproportionately affect so many historically marginalized and disadvantaged groups. They're also incredibly expensive.

Real solutions are more complex and are going to carry, unfortunately for you guys, a political cost. One of the big solutions is changing how we deal with drug laws in Canada. Almost all of the firearms offences that I've seen are connected in some way to drug crimes. It's the system of drug enforcement and prosecution that we have in Canada, making narcotics illegal, that fuels the use of guns. Guns follow profit. A system of legalization and safe supply would cure many ills, and one of them is that it would help with gun offences.

Also—and I hope I get to talk about this a bit more—we need to make sure that rehabilitation and reintegration is available for anyone who wants it. I had a young client recently who was found guilty of gun offences, and we had to beg and jump through hoops to get the programming he needs.

• (1225)

Lastly, in the two seconds I have, I'll say that one good way to reduce gun violence is to limit the availability of handguns. That is not a delegation of responsibility to municipalities. That is making the hard political choice and banning handguns. That's hard, and these solutions are hard, but I urge you to consider them.

The Chair: Thank you very much.

I'm sure there will be further questions and you'll have a chance to elaborate.

Mr. Latimer, you have the floor, for up to five minutes, for your opening remarks.

Mr. Jeff Latimer (Director General, Health, Justice, Diversity and Populations, Statistics Canada): Thank you very much, honourable chair and members of the committee.

I'd like to first thank you for the opportunity to present our most recent statistics on firearm-related violent crime. It's always a privilege as a public servant to be able to attend these sessions.

The information I will be providing to you today is based on two surveys within Statistics Canada: the uniform crime reporting survey, which collects information on all crimes reported to police; and the homicide survey, which collects more detailed information specifically related to infanticide, manslaughter, and first- and second-degree murder.

I will be focusing primarily on 2020, which is the most recent data available. As a context, following the remarks of one of my co-panellists, I would like to explain that in the first year of the pandemic, in 2020, all police-reported crime, including violent crime, decreased for the first time in five years. Previous to the pandemic, we had seen five year-over-year increases in crime.

Before discussing crimes involving firearms, I would like to note that my remarks will exclude Quebec. Unfortunately, given technical issues with Quebec's firearm data, we are unable to include it in our national figures.

In 2020, violent crime involving firearms accounted for less than 3% of police-reported violent crime. However, in the previous five years before the pandemic, the rate of firearm-related crime had been increasing year over year. In 2020, there were 8,344 victims of violent crimes involving firearms, again, excluding Quebec. The rate per a population of 100,000 in 2020 was similar to 2019.

In urban areas, firearm-related violent crime primarily involves handguns, while in rural areas, the firearm used most commonly is a rifle or a shotgun. In some major urban centres, handguns were used in the vast majority of firearm-related crimes, including Toronto at 86%, Windsor at 80%, and Ottawa and Barrie both at 78%.

I would like to provide some information very specific to homicides and the use of firearms. The national homicide rate increased for a second consecutive year in 2020, marking the highest rate since 2005. Police reported 743 homicides in 2020, 56 more than in 2019. Of these 743 homicides, 37%, or 277, were committed with a firearm. This is a slight increase compared to 2019.

The rate of homicides involving firearms has generally been increasing over the last eight years. Handguns continue to be the most used firearm, with about half of all homicides committed with a handgun. Gangs were involved in 39% of homicides involving firearms in 2020. This is the lowest proportion since 2015. However, firearms are used in the vast majority of gang-related homicides, and most often it is a handgun.

In closing, Statistics Canada recognizes there are still significant information gaps in the national data, including the source of the firearm, and we are continuing to work with our partners to identify and address these critical information needs.

Thank you very much.

The Chair: Thank you very much, Mr. Latimer.

I will invite members of the committee to pose their questions.

Up first is Mr. Van Popta, who will have six minutes.

Mr. Tako Van Popta (Langley—Aldergrove, CPC): Thank you, Mr. Chair.

Thank you to all the witnesses for being here with us today and sharing their wisdom, knowledge and experience with this committee as we seek to develop policy to keep Canadians safer.

Mr. Latimer, I'm going to turn to you first. Thank you for being here, and for the statistics you have given us.

At this committee, we've heard testimony from witnesses who've said that up to 70% of guns used in crime were domestically sourced. We've heard other witnesses say that about 85% of guns used in crime were smuggled in from the United States. Could you help us understand that a bit better? Why is there such a wide variety of evidence?

• (1230)

Mr. Jeff Latimer: I would like to be able to provide you with accurate statistics on precisely that. Unfortunately, at this point in time we do not have national data. There are some substantial challenges with the way in which these data are both collected and stored in Canada. I cannot provide you with specific information at this time.

However, within the next year, we do plan and expect to be able to start collecting these data. It is taking some time.

Mr. Tako Van Popta: Okay. That's good. Thank you for that.

I'm not surprised by your answer, sir, but I should tell you that when I first learned this, I was quite surprised that Statistics Canada would not have good, reliable data on exactly this very important question, which is so important to us, so central to our trying to develop good policy.

Perhaps you could just tell us a little bit about what Statistics Canada is planning to do in the next year or so to improve our data collection.

Mr. Jeff Latimer: We have been working with multiple partners, including the Canadian Association of Chiefs of Police, Public Safety and a number of our other key stakeholders, to develop some feasibility studies, for example, on collecting the source of a firearm following the incident of a criminal event. As I said earlier, the way in which it is currently sourced and stored does not allow us to have national comparable statistics, but this year we hope to conduct a feasibility study to be able to do just that.

We're also working with the Canadian Association of Chiefs of Police and all police forces in Canada to be able to collect information on the racialized identity and indigenous identity of both accused and victim in Canada. We're making terrific progress. We've almost finished our national consultation. We hope to roll out national standards very shortly.

Mr. Tako Van Popta: Good. Thank you.

I'm going to turn to Mr. Friedman. Thank you for your evidence and for being here today.

I'm going to put the same question to you. We're hearing this wide variety of evidence. One witness said it's 70% domestically sourced. Another witness said it's 86% foreign-sourced. I suspect that this goes to conflicting definitions of what is a crime gun.

Perhaps you could expand on that a bit.

Mr. Solomon Friedman: Sure.

It's good to hear that Statistics Canada recognizes that this is a problem because, of course, it's impossible to make good policy without good data.

Once again, police services seize firearms for a wide variety of reasons. They are all perfectly legitimate. They could collect a firearm at a crime scene or they could have a noise complaint, go in and investigate it. I gave an example of an elderly gun collector who might be losing his faculties and shouldn't possess those firearms anymore. They seize them and take them back to the detachment. Those are both absolutely valid exercises of the seizure powers given at different places within the Criminal Code.

When it comes to making policy, those guns are not the same. One firearm may never have been involved in a violent confrontation; the other might have been, but they are all lumped in together.

I think what is really important is that, number one, Statistics Canada needs to take the lead on this. We have really anecdotal evidence coming from individual police services. I'll give you an example. I did a murder trial by firearm, in which the Crown at one point in the proceedings actually pulled statistics from the Ottawa Police Service about the seizure of crime guns and the proliferation of crime guns in Ottawa. These are statistics that are being collected locally by police services. They do not use consistent definitions from service to service. For example, when I inquired into the definition of a crime gun, I got an answer from the Toronto Police Service that was different from that of the Ottawa Police Service.

We need consistent definitions. Of course, there's no entity better positioned to do that than Statistics Canada.

Mr. Tako Van Popta: I don't know how much time I have left, Mr. Latimer, but I'm just going to put it right back to you to talk about a good workable definition of what a crime gun is, so that we're all talking about the same thing.

Mr. Jeff Latimer: Yes, that was an excellent comment from my colleague.

We have been working on the definitions of both what would constitute a shooting and what would constitute a crime gun. We are making tremendous progress, and we're hoping to start rolling that out very shortly across this country. I think we will be addressing the comments that were raised by my co-panellist.

● (1235)

Mr. Tako Van Popta: Good. Thanks very much.

Mr. Chair, do I have any time left?

The Chair: You have 25 seconds, Mr. Van Popta.

Mr. Tako Van Popta: I'll just go very quickly, in that short period of time, to Mr. Spratt.

Thank you for being here. You're advocating a ban on handguns, but we understand that most handguns that are used in crime are smuggled in from the United States and are illegally possessed by the person committing the crime. Do you have any comments on that?

Mr. Michael Spratt: Of course, nothing is a panacea, and nothing is going to fix the problem in and of itself, but we do see legal handguns being used. Domestic violence and domestic homicides often involve legal handguns, and those are a large problem in terms of the number of homicides we see.

The Chair: Thank you.

Mr. Michael Spratt: Nothing is a panacea, but a total ban would be better than a diffuse divesting of that responsibility to the municipalities, which would result in a patchwork across Canada.

The Chair: Thank you very much, Mr. Spratt.

I will now turn to Mr. McKinnon.

You have six minutes of questioning, sir. Take it away.

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Chair.

I'd like to start with Mr. Spratt.

First of all, it's always good to see you. It has been some years. I used to see you testify before the justice committee many times.

I'd like to propose to you that there seem to me to be a number of different categories of violence involving firearms. First, there's the violence involving people engaged in criminal enterprises, part and parcel of doing business as a criminal enterprise; second, domestic violence; and third, ideological and extremist sorts of activities.

Would you agree with those categories? If so, would you suggest that there are different requirements for controlling firearms access in these different circumstances?

Mr. Michael Spratt: I think so. Each situation is unique and, of course, any violence with a firearm or a handgun creates harm. Even merely possessing it and never discharging it as part of a criminal enterprise can create harm. Those individuals are all in different places, whether it be poverty or domestic violence issues or mental health issues that drive the offence.

Different regulations, recognizing the different circumstances of the potential offender and the offence, are important. However, solutions that occur after a firearm is used come, by definition, too late for the individuals impacted by that firearm. We can do a better job of getting ahead of those problems in each of those different categories.

Mr. Ron McKinnon: Can you suggest different means of controlling access to firearms, perhaps in advance, as you say, in respect to these different categories of offences?

Mr. Michael Spratt: In all fairness, Mr. Friedman might be more of an expert on this issue, but certainly control of sales, how one possesses a gun and who can legally possess a gun, is important.

Of course, there are better people to speak to border controls and the like, but certainly it is always better not to have any sugar at all in the gas can, so to speak, than to try to take the sugar out of the gas once it has been added.

Mr. Ron McKinnon: Thank you, Mr. Spratt. I'll take your invitation and move over to Mr. Friedman.

Mr. Friedman, if you'd like to comment on those previous questions, feel free to do so, but I'm also interested in... I take your point that a revamping of the firearms regulations from the ground up would be a good thing. Absent that, I understand there are problems right now with the purchasing of parts that are not necessarily restricted by current regulations. I wonder whether the regulations, to the extent that they continue, need to be modified to address that problem.

Mr. Solomon Friedman: I'll just briefly overlap with what Mr. Spratt was saying in terms of access to firearms.

It's important to remember that in order to legally possess a restricted firearm—and handguns are largely restricted; some are prohibited, most restricted—you need to, of course, pass significant scrutiny, including a background check and references check. In fact, your name is run daily through a database, the FIP database, which will show flags for mental health, criminality, domestic abuse and so on. Therefore, there are very strong controls right now in terms of who can legally possess a firearm.

The trouble with handguns—and this is where we get some other conflicting statistics—is that there's a statistic from the PWEU, the

provincial weapons enforcement unit, Ontario's joint firearms task force, which found in 2018 that 77% of handguns used in offences came from the United States, therefore, of course, completely by-passing any regulatory regime.

You asked about the regulation part. That's a really interesting question—at least it's interesting when you're a law nerd like Mr. Spratt and I are—because the definition of “firearm”—in other words, what is a firearm—obviously originates in the Criminal Code, but most of the heavy lifting is done, as it often is, by our courts. We have case law upon case law on that question, the very question that should be an important one for firearms regulators, which is, when does a piece of metal become a gun? When does a collection of parts become a firearm, and at what stage are these pieces regulated?

Generally speaking, you have some interpretations taken by CBA and the RCMP for enforcement purposes, but no real clear answer in the legislation. Whether it's this committee or justice, I think that's something that needs to be looked at in terms of coming up with a definition to what should be a simple question: When does an object become a firearm?

It's not a simple question, but it's one that absolutely has to be examined in the context of the code and the Firearms Act regulations.

• (1240)

Mr. Ron McKinnon: I have 40 seconds left.

In the current regulations, it is legal to buy parts for a firearm that are not themselves a firearm yet. Can you buy the parts without having a firearms licence?

Mr. Solomon Friedman: What you can't buy is the receiver. The receiver is the essential part of the firearm. It's sometimes also called the action. You could purchase the barrel, trigger or components, etc. The real problem is not about buying those other parts, because they are useless without a receiver. The issue is a partially finished receiver that, up to a certain point, is simply a block of aluminum before it becomes a firearm.

That issue needs to be addressed to ensure that only licensed, background-checked and pre-screened individuals have the ability to possess not only completed firearms, but also potential firearms in whatever form.

The Chair: Thank you very much, Mr. Friedman.

Mr. Ron McKinnon: Thank you, Mr. Friedman.

The Chair: I will now turn to Ms. Michaud, who will have six minutes to pose her questions.

The floor is yours, Ms. Michaud.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

I'd like to thank the witnesses for being here with us today and welcome them to the committee. We are grateful for their expertise in the subject.

Mr. Friedman, I found your comments about the definition of a firearm extremely interesting, and about when an item becomes a firearm. Am I wrong in saying that you are not generally in favour of more legislation or regulations?

Would it be preferable to provide a better definition of firearms right in the Criminal Code rather than establishing a list of banned weapons?

We could, for example, define what a military-style firearm is, and everything pertaining to firearms. Even if we were to draw up a list of banned weapons, similar weapons would remain on the market without being placed on the list.

Would it not be more productive to have more clearly defined firearms and to legislate accordingly?

[*English*]

Mr. Solomon Friedman: Was that question for me?

[*Translation*]

Ms. Kristina Michaud: Yes, Mr. Friedman.

[*English*]

Mr. Solomon Friedman: Wonderful. That's a great question. So, [*Technical difficulty—Editor*]. Any time you want to solve a legal problem, you have to look at how we ended up here.

Essentially, we ended up here with the passage of the original Firearms Act in 1992, which delineated what were non-restricted, restricted and prohibited firearms. Then, instead of coming back for further legislation—which meant unpleasant things like political debate in the House of Commons about firearms classifications—successive governments, both Liberal and Conservative, used the Governor in Council tool to enact regulations, which would either add firearms to that list or remove firearms from that list.

My point here is that it really doesn't matter if you want stricter gun control or looser gun control. What you need is an open and transparent policy debate about it. You can only do that, in my respectful view, in Parliament. It doesn't advance rational policy-making to be simply saying that this year we added 1,500 guns to the list and the next government is going to take 800 guns off the list. My proposal is that, instead, you classify firearms based on their inherent danger, their use and other evidence-based criteria.

You are exactly right, Madam Vice-Chair. As of today, sitting here in 2022, you can take two firearms and line them up side by side. They will shoot the exact same calibre round at the exact same rate of fire with a similar firing mechanism. One of them is prohibited and formerly subject to a host of mandatory minimum sentences, like imprisonment for four-plus years. The other is non-restricted. It can be owned by any licensed individual and used not only for target shooting, but also anywhere it's legal to discharge a firearm, including for hunting purposes.

The legitimacy of that type of system is pretty difficult to justify to firearms owners who say that the gun they bought a week ago is prohibited today, but it's no different from the gun sitting next to it in the safe, which is non-restricted.

If you want confidence in your firearms regulation scheme, you have to start with rational, evidence-based policy. To do that, we need a rethink of how the Firearms Act classifies firearms.

• (1245)

[*Translation*]

Ms. Kristina Michaud: That's interesting. Thank you.

You have said that new legislative changes or regulations would not lead to enhanced control over illegal firearms trafficking and that it would be better to introduce additional measures at the border. The border between Canada and the United States is 8,890 kilometres long. The Canada Border Services Agency and the police would tell us that it is rather difficult to maintain a 24-7 human presence over 8,890 kilometres .

How can we prevent more weapons from entering the country?

I find it hard to believe that there are no technological means that could be used, drones for example.

Could you tell us a bit more about that?

What can be done to increase resources at the border?

[*English*]

Mr. Solomon Friedman: I'm not an expert on border controls. I defend those charged with firearms importation offences. You're right that it's a very difficult problem. One of the benefits that we have of having a generally friendly southern neighbour and having enormous amounts of cross-border trade and transportation is that it may [*Technical difficulty—Editor*] potential. Just as drugs enter this country illegally every day, firearms do as well.

Enforcement is obviously important in terms of protecting our borders, but we really need to look at the root causes of crime. These handguns are ending up in the hands of people who have decided—I use that word loosely—to engage in criminal behaviour. They've decided that the profit to be made in drug trafficking, and protecting that drug trafficking, is bigger than the potential they see in participating in a pro-social way in Canadian society. That's an enormous problem.

It's a really difficult problem, and it's one that is never going to be solved by more police officers on the street or by more border guards at the border. It is solved by the type of social development policy issues that are far beyond my ken but that I know are key to addressing the causes of gun crime, as opposed to simply its symptoms.

[Translation]

Ms. Kristina Michaud: Thank you, Mr. Friedman.

Mr. Chair, I know that I don't have much time left, but I'd like Mr. Spratt to give me his thoughts on the same question.

According to you, Mr. Spratt, what can we do more directly at the border crossings? What can the federal government do? Is it a matter of more funding or the deployment of more resources?

[English]

The Chair: We're out of time. I'm sorry about that. It is just what the clock says.

I'll move now to Mr. MacGregor.

You have six minutes, sir. The floor is yours.

Mr. Alistair MacGregor: Thank you so much, Chair.

I'll start with Mr. Spratt.

It's good to see you again. Thank you very much for coming before our committee and providing your analysis on this particular subject.

I was very curious. You have all of this experience representing clients, some of whom have been involved in alleged firearms crimes. Of course, you are aware of the debate we've been having in Parliament on repealing mandatory minimums. In your experience, when one of your clients was involved in an alleged crime, whether it was proven or not, did they ever think about the specific provisions in the Criminal Code to sway them or deter them from committing the crime? Does thinking of mandatory minimum sentences actually figure prominently in people's motivation to commit or not to commit a crime?

Mr. Michael Spratt: No, not for these types of offences, and that's borne out by the criminological evidence. If you're acting out of desperation, out of poverty, or if you just don't give a damn, the minimum sentences or the length of a sentence doesn't deter crime.

Where they might is when you have people engaged in complex cost-benefit analysis, but we hardly ever see anyone propose minimum sentences for large corporate crimes or greed in corporations. It might have an impact there, but certainly not in these types of offences.

• (1250)

Mr. Alistair MacGregor: Can you expand a little bit more, in about a minute, on the link between mandatory minimums and an increase in recidivism?

Mr. Michael Spratt: Yes. When you have someone who is detained for a long period of time without programming, without access to rehabilitation, when they're cut off from their community, when opportunities are closed to them, when they are not able to make choices about accepting responsibility because doing so

would dramatically crush their future, once they are released, they are in a worse position to be rehabilitated and reintegrated. That's why we see in some cases that mandatory minimum sentences actually result in an increase in recidivism rates.

Mr. Alistair MacGregor: On the comments you made regarding how [Technical difficulty—Editor] firearms offences are almost always linked to the drug trade. We've seen that borne out in the evidence. Indeed, on the previous panel, in the first hour of this committee meeting, when I was asking a representative from the Vancouver Police Department, he stated on the record that the increased profitability associated with fentanyl in the drug system, especially in Vancouver, which is the epicentre of the opioids crisis... He noticed a direct correlation between the high profitability of that drug, increased gang activity and more firearms usage, as there is competition to control turf.

You are aware, of course, of the debate that's going on in Parliament as to whether we should have a declaration of principles in the Controlled Drugs and Substances Act. My colleague Gord Johns is advocating for decriminalization, which has also been supported by the Canadian Association of Chiefs of Police.

Do you have any thoughts you would like to share with the committee on that whole subject?

Mr. Michael Spratt: One of the most heartbreaking and hard cases I've ever dealt with was representing a young Black man who was charged with first-degree murder. He attended a house to steal some marijuana. It was one of the most tragic and heartbreaking cases I've ever seen. Around that time, I saw a number of cases dealing with marijuana and firearms. Since marijuana was legalized, I've seen zero.

I think that is an example. The legalization of drugs and the provision of safe supply will save lives, not just because of overdoses and opioid epidemics and the tragedies that we've seen because of our drug policy; it will stop those bullets from coming out of the guns.

Mr. Alistair MacGregor: I appreciate that. Thank you so much, Mr. Spratt.

Mr. Friedman, I'd like to turn to you, because I was very interested in your testimony about the classification debate that's going on. You talked about the function of a firearm versus its appearance. Do you have any suggestions for our committee on that? For example, if you look at semi-automatic rifles, some rifles, of course, can receive a high-capacity magazine, making them far more deadly, while other semi-automatic rifles cannot take that magazine. They have a strict limit on how many rounds they can take.

I'm interested, as are a lot of my constituents, in having a reasonable debate on how we classify firearms. In the minute I have left, do you have any suggestions you can give us on how that system should be reformed?

Mr. Solomon Friedman: Sure. That's a great question. It's one of the important questions that I know you're all trying to tackle here.

I'll take your example of detachable magazines. Something that's really important to remember is that almost every type of firearm, particularly semi-automatic firearms, can be modified by people with a minimum of know-how. Take a look at detachable magazines. In Canada, a centre-fire semi-automatic rifle is already limited to a five-round magazine. If you possess a magazine of 10, 15, 20 or 30 rounds, even if you don't put it in that gun, you're committing a criminal offence.

Remember, some people aren't deterred by that, so let's go to the next stage. You talked about how some firearms appear to have a base plate that cannot accept a magazine. All of those can be swapped out. You can just go online and do a little bit of googling. I happen to have a little expertise, but you don't even need much gun expertise to know that all those firearms can be adapted to accept magazines. To me—

The Chair: Thank you, Mr. Friedman. I'm sorry. I'm a prisoner of the clock. It's not always comfortable, but that's my job.

Colleagues, we will move into the second round. I'm looking at the clock. We have five or six minutes. In the interest of fairness, I think there should be one question from each party, and the question should be very tight.

Let me start with Mr. Lloyd.

• (1255)

Mr. Dane Lloyd (Sturgeon River—Parkland, CPC): Thank you, Mr. Chair. I'll keep this tight.

Mr. Friedman, the Prime Minister and the Minister of Public Safety have said on numerous occasions that their banned firearms “were designed...to kill the largest number of people in the shortest amount of time” and that they were designed for use by “soldiers to kill other soldiers”, amongst various things.

I just happen to have a copy of the Geneva Convention on conventional weapons, which Canada is a signatory to. It prohibits the employment of weapons for the purpose of causing “superfluous injury or unnecessary suffering”.

Mr. Friedman, are the Prime Minister and the Minister of Public Safety misleading Canadians on these firearms for political purposes, or is Canada indeed in violation of the Geneva Convention?

Mr. Solomon Friedman: That's an interesting question. I'll say as follows. It's unfortunate that inflammatory political rhetoric has taken the place of an informed policy debate.

I think this committee is a great example of what can happen when we actually look into the legal, regulatory and technical sides of these firearms. The statement that those guns were designed to kill the largest number of people in the shortest amount of time is false. That's borne out by the fact that we happily equip our police

officers with these firearms. We give them to them because they are efficient and reliable, and we know they operate well in all conditions.

The Prime Minister similarly said, “You don't need an AR-15 to bring down a deer.” Obviously, as someone who clearly doesn't understand both the wildlife regulations and the Firearms Act...he would know that the calibre of a bullet fired by an AR-15 is in fact considered too weak to take down a deer, and is therefore prohibited for hunting deer in virtually every province. Those are firearms that are regularly used for varmint or predator control by farmers.

I think what we need to do is take out the political rhetoric. We don't need to have an inflammatory debate. We don't need to divide people or to demonize one group over another. We need to have an evidence-based discussion on the direction in which we want to take gun policy in this country. I think that's what Canadians expect. It's what they deserve.

The Chair: Thank you very much.

Now I'll move to Mr. Zuberi.

You have two minutes. The floor is yours.

Mr. Sameer Zuberi (Pierrefonds—Dollard, Lib.): Thank you, Mr. Chair.

I would like to give my time to my colleague Mr. Noormohamed.

The Chair: Mr. Noormohamed, go ahead.

Mr. Taleeb Noormohamed: Thank you, Mr. Chair.

Thank you, Mr. Zuberi.

I'd like to use my time to move the motion I put forward earlier. That motion is as follows:

That pursuant to Standing Order 108(2), the committee undertake a study on the rise of Ideologically Motivated Violent Extremism (IMVE) in Canada; that this study include an investigation into the influence of foreign and domestic actors in funding and supporting violent extremist ideologies in Canada; that the study include the use of social media to fuel the IMVE movement; that the committee explore the impact of anonymous and foreign donations funding IMVE, including through crowdfunding sites; that the committee invite representatives from GiveSendGo to appear; that the committee further look at the role of payment processors in preventing the funding of IMVE and invite representatives from PayPal and Stripe to appear; that evidence and documentation received by the committee from upcoming appearances of representatives of GoFundMe and FINTRAC be included in this study; that this study include Canada's national security organizations and police involved in monitoring, countering and responding to IMVE threats; that the committee report its findings to the House; and that, pursuant to Standing Order 109, the government table a comprehensive response to the report.

Mr. Chair, I'm hoping we can go straight to a vote and not take up any more questioning time.

Thank you.

Mr. Dane Lloyd: I have a point of order, Mr. Chair.

I'm sorry. It's not a point of order. I'm asking for the floor, Mr. Chair.

The Chair: Yes, go ahead.

Mr. Dane Lloyd: In the interest of letting our other colleagues finish off this witness testimony, I move that we table this motion. We can talk about it later on in this meeting or at another time.

That's a dilatory motion, I believe, so it has to be voted on.

The Chair: Mr. Clerk, what is your guidance here?

The Clerk of the Committee (Mr. Wassim Bouanani): It is a dilatory motion, so we need to proceed to a vote. It's a non-amendable and non-debatable motion.

The Chair: Okay. Let's move right to a vote.

(Motion negatived: nays 7; yeas 4)

The Chair: The motion is defeated, so we will move back to the original motion.

• (1300)

Mr. Dane Lloyd: Mr. Chair...?

The Chair: Yes, sir.

Mr. Dane Lloyd: I'd like to move an amendment to the motion before we move to vote on it.

Mr. Ron McKinnon: I have a point of order, Mr. Chair.

The Chair: Yes, Mr. McKinnon.

Mr. Ron McKinnon: I believe we're at the end of this hour anyway, with this panel, so I would suggest that we thank our witnesses and release them.

The Chair: That makes sense to me. They've been very generous with their time.

With the concurrence of the committee, I will thank them and we'll move on to complete this business.

Do I have agreement to do that?

Some hon. members: Agreed.

Mr. Alistair MacGregor: Yes. Thank you to the witnesses.

The Chair: Thank you very much to the witnesses. They were very informed and very helpful.

Let's proceed.

Mr. Dane Lloyd: Thank you, Mr. Chair.

I'm adding a slight amendment, just to add and not to take anything away from the motion. I would add "that the committee invite Vivian Krause as an expert on how American money is sourced and transferred into Canada to fund political influencers".

The Chair: Okay. We would then vote on the amendment.

Ms. Damoff, you have your hand up.

Ms. Pam Damoff (Oakville North—Burlington, Lib.): I would say that we don't normally specify individuals. We're going to have an opportunity—all the parties—to put forward witnesses for this study, and I would invite the CPC to include this woman if that's who they feel is important. I know that the Liberal Party has witnesses we feel it is important to hear from as well.

I think we don't need to be this specific, so we'll be voting no on this amendment.

Mr. Dane Lloyd: Mr. Chair...?

The Chair: Go ahead, Mr. Lloyd.

Mr. Dane Lloyd: I just find it ironic that the Liberal member is saying that we don't specify, when the motion itself does specify a number of witnesses. We're just trying to follow their example by adding our own witness to their motion.

Thank you, Mr. Chair.

The Chair: Are we ready to vote on the amendment, then?

[*Translation*]

Ms. Kristina Michaud: I'd like to speak, Mr. Chair.

I have a question for Mr. Lloyd.

[*English*]

The Chair: Yes, Ms. Michaud, go ahead.

[*Translation*]

Ms. Kristina Michaud: Mr. Lloyd, could you tell us who Vivian is? I didn't hear the surname.

Who is the witness who would like to appear before the committee?

[*English*]

The Chair: Go ahead, Mr. Lloyd.

Mr. Dane Lloyd: Thank you, Mr. Chair.

I thank the member for that question.

Vivian Krause is a well-known researcher in Canada who for a number of years has been conducting research into precedents of foreign funds being funnelled into Canada for political purposes.

For the purposes of this study, I think that having an expert like her, who has been very public and whose research has been widely reported across the country...she would be a useful witness to talk about the methods by which this money is being brought into Canada—the methods that are employed and the outcomes they achieve. I think she'd be a wonderful witness.

The Chair: We have an amendment on the floor. We should vote on that now.

• (1305)

Mr. Alistair MacGregor: Chair, I have my hand up.

The Chair: Okay. Go ahead, Mr. MacGregor.

Mr. Alistair MacGregor: I disagree with this amendment. I think Mr. Lloyd is free to invite Ms. Krause if he wants to. I will just say on the record that a quick google of her name shows that a lot of what she is proposing also has been thoroughly debunked.

They're free to call her as a witness, but we specified PayPal and Stripe because the essence of the main motion is on crowdfunding, and these are companies involved in processing payments for crowdfunding sites. PayPal and Stripe process the payments for companies like GoFundMe and GiveSendGo. That's why that specificity is in there, and it's following the motion that was passed by this committee one week ago.

I'm going to vote against the amendment. Certainly, Mr. Lloyd is welcome to invite her as a witness, but I think we need to keep the main motion as is.

Thank you.

The Chair: Mr. Lloyd, you've heard the discussion. Do you want to keep your amendment on the table for a vote, or would you choose to withdraw it?

Mr. Dane Lloyd: There's no need for further debate. I guess we can just vote on the amendment.

The Chair: Mr. Clerk, record the vote, please.

(Amendment negated: nays 7; yeas 4 [*See Minutes of Proceedings*])

The Chair: Thank you.

The amendment is defeated and therefore we can go back to a vote on the main motion.

Are we ready to vote on the main motion?

Go ahead, Mr. MacGregor.

Mr. Alistair MacGregor: I appreciate Mr. Noormohamed bringing this forward.

I certainly support the main motion and I'm glad that we were able to work together to make the motion a bit more specific in some areas. Given the events over the last week, this is going to be an important study. I appreciate moving towards a vote.

Thank you, Mr. Chair.

The Chair: Let's proceed to the vote.

(Motion agreed to: yeas 11; nays 0)

The Chair: Thank you, colleagues. We will now suspend for a change of panel.

Mr. Clerk, I hope we can make this as expeditious as possible. I am very conscious of time lost for technical changes. I'm going to say we have five minutes. If we don't get it done in five minutes, I'll want to know why.

Everybody, take a short break. I'll see you in a few minutes.

• (1305) _____ (Pause) _____

• (1310)

The Chair: I call this meeting back to order.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, February 1, 2022, the committee is commencing its study of crowdfunding platforms and extremism financing.

With us today, from the Financial Transactions and Reports Analysis Centre of Canada, we have Barry MacKillop, deputy director of intelligence, and Annette Ryan, deputy director of partnership, policy and analysis.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions. Witnesses may choose to share their time with other witnesses if they wish.

Welcome to you.

I now invite Mr. MacKillop to make an opening statement of up to five minutes.

The floor is yours, sir.

• (1315)

Mr. Barry MacKillop (Deputy Director, Intelligence, Financial Transactions and Reports Analysis Centre of Canada): Thank you, Mr. Chair, for inviting us to address the committee today.

[*Translation*]

This afternoon, I would like to give a very brief presentation about the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), in connection with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, and about the invaluable role we perform to help protect the people of Canada and the Canadian economy.

FINTRAC's mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities.

[*English*]

As one of 13 federal departments and agencies that play a key role in Canada's anti-money laundering and anti-terrorist financing regime, FINTRAC was established as an administrative financial intelligence unit and not a law enforcement or investigative agency. We do not have the authority to freeze or seize funds, or cancel or delay financial transactions. This was done very deliberately by the Parliament of Canada to ensure that we would have access to the information needed to support the money-laundering and terrorist-financing investigations of Canada's police, law enforcement and national security agencies, while protecting the privacy of Canadians. As Canada's anti-money laundering and anti-terrorism financing regulator, FINTRAC is responsible for ensuring the compliance of thousands of businesses with requirements under the act, including financial entities, casinos, money service businesses, real estate and others.

I will note that crowdfunding sites are not a regulated business sector under the act. However, when these sites transit with or through businesses subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and its regulations, these financial transactions would be covered under the act.

As part of their obligations, businesses subject to the act are required to establish a compliance program, identify clients, keep records and report certain types of financial transactions to FINTRAC, including international electronic funds transfers totalling \$10,000 or more in a 24-hour period, large virtual currency transactions totalling \$10,000 or more in a 24-hour period, and suspicious transactions, which have no monetary threshold for reporting.

Compliance with the broader legislative and regulatory obligations provides important measures for deterring criminals and terrorists from operating within Canada's legitimate economy. Compliance with the legislation ensures that FINTRAC receives the information that we need to generate financial intelligence that is [Technical difficulty—Editor] enforcement and national security agencies to act upon. The reports that we receive from Canadian businesses are analyzed and assessed, and when we have reasonable grounds to suspect that financial intelligence would be relevant to investigating or prosecuting a money-laundering offence or a terrorist activity financing offence, FINTRAC generates a financial intelligence disclosure for Canada's police, law enforcement and national security agencies.

Under subsection 55(1) of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, FINTRAC is expressly prohibited from discussing any information that we receive or any financial intelligence that we disclose to Canada's police, law enforcement and national security agencies. What I can say, however, is that our financial intelligence is valued by those agencies, many of which have told us that they would not start a major project-level investigation without seeking out our financial intelligence.

Last year, we provided more than 2,000 disclosures of actionable financial intelligence in support of investigations related to money laundering, terrorist financing and threats to the security of Canada. Since becoming operational in 2001, the centre has provided more than 22,000 financial intelligence disclosures to Canada's police, law enforcement and national security agencies, as well as our international partners.

Our disclosures include financial information on an individual or a network of individuals or entities suspected to be involved in money laundering or the financing of terrorist activities. They can make links between individuals and businesses that have not been identified in an investigation and can help investigators refine the scope of their cases or shift their sights to different targets. Our financial intelligence is often used by law enforcement agencies to put together affidavits to obtain search warrants and production orders.

- (1320)

Our financial intelligence can also be used to identify proceeds of crime and advance the government's knowledge of the financial dimensions of certain crimes and threats, including organized crime and terrorism. Last year, our financial intelligence contributed to 376 major resource-intensive investigations and many hundreds of other individual investigations at the municipal, provincial and federal levels across the country, as well as international investigations—

The Chair: Thank you very much. If you have something that you think is indispensable, you have 10 seconds.

Mr. Barry MacKillop: No, sir.

[Translation]

I would now be happy to answer any questions the committee members may have.

[English]

The Chair: Yes, I'm sure you'll have lots of opportunities. Thank you.

Now we begin a round of questions. To lead off, I would invite Mr. Lloyd to use his six minutes.

Sir, the floor is yours.

Mr. Dane Lloyd: Thank you, Mr. Chair, and I want to thank the witness for attending.

I wanted to ask the witness whether there is an objective threshold that they employ to determine when something is money laundering and when something is a terrorist activity. My concern is that the word "terrorism" can be thrown around somewhat carelessly, and I just want to know what your objective standard is for what constitutes those activities.

Thank you.

Mr. Barry MacKillop: When we arrive at our threshold to suspect that a certain transaction would be relevant for a money-laundering or a terrorist activity-financing investigation, we have a number of indicators that we have developed over the years based on our intelligence.

We've also built on indicators that are published and are in existence through the FATF, the Financial Action Task Force, as well as the Egmont Group, which is a group of financial intelligence units internationally. We also have indicators that we have developed with our domestic and international partners related to money laundering.

As most of you likely know, money laundering is the result and the use of proceeds of crime. Typically, a crime is committed and we would often see transactions that are linked to predicate crimes, similar to human trafficking, for example, or drug trafficking, or child sexual exploitation material on the Internet and the purchase of that. The commission of those predicate crimes, and then the movement of money, tends to be the lead indicator for money laundering.

We have a number of indicators, and we identify those indicators when we do disclosures to assist law enforcement in understanding why we're giving them the intelligence that we are providing them.

Mr. Dane Lloyd: What about terrorism, Mr. MacKillop?

Mr. Barry MacKillop: For terrorist financing, as well, we have a number of indicators that we have developed. We have shared those indicators with our reporting entities, as well. The indicators assist our reporting entities—both on the money laundering and the terrorist activity financing side—in identifying the transactions that may be associated with those. They are specific, actionable intelligence indicators that can be used to identify suspicious transactions.

Mr. Dane Lloyd: I'm sure there's a role for legislators in creating a framework, as you said, based on the criteria that you use, but do you think it's appropriate for politicians to call on FINTRAC to investigate groups as they come up? Is that something that you have a mandate to do and that you think would be appropriate to do, or do you think that following your own mandates and guidelines is the best way to conduct your activities?

Mr. Barry MacKillop: Our mandate is, and we were set up very specifically, not to be an investigative unit. It's very important to understand that the reports we receive from our reporting entity under the PCMLTFA are warrant list reports.

For example, of the threshold reports of \$10,000 in or out of Canada, or anything above \$10,000, the vast majority that we receive are on legitimate Canadians doing legitimate business, or legitimate organizations sending money for business purposes. We have a role in protecting the privacy of that.

We are not an investigative agency; otherwise, we would not be able to receive the reports that we receive, because we provide the intelligence to law enforcement. Law enforcement will then use that as part of their investigation to develop and obtain the evidence that they need to go forward in court.

We are also set up as an independent, arm's-length agency from the government. It is part of the Financial Action Task Force requirements for an FIU to be independent of government and not to take direction, as you suggested, to investigate specific individuals or specific groups.

We have our mandate and we know what we need to do. Our reporting entities are very strong partners. The due diligence that they provide on a daily basis to monitor these transactions and to work with us to monitor the right transactions has proven to be extremely successful. The regime is set up with 13 different departments and agencies, each of which has a specific mandate, and they work together in order to enhance and to strengthen the regime in Canada, and to ensure that we have what we need to have in order to combat money laundering and terrorist activity financing.

• (1325)

Mr. Dane Lloyd: Thank you, Mr. MacKillop. I only have a minute left.

If, at some future date, our government attempted to change your mandate so that government could utilize the information that you gather, would that, in your opinion, make your organization ineffective at being able to do its job? It seems that this is what your testimony is saying. Would you consider that to be an ethical change, if it were to be proposed?

Mr. Barry MacKillop: It would be not my personal view, per se, but I think there would be.... When we were set up, we were set

up looking at the Constitution and what would be constitutionally acceptable in terms of transactions being provided to FINTRAC. The reason that we can get those transactions is that we do not blindly provide those transactions to law enforcement; we have to meet our own threshold in terms of suspecting that it may be relevant to money laundering or terrorist activity financing in order to pass that along as an intelligence disclosure to our partners.

I believe that—

The Chair: Thank you very much. I appreciate everybody's respect for the clock.

I now invite Ms. Damoff, for six minutes, for questions and conversation.

The floor is yours, Ms. Damoff.

Ms. Pam Damoff: Thank you so much, Chair.

Mr. MacKillop and Ms. Ryan, I want to thank you for coming on such short notice, and for the good work that you do at FINTRAC.

How is crowdfunding captured under your regime at FINTRAC?

Mr. Barry MacKillop: Crowdfunding itself and the crowdfunding platforms themselves are not, in fact, reporting entities to FINTRAC. They are not captured within the regime.

There was mention earlier about the payment processors, which process the payments, so something like Stripe or PayPal. When they are doing MSB-type activities—and some of these payment processors do have MSB activities, money services business activities they participate in—they are subject to our legislation and they're subject to being registered as a money services business, and therefore subject to the compliance program within the PCMLTFA. Crowdfunding, however, is not.

Ms. Pam Damoff: When you're dealing with entities like GoFundMe, GiveSendGo, or anyone who is accepting money in another country, whether it's the United States or other countries, do you have information sharing? How does that work with other countries? Obviously, you're only monitoring financial transactions in Canada. Is that right?

Mr. Barry MacKillop: To clarify, we don't actually monitor the transactions. Our reporting entities monitor the transactions.

Ms. Pam Damoff: Sorry, that's right.

Mr. Barry MacKillop: Crowdfunding platforms themselves are not covered in the U.S., for example, under FinCEN. However, anybody who's donating to a GoFundMe page, for example, would donate through a payment processor, which means they would identify themselves. They would need a credit card. They would need to fill in their personal information, so that the donation itself would be validated, that the funds exist, and then the funds would be transferred to GoFundMe.

When GoFundMe is disbursing the money to the particular cause, if they are using a Canadian bank account, that disbursement will go through the Canadian bank account. If our Canadian bank, for example, deemed that disbursement to be suspicious or relevant to money laundering, terrorist financing or IMVE activity, it would report those suspicious transactions to us.

We don't monitor what GoFundMe may have, but when the disbursement is made, it is made through a Canadian bank, in the case of Canadian donation pages that have been established. When a donation page is established, the organizers of that page must also identify themselves, the purpose for the cause, and the way in which the funding would be disbursed once it's raised.

• (1330)

Ms. Pam Damoff: Is there information sharing between the United States and Canada? Do you have information sharing with your equivalent in the United States [*Technical difficulty—Editor*]?

Mr. Barry MacKillop: We do, in fact, have 103 [*Technical difficulty—Editor*] MOUs with international financial intelligence units. If FinCEN were to receive a SAR, which is a suspicious activity report, the equivalent of [*Technical difficulty—Editor*] report—and there are always possibilities for voluntary information records or voluntary submissions of suspicion to FinCEN or to FINTRAC—FinCEN would share that intelligence with us. We would then seek permission to further share that information, if it met our threshold, with law enforcement and national security agencies, depending on the event.

In fact, FinCEN is our largest partner for the sharing of financial intelligence back and forth, either spontaneously or as a result of a request for information. It can be done both ways.

Ms. Pam Damoff: This is probably my last question. I'll see how much time I have.

Do you [*Technical difficulty—Editor*] need to be able to do meaningful compliance? I'm not trying to [*Technical difficulty—Editor*] the good work that you do, but I'm sure it gets busier for you and more complicated, and people get [*Technical difficulty—Editor*]. There are a lot of nuances in the work you do.

Do you have the resources that you need, or could you do with more?

Mr. Barry MacKillop: As a civil servant, I think anybody would always say, "Just give us more", but I think the key to effective compliance is the partnerships that we have developed with our reporting entities. Our reporting entities really do take their roles seriously. They see themselves as—and they are—the front line of money laundering and terrorist financing in Canada. They are the ones we rely on, and the police rely on, in terms of investigations and the use of financial intelligence.

We continue to modernize our compliance program. We continue to look at a risk-based approach in terms of compliance and our approach to compliance so that we spend and use our resources to the most and to the best effect that we can to address the highest-risk areas and to ensure the compliance with those risk areas.

A lot of the compliance also goes to the education that's provided through our strategic intelligence, our significant outreach or our

significant training, because the better the reporting entities are at understanding what the indicators are and how to report, the better reports we get.

Ms. Pam Damoff: Thank you.

The Chair: Thank you very much.

Ms. Michaud, it's your turn. You have six minutes.

The floor is yours.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

I thank the witnesses for being with us today. We're pleased to have you here.

Mr. MacKillop, in your opening address, you said that crowdfunding sites like GoFundMe were not among the sectors regulated under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. This act came into force in the 2000's. The GoFundMe site was launched in 2010.

Is the current legislation appropriate for the new virtual reality of the Internet?

Perhaps a number of legislative changes should be made to ensure that crowdfunding platforms like GoFundMe are subject to the act. What do you think?

Mr. Barry MacKillop: Thank you very much for the question, Ms. Michaud.

We are still reviewing what we can do to improve our system and to identify other sectors that ought to be covered by the act.

There has to be a balance between the desire to have as much information as possible and the protection of privacy. As the Deputy Director responsible for intelligence, I would like to have as much intelligence as possible. However, a balance must always be struck between what is reported to FINTRAC and respect for people's privacy and financial information.

We are always looking for other sectors that might be covered by the act in order to improve our system. However, I don't think we can just add sectors because they are being used. What needs to be determined is whether a given sector is at risk of money-laundering or financing terrorism. It's important to know what these platforms can give us in terms of intelligence.

Don't forget that sites like GoFundMe are located in the United States, not Canada. They are therefore not subject to Canadian legislation just as any sites that operate out of Canada are not subject to U.S. legislation. Changes should not be made without first carrying out the necessary studies to determine whether there is a way of improving our system or using other sources.

The same thing happened with cryptocurrency sites. They were not subject to the act, but they are now. These sites now send us reports on cryptocurrencies. We always strive to move things forward and improve our system.

• (1335)

Ms. Kristina Michaud: Thank you very much.

You say that you want as much intelligence as possible. As these organizations are not subject to the act, wouldn't they need to be aboveboard to send you information that would allow you to investigate?

If you see that a large amount of money has been collected in a very short time by organizations with connections to the extreme right, will this trigger an alarm for you, no matter what the platform or business might be?

Or is it rather that unless information is sent to you, you don't look into it?

Mr. Barry MacKillop: We definitely do keep an eye on everything that's going on.

As I explained before, there is always a connection with the financial system. A bank account or service has to be used to distribute the money that's been collected.

The entities that submit reports to us do research and monitor the media every day. They know what's involved, who the organizers are, and what's going on in the world. They always check to see if people are dishonest. If that's the case, they send us information through a suspicious transactions report.

We receive a report if there are any ties to money laundering or terrorism financing.

Ms. Kristina Michaud: At the moment, we all know about the money that was collected for the "Freedom Convoy" protest, which turned into a siege here in Ottawa right in front of the Parliament buildings.

To your knowledge, and based on other matters on which you have worked, does the anonymous nature of donations open the door to criminal activities or money-laundering?

Mr. Barry MacKillop: Thank you very much for the question.

The anonymity issue is a little bit blurred, because donations are not anonymous. To make a donation, people have to use a credit card and go through an Internet payment system like Stripe to fund a cause. Because donor names do not always appear publicly, donations can seem to be anonymous, but they really are not.

It's as if I was making a donation during our fundraising campaign and was asked whether I would allow my name to appear as a principal owner. If I said no, my donation would be listed as anonymous, but that's not really the case.

Companies that process donations, like Stripe and GoFundMe, know who has made a donation. When GoFundMe decided to shut down the page for the "Freedom Convoy" and pay everyone back, it was an indication that it had all the information they needed on people's credit cards and identities. So the donations are not really anonymous.

[English]

The Chair: Thank you, sir.

It's a fascinating point and may be a good one to end this particular exchange.

Now we will go to Mr. MacGregor, who will have six minutes in questions.

The floor is yours, Mr. MacGregor. Take it away.

Mr. Alistair MacGregor: Thank you so much, Chair.

The special bulletin that FINTRAC produced on IMVE stated that "IMVE threat actors have raised funds through...crowdfunding...and accepting donations." Our Canadian Security Intelligence Service has divided it into roughly four categories: xenophobic violence, anti-authoritarian violence, gender-driven violence and other grievance-driven violence.

Of course, our Criminal Code has a definition of terrorism, which is "an act...committed...in whole or in part for a political, religious or ideological purpose, objective or cause...with the intention of intimidating the public". The activities recognized as criminal within this context can include significant "property damage" and "interference...or disruption of an essential service, facility or system", to which I think any casual observer looking at Ottawa right now could probably make a link.

What I'm trying to dig into here is the relationship between the payment service providers—for example, Stripe and PayPal—the crowdfunding organization, and then the financial entity to which the funds are eventually distributed. For example, for the payment service providers, do they have information when they're receiving donations? Do they understand why the donations are coming in? Do they understand for what purpose they're coming in? Does the crowdfunding site have that link with the service provider?

• (1340)

Mr. Barry MacKillop: It's a little outside of my lane, but thank you very much for the question.

I'm not an expert on the service providers or GoFundMe, but my understanding is that the page is set up for a particular cause. When people want to donate, a behind-the-scenes service is provided. Stripe, for example, would have the identity of the person making the donation. They would have their credit card and all their identification in order to validate that the funds exist and transfer them to the particular page. They would know that it's going to a particular page.

My understanding is that Stripe, PayPal, GoFundMe and GiveSendGo all have terms of service where they clearly identify that they will not support anything that is related to money laundering, criminal activity or terrorist financing.

I would assume that many of these—given that they exist, as in the example of Stripe, in a million different companies and hundreds of countries—do have their own internal compliance program and their own internal media watch program. I would assume they are very socially responsible when it comes to identifying where that money may be going. I would think they would not want to process money that was going to a cause that was identified as illegal, for example.

Mr. Alistair MacGregor: That was sort of my question. A financial service company like PayPal is required to report to you, but would they understand or be able to generate their own intelligence saying that they know this money was going to a particular crowdfunding site for this cause? Would they be able to generate that intelligence if they thought it was suspicious?

Mr. Barry MacKillop: They would. PayPal and Stripe, as registered MSBs, could and would submit reports to us with respect to that.

Mr. Alistair MacGregor: Ms. Ryan, did you have something to add?

Ms. Annette Ryan (Deputy Director, Partnership, Policy and Analysis, Financial Transactions and Reports Analysis Centre of Canada): Yes. I'd like to just point out that the special bulletin you refer to was produced explicitly by FINTRAC to inform the reporting entities about what to look for. As my colleague Barry said, we work closely with international partners to keep track of emerging trends. We can feed that back to our private sector partners so they know what to look for.

The fact that we are able to follow those trends and then feed them back to partners that you see in the report shows that there is essentially a line of sight to the crowdfunding sector through the PSBs and MSBs that do report to us, based on their ability to follow the transactions back to individuals. We can then look at the relevant patterns and have a sense of what's suspicious and what rises to the level that our colleagues on the operational side can share with competent authorities.

That's how the system remains fresh as to what is suspicious as illicit activity evolves through time.

• (1345)

Mr. Alistair MacGregor: I only have 45 seconds left.

When you are producing actionable intelligence for law enforcement... I know you're not an investigative agency, but you do formulate a lot of your opinions based on the reports you receive. Do you also passively receive information from other sources?

You see the news every day. You're aware of what's going on. How much does that figure into your reporting to intelligence agencies?

The Chair: You have 10 seconds, I'm afraid.

Mr. Barry MacKillop: Yes, we do open-source intelligence in support of the disclosures that we produce. We will provide that with the disclosures if it's relevant.

Mr. Alistair MacGregor: I appreciate that. Thank you.

The Chair: Thank you.

Colleagues, I'm looking at the clock. We have a hard stop at the top of the hour. We have 15 minutes left. Coincidentally and happily, that means I can call on a representative from each party. They can take their full allotment of time and we should end within a minute.

Mr. Van Popta, you're first. You have five minutes. Please proceed.

Mr. Tako Van Popta: Thank you very much.

Thank you, Mr. MacKillop and Ms. Ryan, for being here and informing us about the important work that you do.

I want some clarification maybe from Mr. MacKillop.

If my understanding of your testimony is correct, a crowdfunding platform is not regulated by FINTRAC, so they would never make the report. It is the money services businesses that are feeding money to the crowdfunding platform or the banks receiving the money from a crowdfunding platform that are regulated to report suspicious transactions.

Is my understanding correct?

Mr. Barry MacKillop: That is correct, sir.

Mr. Tako Van Popta: Thank you.

For money services businesses such as Stripe, PayPal, Visa, Mastercard or whoever it might be, are there clear guidelines as to what they have to look for in terms of terrorism-type funding or money laundering? What do they look for?

Mr. Barry MacKillop: They do have clear guidelines. The guidelines are available, and on our website we provide guidelines. We identify, as well, different reasons for submitting STRs and we provide those guidelines.

We also provide a number of very specific indicators that would help them in their transaction monitoring. For example, we have five very successful public-private partnerships dealing with human trafficking, fentanyl trafficking, romance scams, underground banking and child sexual exploitation material on the Internet. We have set out these PPPs, as we call them, with our recording entities and we provide very actionable indicators that they can plug into their own systems to create the algorithms to assist them in identifying suspicious transactions that may be related to those types of predicate crimes.

We've also provided them with terrorist financing indicators and IMVE indicators, as my colleague mentioned, to assist them in identifying those types of transactions. As you know, often not simply one transaction but a pattern of transactions has to be looked at, and we assist them by providing them with as many clear indicators, guidance, outreach and training as possible in order to enhance that.

The success we've seen is demonstrated in the increase in the number of suspicious transaction reports we've received year over year, as well as the increase in the number of voluntary information records we've received from the police seeking our assistance with their investigations. As those have increased, we've been able to increase our disclosures. It clearly shows that not only are the reporting entities doing their job really well in providing us with those reports, but also that the police—our law enforcement and national security agencies both in Canada and internationally—significantly appreciate our disclosures and are coming in to get them as often as they possibly can to assist in their investigations.

Mr. Tako Van Popta: Thank you.

Ms. Ryan, is your hand up?

Ms. Annette Ryan: It is, sir.

I'd like to draw your attention to several international documents that our reporting entities also consult, which Canada works quite closely to produce. These include, from July 2019, "Terrorist Financing Risk Assessment Guidance"; from July 2021, "Ethnically or Racially Motivated Terrorism Financing"; as well as specific documents such as the Financial Action Task Force's "Best Practices on Combating the Abuse of Non-Profit Organisations".

We do work quite closely on very rich and detailed guidance that is based on *[Technical difficulty—Editor]*.

• (1350)

Mr. Tako Van Popta: Thank you.

There's an increase in SARs, suspicious activity reports. Is that an indication of more suspicious transactions happening, or are reporting entities just getting better at understanding what to look for?

Mr. Barry MacKillop: You're right. In Canada, there are suspicious transaction reports. The SARs are in the U.S.

I believe it's a combination of both. It's not necessarily that we have an explosion of criminality. *[Technical difficulty—Editor]* and better at identifying predicate crimes associated with money laundering and/or terrorist financing.

It's the quality of those reports *[Technical difficulty—Editor]* us to do our job to meet our threshold and provide actionable intelligence to our law enforcement and national security agencies, both in Canada and internationally. As I mentioned, we do have 109 or 110 MOUs with international FIUs that we can share information with.

The Chair: Thank you very much.

Now I'll turn the floor over to Mr. Noormohamed.

Sir, you have five minutes for questioning. Go ahead.

Mr. Taleeb Noormohamed: Thanks very much, Mr. Chair.

Thank you, Mr. MacKillop and Ms. Ryan, for joining us.

Mr. MacKillop, here's a question for you to start with.

We've seen over the course of the last little while a lot of interest from the United States in the funding situation related to GoFundMe and the blockade in Ottawa. You've seen some fairly un-

savoury characters in the U.S., like Marjorie Taylor Greene, weighing in on this.

How concerned should Canadians be about foreign funds coming into Canada and spurring on ideologically motivated violent extremism?

Mr. Barry MacKillop: What's happening in Ottawa has not been, to my knowledge, identified as ideologically motivated violent extremism. *[Technical difficulty—Editor]* might come into Canada to support ideologically motivated violent extremism, and the United States would be extremely concerned about money leaving the United States or funding such extremist actions.

Our partners in FinCEN are quite alive to this. We share a lot of intelligence back and forth with respect to IMVEs, with respect to travelling, people who want to leave the country to participate in terrorist activities, for example. We work with Egmont and our Five Eyes partners very closely with respect to that. Any funding that would be linked to IMVE is of extreme concern and importance to us, and we would disclose that intelligence to our law enforcement and national security partners.

For any action that's taken by those actors or by sanctioned groups—for example, a listed terrorist organization or people who are known to be members of those organizations—both our financial institutions and those in the United States, I'm sure, know who these people are. They do monitor their transactions, and they do report *[Technical difficulty—Editor]* or completed with respect to them.

Mr. Taleeb Noormohamed: I have one very brief question, then.

Do you have any concerns or have there been any flags raised thus far around potential sources of funding for what has been happening in Ottawa?

Mr. Barry MacKillop: No. In terms of the sources of funding that we've seen to date, as you know I can't speak to specific reporting or reporting on any individuals or organizations, but we have not seen a spike in suspicious transaction reporting, for example, related to this.

Mr. Taleeb Noormohamed: That's great. Thank you.

I'm going to give whatever time I have left to Mr. Zuberi.

Mr. Sameer Zuberi: Thank you, Mr. Noormohamed, and thank you to the witnesses for being here.

I want to zoom out a bit and ask a question related to individuals who might find that their international transactions are frozen. These are law-abiding citizens, Canadians who have no problems at all with the law and are upright citizens.

Do they have any recourse when, let's say, they're sending money to a family member? Is there any recourse for them to untangle themselves when they believe it's a false positive and that's why their money has been intercepted? Can you inform us about that?

• (1355)

Mr. Barry MacKillop: That would not be, certainly, a role that FINTRAC plays. As I mentioned, we can neither investigate nor seize or freeze funds, nor do we ask any financial institution to delay a financial transaction.

The recourse would be with their own financial institution, if in fact their funds were put on hold or were frozen. We have seen that happen. It has happened in instances where we [*Technical difficulty—Editor*] through some of the suspicious transaction reporting where the narrative is that the bank might tell us that the funds were put on hold until such time as their request for further information was completed and fulfilled by the individual. Then it's really up to the banks and the other financial institutions. They determine their own level of risk that they're willing to manage with respect to the accounts of their clients.

This would really be something that the individual would have to take up with their own bank to determine what the risk was that was identified by the bank and how that might be mitigated.

Mr. Sameer Zuberi: Thank you.

We have about 40 seconds.

Related to that, do you provide guidelines on those questions, clarity for banks and other institutions around that?

Mr. Barry MacKillop: No. Our guidelines are more along the lines of what they need to report to us and how to report, not how to manage their own risk and risk determination, nor how they manage the accounts of their clients.

The Chair: Thank you very much.

Mr. Sameer Zuberi: Thank you.

The Chair: Now I'll turn to Ms. Michaud for two and a half minutes.

The floor is yours.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

Mr. MacKillop, as you said several times, your mandate is to combat money laundering and the financing of terrorist activities.

Some crowdfunding platforms and some companies are not subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

Do you think this has an impact on Canada's capacity to detect and prevent not only money-laundering and the financing of terrorist activities, but also foreign interference, given that some platforms may be located abroad and money can be coming from abroad?

Mr. Barry MacKillop: Thank you for the question.

As I was saying earlier, the situation we are currently experiencing is truly unique. We do not consider crowdfunding platforms to be tools that could be used to launder money or finance terrorist activities. There is always a risk that someone can use these platforms for that purpose, but that's not necessarily the tool they would choose. There are in fact many other ways that are probably easier

to use to launder money or collect funds to finance terrorist activities. That's why it's a unique situation.

We're going to learn from this event and we will definitely continue to hold discussions with our international partners.

Current Internet platforms are accessible to everyone around the world. They can be used to donate funds to a cause, whether the one we are talking about today or some other cause.

I presume that platforms like GoFundMe may have been used to help people who wanted to get out of Afghanistan, for example. People from anywhere can support a cause like that by making donations. I couldn't give you a percentage, but I believe that crowdfunding platforms have been very useful in collecting funds to help people in need around the world.

The important thing is to strive for a balance between the burden that might result and the intelligence we might obtain.

[*English*]

The Chair: Thank you very much.

Now, for the last slot I will turn to Mr. MacGregor.

You have two and a half minutes. You will take us within a minute or two of the top of the clock.

The floor is yours.

Mr. Alistair MacGregor: Thank you so much, Chair.

In April of last year, there was a data breach from the Christian crowdfunding site GiveSendGo. That data breach revealed that there were millions of dollars that had been raised by groups banned from raising funds on other platforms. They had been banned because of episodes of hate speech and violence that had been used on the platforms. Some of the biggest beneficiaries of that had been groups like the Proud Boys, which are a designated terrorist entity.

We only learned of this because of a data breach. I'm just wondering, we as policy-makers have to anticipate the new landscape that's before us. Does FINTRAC have what it needs to capture this, maybe not from a site like GoFundMe but for other platforms that are competing for this space and those dollars?

Are there gaps that we need to plug as policy-makers so that these things can be caught before they end up being just a data breach?

• (1400)

Mr. Barry MacKillop: I think it's always good to ask the question and to do an in-depth study, once you're out of a crisis, to determine whether or not there are policy gaps that could be looked at and what is the best way to address those.

From my perspective right now, in the situation that you mentioned—and I've read about the data breach as well—the intersection between the crowdfunding platforms and our financial institutions is a must in order to disburse the money. If the money were going through a Canadian bank, for example, and directed to the Proud Boys, they're a listed terrorist organization. That money would be stopped by the bank and we would also get the STR. They cannot, if there is a listed terrorist organization, facilitate the transfer of that money. It is really the intersection with our banks.

Our banks are well aware of those organizations and the individuals associated with those organizations. They know who they are. They have their sanctions list. They do their monitoring. They do their reporting and they do it well. From my perspective, we have that intersection. Raising [*Technical difficulty—Editor*] is likely not helpful to those organizations, but we would get the reporting and the funding would be stopped by the banks when it comes to those types of organizations trying to receive money.

Mr. Alistair MacGregor: Thank you.

The Chair: Thank you very much.

On behalf of the committee, I want to thank the witnesses for their very important and thoughtful testimony this morning. It will be very important as we make our way through the complexities of these important and dynamic issues.

Colleagues, we're right on time. Thank you very much for everybody's co-operation.

Does the committee agree that the meeting should be adjourned?

Some hon. members: Agreed.

The Chair: Then the meeting is adjourned. Have a good weekend, everybody. We'll see you on Tuesday. Take care.

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