



CRIMINAL INTELLIGENCE SERVICE CANADA



ORGANIZED CRIME INVOLVEMENT IN VEHICLE THEFT IN CANADA

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Key Findings

- ❖ Reporting on organized crime involvement in vehicle theft has significantly increased in 2022/2023.
- ❖ Currently, the number of organized crime groups (OCGs) involved in vehicle theft exceeds 12 % of all OCGs assessed by Criminal Intelligence Service Canada (CISC), an increase in reporting of 62 % compared to 2022.
- ❖ Though higher-level OCGs and transnational facilitators are believed to be involved in the export of stolen vehicles, most vehicle thefts involve lower-level-threat groups, with violent street gangs being the most prevalent.
- ❖ The Port of Montreal remains the most prominent departure point for stolen vehicles exiting Canada.
- ❖ The majority of stolen vehicles being exported are destined for Africa and the Middle East, with many of those remaining in Canada used to enable other crimes before being subsequently destroyed.
- ❖ Vehicle theft is impacting most provinces, although methods differ between Western and Eastern Canada. In Western Canada, thefts consist mostly of crimes of opportunity, with vehicles stolen while left running or unlocked; in Eastern Canada, OCGs are exploiting more sophisticated vehicle technology.
- ❖ Enhanced prevention and/or the more frequent presence of owner/dealer installed anti-theft devices is expected to result in an increase in carjackings, and may ultimately lead to home invasions, resulting in increased levels of violence, given the prominent involvement of street gangs.

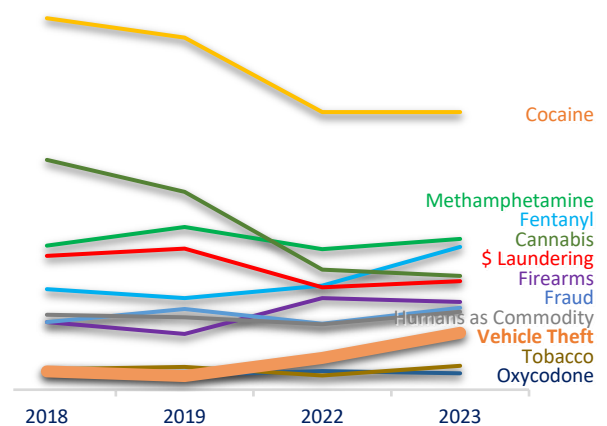
Introduction

Compared to other criminal markets, organized crime group (OCG) involvement in vehicle theft has not traditionally been assessed as a significant national-level threat. Involvement in other criminal markets has either stagnated or declined since 2018 (see Figure 1), but involvement in the vehicle theft market has significantly increased over the last two years, in a similar fashion to that of fentanyl.

More than 3500 OCGs operate in Canada. On an annual basis, CISC assesses those groups representing a significant national-level threat through an integrated threat assessment process (ITA). In 2023, 668 groups have been assessed, of which 78 are involved in vehicle theft – an increase of 62 % over 2022.

Figure 1 – OCG Involvement in Key Markets, 2018-2023*

* Significant pandemic-related collection challenges in 2020-2021 resulted in anomalous statistical findings. As such, numbers for these years have been omitted.





National Trends and Patterns

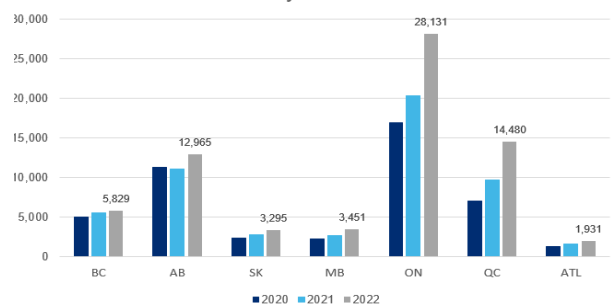
Vehicle thefts are not new to the Canadian criminal marketplace, although their frequency has steadily increased since the onset of the COVID-19 pandemic. Data compiled from Canadian law enforcement agencies and General Insurance Statistical Agency in the *2022 Vehicle Theft Trend Report* suggests that all Canadian provinces experienced an increase in vehicle theft in 2022, including a 24 % increase overall, compared to 2021. It is now estimated that auto theft claims cost insurance companies across the country approximately \$1 billion in losses annually. Though inflationary impacts have caused the price of many goods within Canada to rise, the average price of a new vehicle in June 2023 was more than 20 % higher than the previous year. As vehicles will likely continue increasing in value, posing an even greater profit potential, CISC assesses that organized crime involvement in the market will subsequently further increase.

The percentage of vehicles exported versus those staying in Canada is unknown. While the primary reason for vehicle theft in Canada remains profit generation, some vehicles are also being stolen and used specifically for anonymity when committing other types of crime, such as robberies and/or homicides, notably in British Columbia and Alberta. Generally, once these crimes are committed, the vehicles are subsequently disposed of via intentional fire or by other means. Given the increasing involvement of street gangs in vehicle theft, the potential for violence and carjackings will likely increase.

Breakdown by Province

In 2022, vehicle thefts were up across the country (see **Figure 2**), with Ontario and Quebec experiencing the greatest increase compared to the previous year. Once regarded as a regional issue affecting mainly Ontario and Quebec, vehicle theft has expanded to Western Canada, with Alberta's number of vehicle thefts now nearing that of Quebec's, despite an approximately 45 % lower population base. While Quebec-based groups continue to target vehicles within their home province, they are also increasingly targeting vehicles in Ontario as well as in western provinces, where vehicles are perceived as less likely to have anti-theft protection.

Figure 2 – Vehicle Thefts by Province, 2020-2022



Source: *Equité Association, 2022 Vehicle Theft Trend Report Statistics*

Domestic Theft

Vehicles stolen domestically are often newer models (2020-2023), with push-start technology. However, intelligence indicates that due to continued supply chain issues impacting the supply of spare parts internationally, older models are also being targeted. At present, the vehicles most commonly stolen tend to be Toyotas (Rav4 and Highlander), Honda CRV, Dodge Ram, Jeep (Wrangler or Grand Cherokee), Ford F150s, and GMC (Suburban, Yukon, and Tahoe).

Carjackings

Though vehicle theft is often a non-violent offence, car jackings are increasing in Ontario – particularly in the Greater Toronto Area (GTA). From 2021 to 2022, three of the main police services in the GTA – Toronto Police Service, York Regional Police and Peel Regional Police – experienced a combined 104 % increase in carjackings. While this trend is not yet as widespread in other jurisdictions, carjackings will likely become more common as individuals attempt to make their personal vehicles harder targets for thieves. As inherently violent street gangs are already the predominant subset of organized crime involved in carjackings, the levels of violence carried out during carjackings is also expected to increase as this method of theft becomes more frequent, notably through the use of weapons.

In addition to the carjacking itself, drivers may be at increased risk of extortion and robbery if they are not removed from the vehicles after their theft, as has recently been observed in countries such as Brazil and South Africa. While these countries currently experience much higher levels of violent crime than Canada, violence increasingly targeted at vehicle owners remains possible.



Re-VIN and Resale

All vehicles come with a vehicle identification number (VIN), a unique identifier that each vehicle is given when it is manufactured. When a vehicle is stolen and reported to police in Canada, the VIN is noted as stolen in the Canadian Police Information Centre (CPIC), making it nearly impossible to re-register. In order to surreptitiously register a stolen vehicle, a process referred to as re-VINing is required, where the VIN is changed to another number. How these new VINs are obtained varies, but can include the use of a legitimate VIN that has not yet been assigned by a manufacturer to a vehicle, or fraudulently obtaining a VIN from a similar vehicle that is already in existence. Once a stolen vehicle is successfully re-VINed, it becomes possible to register it in the province where it was originally stolen or in another province, with little scrutiny.

Domestic sales of stolen vehicles occur through private sales directly to consumers, as well as through intermediaries, including used car dealerships or wholesale auctions. Some registration processes may be more easily exploited by vehicle thieves than others, particularly those that allow for third-party registrations, allowing someone to register a vehicle with a letter authorizing the third-party to act on behalf of the original owner of the vehicle. It is likely that legitimate auction businesses are unknowingly selling re-vined vehicles.

Canadian Vehicles Supplying the International Market



The international market for stolen vehicles has surged, as many of the desirable vehicles that are readily available in Canada are either very costly internationally, or are not available for purchase in those countries. Furthermore, intelligence also suggests that OCGs are purchasing or stealing luxury vehicles as a way to conduct trade-based money laundering, in light of their relatively high and increasing financial value.

Criminal networks are exporting Canadian stolen vehicles to foreign buyers, with the majority of those vehicles destined for Africa and the Middle East. While shipping routes vary, some instances of stolen vehicles have been observed transiting through Europe on their way to their final destinations. Containerized shipping is the primary way that cars are being exported internationally.

In order to physically move stolen vehicles to ports for export, a variety of methods are being used. In Ontario and Quebec, due to the proximity of the Port of Montreal, vehicles are most often driven to a specific location nearby, loaded into containers, and are then transported to the port.

The Port of Montreal is the primary departure point for stolen vehicles in Canada, although other ports in Eastern Canada are also being used to a lesser extent. Despite British Columbia and Alberta's proximity to ports in British Columbia, stolen vehicles in these provinces are also being transported to Eastern Canada for export, suggesting that most exporting networks are likely operating in Eastern Canada and are exploiting traditional maritime routing to foreign destinations.

Organized Crime Involvement

As organized crime remains motivated by financial profit, vehicle theft provides a low risk, high reward criminal activity. At present, those stealing and driving the vehicles to be sold to buyers are believed to make between \$500-\$1500 per vehicle, depending on the model. However, a larger profit is made by buyers/exporters, who are estimated to make as much as \$50,000 profit per container (often holding 2 vehicles), once the theft and shipping costs are deducted. In addition to stolen vehicles themselves bringing in higher profits for criminals, profits generated from vehicle theft are believed to be used to fund additional criminal activities, such as drug trafficking, purchase/trafficking of firearms, and trade-based money laundering.



By the Numbers

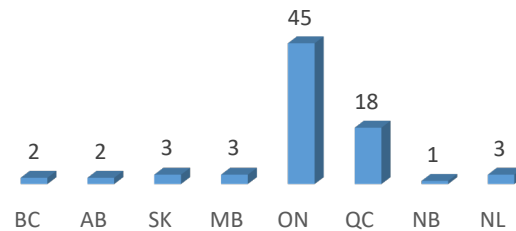
In 2023, CISC assessed 638 OCGs via the ITA process, with 78 known or suspected of operating in vehicle theft as a criminal market (see **Figure 3**), representing a 62 % increase over 2022. Given the number of unassessed groups (about 2800), the number involved in this market is believed to be much higher.

While groups involved in vehicle theft are located in most regions of the country, the vast majority are based in Ontario and Quebec, which are historically also the provinces that have been most affected by the vehicle theft issue.

Though vehicle theft is still generally perceived as a non-violent crime, over half of all assessed groups involved in vehicle theft scored high for violence via the ITA process, indicating that they use violence as an offensive tactic, an integral part of strategy, or more specifically use weapons to further their criminal activities. Furthermore, almost one-third of these groups are street gangs, which remains the most violent organized crime subset in Canada.

Figure 3 – OCGs Involved in Vehicle Thefts, by Province, 2023

*No assessed OCGs involved in vehicle thefts are based in the Territories.



Key Organized Crime Characteristics Related to Vehicle Theft

- ❖ Stolen vehicle networks are cellular in nature.
- ❖ The vast majority of OCGs are located in Ontario and Quebec. There are few reported in other provinces, notably in Alberta, where vehicle theft numbers are similar to those in Quebec despite a much smaller population base.
- ❖ No assessed OCGs are involved in vehicle theft in the Territories.
- ❖ 56% of OCGs involved in vehicle theft are deemed to be highly violent; 30% are street gangs.
- ❖ Street gangs from Ontario and Quebec are carrying out thefts in Western Canada for exportation.
- ❖ Highly entrenched OCGs infiltrate the ports to facilitate exportation.
- ❖ There are a very limited number of OCGs with ties to countries in the middle East and Africa, despite these areas being primary destinations.
- ❖ Higher-level OCGs and transnational facilitators are located in Quebec and are believed to be involved in the export of stolen vehicles.
- ❖ Most vehicle thefts involve lower-level-threat groups, with street gangs being the most prevalent.
- ❖ Over 95% of OCGs involved in vehicle theft are polymarket groups. If the vehicle theft revenues are compromised, they have other streams to compensate, often illicit drugs.

Cellular Structure

While most vehicles continue to be stolen from private driveways overnight, thefts are increasingly occurring in broad daylight from more public parking lots (e.g., grocery stores, movie theatres, etc.) and often taking just seconds to complete. Additionally, while not yet as prevalent, there are indications that tow trucks are being used to steal vehicles that are parked on the street, a tactic that is believed to raise less suspicion from passersby.

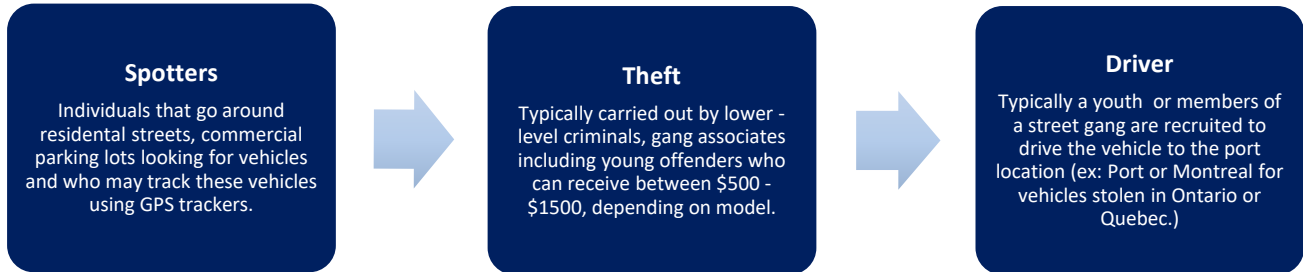
Most of the OCGs involved in vehicle theft are believed to operate in a cellular structure, where each cell is responsible for a link in the chain of operations. This type of structure consists of a *lower level* and *upper level* and allows for plausible deniability and insulation for those operating at most levels of the supply chain.



Lower- and Higher-Level Structures

Though the structure may vary somewhat from group to group, the overall makeup of the lower-level cell structure is believed to be as depicted in **Figure 4**. Once the vehicle is stolen it typically undergoes a cooling-off period, where it is left for a few days on a residential side street or in a parking lot. Once the vehicle has undergone its cooling-off period, it is either driven or transported to a holding area, where the vehicle can be searched for the existence of factory or user installed GPS trackers.

Figure 4 – Lower-Level Structure



The structure of the entrenched networks facilitating the exportation of the vehicle appears to be as depicted in **Figure 5**.

Figure 5 – Higher-Level Structure



Modus Operandi

At present, the *modus operandi* used to steal vehicles in Western Canada and Central/Eastern Canada and generally conform to the approaches listed in **Figure 6**. However, vehicle theft methods currently most prevalent in Central and Eastern Canada have started spreading to major urban areas in Alberta (i.e. Calgary and Edmonton) and British Columbia. At least some of the groups targeting these western urban areas are believed to be from Ontario and Quebec.

Figure 6 – Modus Operandi Used to Steal Vehicles in Different Parts of Canada

Western Canada	<ul style="list-style-type: none"> ❖ The most common method is what is referred to as a crime of opportunity, in that vehicles are left running, unlocked, and, in some cases, with the keys left inside, particularly in the winter months when owners are warming up their vehicles. ❖ Vehicles are taken for a test drive from a dealership and are never returned. ❖ Vehicles are rented from car rental companies, most often using false identification, and are never returned.
Central/Eastern Canada	<ul style="list-style-type: none"> ❖ The use of relay attacks, whereby thieves grab the radio frequency from the owner’s key fob and are able to reprogram a blank fob used in newer vehicles with push-start technology. Key re-programming technology can be easily obtained online at a relatively low cost. ❖ Access to the On-Board Diagnostics port, which is used by mechanics to access the internal workings of the car. ❖ Access to Controller Area Network (CAN Bus), which is the electronic communications system that operates much like a central nervous system for the vehicle, allowing the thief to unlock the car and start the engine. ❖ Carjacking, whereby violence is used, often with the use of a weapon and/or firearm to steal the car directly from the driver.



Strategic Considerations

At the provincial and/or municipal levels, the speed at which vehicles are stolen (often in less than one minute), the regional nature of most involved OCGs, the potential for violence and street gang involvement, and the compartmentalization of the operational structure of vehicle theft networks make this type of crime challenging for law enforcement to prevent. As it is increasingly becoming a public and officer safety threat, the disruption of these networks may best be accomplished by focusing enforcement on the attempted export of vehicles at the ports of entry.

With the increasing involvement of violent street gangs, law enforcement can expect a continuing rise in violent carjackings to spread to other jurisdictions, especially as owners attempt to make their vehicles harder targets for unattended theft.