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CANADA

FIGHTING THE PHENOMENON OF VEHICLE THEFTS IN CANADA

**Report of the Standing Committee on Public Safety and
National Security**

Iqwinder Gaheer, Chair

**DECEMBER 2024
44th PARLIAMENT, 1st SESSION**

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**Iqwinder Gaheer
Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

To assist the reader:

A list of abbreviations used in this report is available on page xi

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THE STANDING COMMITTEE ON PUBLIC SAFETY AND NATIONAL SECURITY

has the honour to present its

SIXTEENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied growing problem of car thefts in Canada and has agreed to report the following:

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LIST OF ACRONYMS

ACPA	Association of Canadian Port Authorities
AI	Artificial intelligence
AIAC	Automotive Industries Association of Canada
B. C.	British Columbia
CAA	Canadian Automobile Association
CBSA	Canada Border Services Agency
CMA	<i>Canada Maritime Act</i>
CPAs	Canadian Port Authorities
IBC	Insurance Bureau of Canada
ICBC	Insurance Corporation of British Columbia
IMO	International Maritime Organization
IMPACT	Integrated Municipal Provincial Auto Crime Team
ISPS Code	<i>International Ship and Port Facility Security Code</i>
MPA	Montreal Port Authority
MTSA	<i>Marine Transportation Security Act</i>
OPP	Ontario Provincial Police
PSC	Public Safety Canada
RCMP	Royal Canadian Mounted Police
SQ	Sûreté du Québec
SPVM	Service de Police de la Ville de Montréal

VIN Vehicle Identification number

SUMMARY

The rise of vehicle theft in Canada has become a major concern across the country as the number of stolen vehicles has increased significantly in recent years. Vehicle theft affects all Canadians, notably by depriving them of their means of transportation, leading to an increase in their insurance premiums and reducing their sense of security. This worrying trend can be attributed to several factors discussed in the Committee's report, including the involvement of organized crime, evolving theft techniques, increasing demand for parts on the black market, and gaps in vehicle security systems.

Many stolen vehicles are transported through the port environment for international shipment. The Committee noted that the complexity of the port environment adds another layer of difficulty in finding solutions to this scourge.

The Committee's study explored various solutions, such as public awareness, legislative amendments, and improved vehicle security. The complexity of the port environment must also be considered in developing solutions. In the face of vehicle theft, it is crucial to understand the underlying causes and put in place effective measures to protect Canadians' property and strengthen public safety.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada work in collaboration with provincial and territorial governments to find a balance allowing more freedom to insurers with regards to the insurance of the most stolen vehicles based on the United Kingdom model..... 26

Recommendation 2

That the Government of Canada continue to strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing regime, to address money laundering and proceeds of crime linked to vehicle theft..... 30

Recommendation 3

That the Government of Canada recommend the International Maritime Organization to expand the scope of the *International Ship and Port Facility Security Code* to consider organized crime. 37

Recommendation 4

That the Government of Canada work with public safety partners to identify high-risk Port facilities and conduct targeted security assessments for potential vulnerabilities, and that the Government of Canada revise and validate security plans for high-risk container facilities. 38

Recommendation 5

That the Government of Canada review existing legislation and regulations, such as the *Customs Act*, with a view to:

- **Enhance compliance with export controls;**

- Increase accountability for all partners and facility operators involved in export operations;
- Increase penalties for non-compliance and false reporting; and
- Benefit from international best practices..... 38

Recommendation 6

That the Government of Canada assess legislation to ensure export regulations are effective for law enforcement..... 38

Recommendation 7

That the Government of Canada allow port authorities to put security measures in place to prevent criminal activity. 38

Recommendation 8

That the Government of Canada explore legislative amendments to provide police services with the authority to conduct security clearances for all Canadian Port Authorities’ employees..... 41

Recommendation 9

That the Government of Canada improve and standardize the security clearance screening of Canadian ports carried out by Transport Canada in collaboration with police services by:

- establishing a centralized database for employee access cards for all Canadian ports;
- establishing a mechanism to standardize authentication of access cards across all Canadian ports; and
- considering technology used elsewhere in the world, like holographic film technology. 41

Recommendation 10

That the Government of Canada review the export surveillance aspect of the Canada Border Services Agency's (CBSA) mandate by:

- requiring a minimum percentage of random examinations of export containers at Canadian ports;
- allocating more resources to this aspect of the CBSA's mandate; and
- introducing legislative amendments and regulations to compel rail and port operators to provide adequate accommodations for the examination of exported containers by CBSA officers. 44

Recommendation 11

That the government of Canada enhance collaboration between the Canada Border Services Agency and port authorities, rail network, and shipping partners to expand export cargo container examinations, notably to include urgent, significant, and random deployment of scanning and detection technology in new locations. 45

Recommendation 12

That the Government of Canada continue to provide adequate resources to the Canada Border Services Agency to maintain their 100% response rate in conducting container examinations when information is provided by law enforcement agencies. 46

Recommendation 13

That the Government of Canada invest in combating vehicle theft by:

- Increasing the complement of border officers by hiring new frontline officers and deploying them to ports, rail yards, and intermodal hubs to expand examination capacity in response to intelligence developed by the Canada Border Services Agency and law enforcement;
- Dedicating new resources to intelligence and targeting capabilities specific to stolen vehicles; and

- Identifying and testing new detection technology tools to expand capacity to screen containers for stolen vehicles..... 47

Recommendation 14

That the Government of Canada decrease spending on outside consultants at the Canada Border Services Agency and divert that money towards increasing scanning capacity at Canada's ports..... 47

Recommendation 15

That the Government of Canada open a second Canada Border Services Agency training college..... 47

Recommendation 16

That the Government of Canada continue to commit to supporting the Royal Canadian Mounted Police and other police services by ensuring they have the necessary tools to gather information and make arrests against organized crime..... 48

Recommendation 17

That the Government of Canada work with provinces, territories, and municipal partners to provide additional funding to police services to improve their capacity to provide timely referrals, information, and actionable intelligence to the Canada Border Services Agency (CBSA), as well as take custody of stolen vehicles intercepted by CBSA. 51

Recommendation 18

That the Government of Canada amend the *Customs Act* to make changes to the conditions under which containers may be searched and expand the powers of police officers working at ports to open containers when they suspect fraudulent contents. 51

Recommendation 19

That the Government of Canada review the *Customs Act* and its regulation to impose an obligation of veracity on the export document submitted to Transport Canada and ensure the imposition of substantial penalties in the event of false declaration on the container manifests..... 53

Recommendation 20

That the Government of Canada amend the *Customs Act* and its regulation to prohibit the alteration of export manifests after the departure of vessels and require the presentation of export documents at least 72 hours before departure..... 53

Recommendation 21

That the Government of Canada integrate the use of advanced data analytics and artificial intelligence (AI) to better target containers with suspected stolen vehicles and that the Canada Border Services Agency utilizes AI to facilitate the verification of Vehicle Identification Numbers and the Canadian Police Information Centre..... 54

Recommendation 22

That the Canada Border Services Agency undertake the following measures:

- Verify the vehicle identification number (VIN) by decoding;
- Improve targeting techniques and verification of export declarations;
- Implement automated VIN duplication and national stolen vehicle database checks (Canadian Police Information Centre); and
- Improve analysis of submissions to the Canadian Export Reporting System..... 54

Recommendation 23

That the Government of Canada continue to invest in community-based prevention initiatives for youth-at-risk of future involvement in the criminal justice system, including by prioritizing the funding of new project under the Youth Gang Prevention Fund for community-based initiatives preventing at-risk youth from joining gangs and from getting involved in other criminal and anti-social activities, such as youth delinquency, vehicle theft, substance use, and gun violence..... 57

Recommendation 24

That the Government of Canada continue investing in the Initiative to Take Action Against Gun and Gang Violence to address the increased links between gun and gang violence and vehicle theft. 57

Recommendation 25

That the Government of Canada collaborate with provincial and municipal governments to develop a national awareness campaign focused on vehicle security best practices, aimed at educating the public on preventative measures to reduce the risk of vehicle theft. 57

Recommendation 26

That the Government of Canada support research initiatives to evaluate the effectiveness of community-based policing strategies in reducing vehicle theft, with a focus on fostering partnerships between law enforcement and local communities. 58

Recommendation 27

That the Government of Canada amend the *Criminal Code* to provide additional tools for law enforcement and prosecutors to address vehicle theft by:

- **Including new offences related to trafficking and exporting stolen vehicles.**

- **Including new criminal offences related to auto theft involving the use of violence or links to organized crime; possession or distribution of an electronic or digital device for the purposes of committing auto theft; and laundering proceeds of crime for the benefit of a criminal organization.**

- **Adding a new aggravating factor at sentencing if an offender involved a young person in committing an offence under the *Criminal Code*.**

- Increasing the *Criminal Code* penalties for motor vehicle theft, such as escalating terms of imprisonment for subsequent offences and increasing the penalties for motor vehicle theft when it has been committed for the benefit of or in association with a criminal organization..... 59

Recommendation 28

Recognizing that the bail system is a joint responsibility between the federal, provincial and territorial governments, that the Government of Canada, in consultation and collaboration with the Provinces and Territories, review the bail system to reduce recidivism and deter auto theft..... 60

Recommendation 29

That the Government of Canada enhance customs information and intelligence sharing to support municipal and provincial police services in their vehicle theft investigations..... 62

Recommendation 30

That the Government of Canada engage all partners in the export trade, such as port authorities, shipping lines, and rail operators, to develop actionable intelligence on stolen vehicles. 63

Recommendation 31

That the Government of Canada establish a National Intergovernmental Working Group on Auto Theft led by Public Safety Canada with federal, provincial, territorial, and municipal governments as well as police services to coordinate actions, monitor progress, and that the task force review and strengthen initiatives that may be undertaken at all levels for a multi-faceted approach to combatting vehicle theft. 63

Recommendation 32

That the Government of Canada strengthen existing ways of sharing intelligence and information among law enforcement and public safety partners by:

- Dedicating federal resources to the provincially led Auto Theft Joint Intelligence Group, with key police services and leveraging private sector collaboration; and
- Using the Criminal Intelligence Service Canada network, to provide actionable intelligence, and the Canadian Integrated Response to Organized Crime, to coordinate national operational approaches to organized crime, including vehicle theft..... 63

Recommendation 33

That the Government of Canada develop and implement a GPS tracking protocol for vehicle theft victims to share location data of stolen vehicles with relevant authorities for safe retrieval. 63

Recommendation 34

That the Government of Canada amend the legislation to allow ports authorities to access the Canada Border Services Agency data..... 63

Recommendation 35

That the Government of Canada promote collaboration and information sharing by increasing financial support of the various collaborative initiatives undertaken by police services, public safety partners, and other independent organizations to combat vehicle theft..... 64

Recommendation 36

That the Government of Canada engage foreign border services for collaboration, implement best practices, and find technological solutions to address the rise in vehicle theft. 65

Recommendation 37

That the Government of Canada strengthen interjurisdictional and international cooperation with provincial, municipal, and foreign law enforcement partners. 65

Recommendation 38

That the Government of Canada connect Canada’s stolen motor vehicle records from the Canadian Police Information Centre to INTERPOL’s Stolen Motor Vehicle Database..... 65

Recommendation 39

That the Government of Canada invest in INTERPOL to combat transnational organized vehicle crime. 65

Recommendation 40

That the Government of Canada update and modernize the Canadian Motor Vehicle Safety Standards under the Motor Vehicle Safety Regulations, to ensure manufacturers include technological advancements to deter and prevent vehicle theft, such as tracking or anti-theft devices, in new vehicles..... 69

Recommendation 41

That the Government of Canada work with manufacturers to modify their obligations relating to vehicle safety standards, such as incorporating software patches or immobilizers to new vehicles, to better prevent vehicle theft. 69

Recommendation 42

That the Government of Canada amend the *Radiocommunication Act* to regulate the sale, distribution, and importation of radio devices used for vehicle theft..... 71

Recommendation 43

That the Government of Canada encourage provincial and territorial governments to take steps to:

- **Combat revinning or the use of fraudulent vehicle registrations to re-sell stolen vehicles;**
- **Ensure the verification of third-party vehicle registration and the physical inspection of problematic Vehicle Identification Numbers take place during registration; and**

- **Ensure vehicle sellers are required to prove ownership before resale. 71**

Recommendation 44

That the Government of Canada invest and participate in the interprovincial records exchange to improve data sharing across jurisdictions on vehicle registration. 74



FIGHTING THE PHENOMENON OF VEHICLE THEFTS IN CANADA

INTRODUCTION

On the decline over the past two decades, Canadians have noticed a significant increase in vehicle thefts across the country. According to Statistics Canada, 83,416 vehicle thefts were recorded in 2021, compared to 105,673 in 2022.¹ This rise in the number of vehicle thefts provides only a glimpse of the number of people affected by this growing problem.

As outlined in this report, vehicle theft is a complex problem that requires a collaborative response from multiple stakeholders, including manufacturers, insurance companies, shippers, law enforcement, and governments, to find solutions to address this issue described by some as a “national crisis.”

Study Background and Committee Mandate

On 23 October 2023, the House of Commons Standing Committee on Public Safety and National Security (the committee) adopted a [motion](#) to undertake a study “on the growing problem of car thefts in Canada and on the measures the federal government has taken to combat this criminal activity.”

Between 26 February and 23 May 2024, the committee held six public meetings where 42 witnesses were heard. A total of 11 briefs were received as part of this study. On 13 May 2024, the committee also visited the facilities of the Port of Montreal and the Canada Border Services Agency (CBSA).

National Summit on Combatting Auto Theft

On 8 February 2024, before the committee’s study began, federal, provincial, territorial, and municipal government officials, industry leaders and law enforcement representatives from across the country came together for the [National Summit on Combatting Auto Theft](#) (the Summit) to discuss potential solutions.

At the conclusion of the Summit, the federal government [announced](#) the introduction of immediate measures to combat this problem, including a \$28 million investment in the

1 Statistics Canada, [Police-reported crime for selected offences, Canada, 2021 and 2022](#).



CBSA to conduct more investigations and reviews on stolen vehicles, and to enhance collaboration on investigations and information sharing with Canadian and international partners. The federal government also announced that it was considering banning certain devices used to steal vehicles by copying the wireless signals for remote keyless entry, such as the Flipper Zero.

Participants at the Summit also signed a [Statement of Intent](#) on Combatting Auto Theft recognizing the need to coordinate and enhance various efforts to combat vehicle theft.² Furthermore, the signatories committed “to take leadership within [their] roles and responsibilities to support and enhance the ongoing efforts of Police, industry and/or Governments, in order to further deter auto theft and address related issues.”

Several witnesses noted that the Summit highlighted the need for collaboration between stakeholders.³ The need for a collaborative approach between various stakeholders is also addressed in Chapter 4.

Port of Montreal Visit

On 13 May 2024, the committee visited the facilities of the Port of Montreal and the CBSA as part of its study on vehicle theft. The committee was briefed on the role and mandate of the Montreal Port Authority (MPA) and CBSA, as well as on the procedures for the import, export, and search of containers. The committee also had the opportunity to observe the collaboration between various police services and to witness the recovery of several stolen vehicles that were found during the container search by CBSA agents. The police officers present explained to the committee that the vehicles found are inspected to identify their provenance and whether other crimes have been committed with them. If

2 The participants who signed the Statement of Intent are the following: Honda Canada Inc., Équité Association, Insurance Bureau of Canada, Aviva Canada Inc., The Co-operators, PHGIC, TD Insurance, Wawanesa Mutual Insurance Company, Beneva Inc., Desjardins, Definity Insurance, Promutuel Insurance, Intact Financial Corporation, Northbridge Financial, CAA, GM Canada, CVMA, Toyota, Global Automakers of Canada, Government of British Columbia, Government of Northwest Territories, Government of Quebec, Government of Saskatchewan, Government of Yukon, Mayor of Oakville, Industrielle Alliance, Assurance auto et habitation Inc., and Travelers Canada.

3 House of Commons, Standing Committee on Public Safety and National Security (SECU), [Evidence](#), 15 April 2024 (Assistant Commissioner Matt Peggs, Regional Commander of Federal Policing, Central Region, Division O (Ontario), Royal Canadian Mounted Police); [Evidence](#), 15 April 2024 (Aaron McCrorie, Vice-President, Intelligence and Enforcement, Canada Border Services Agency); [Evidence](#), 18 April 2024 (Guillaume Lamy, Senior Vice-President, Personal Lines, Canadian Operations, Intact Insurance); [Evidence](#), 18 April 2024 (Commander Yannick Desmarais, Section head, Service de police de la Ville de Montréal); [Evidence](#), 18 April 2024 (Chief Inspector Michel Patenaude, Director of Criminal Investigation, Sûreté du Québec); and [Evidence](#), 18 April 2024 (Anita Gill, Director, Health, Safety and Security, Vancouver Fraser Port Authority).

a crime has been committed with a recovered vehicle, it is more thoroughly searched to find evidence. The police services and the CBSA also work closely together since only CBSA agents have the authority to open and search containers, while the police services carry out investigations to identify the individuals responsible for the thefts.

Report Structure

The report is divided into four chapters and contains a total of 44 recommendations scattered under each chapter of this report. Chapter 1 provides a contextual overview of Canada's vehicle theft problem. Chapter 2 discusses the involvement of organized crime in relation to vehicle theft. Chapter 3 addresses the complexity of the port environment and includes suggestions to facilitate responses to vehicle theft in this environment. Lastly, Chapter 4 suggests other measures that can be taken to combat vehicle theft.



CHAPTER 1: CONTEXT OF VEHICLE THEFT IN CANADA

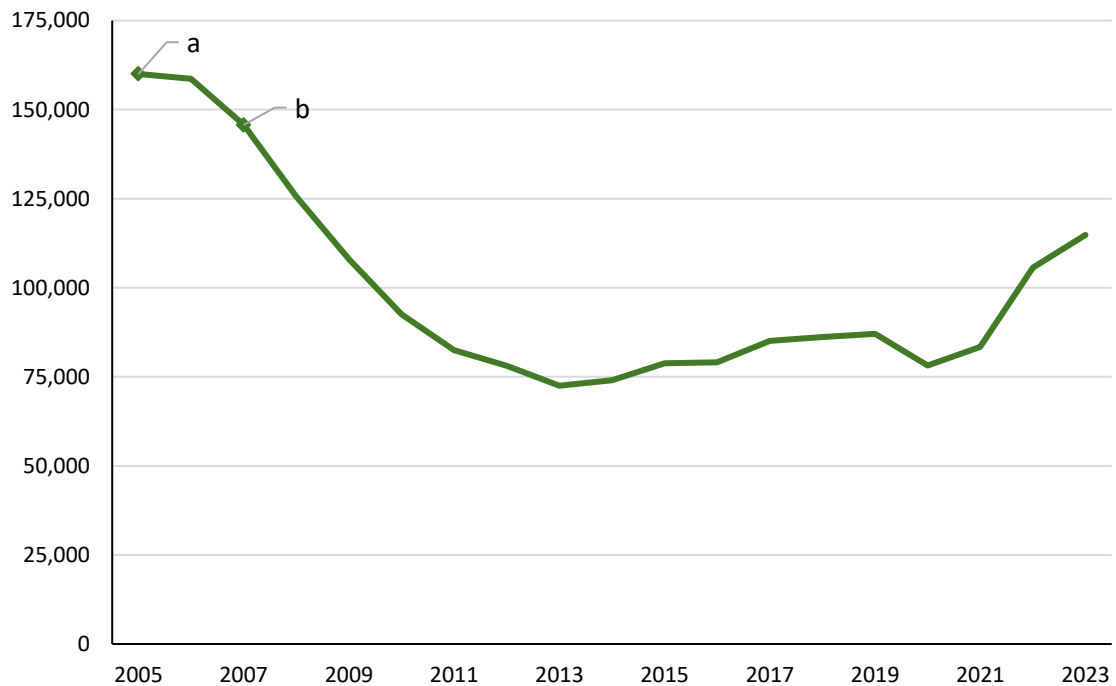
The witnesses heard during the study noted that vehicle thefts have increased significantly in Canada, particularly in Ontario and Quebec. Testimonies also revealed that a significant number of stolen vehicles transit through the Port of Montreal before being shipped overseas. Other witnesses expressed concern about the heavy financial burden that vehicle thefts have on Canada's economy. Vehicle theft affects all Canadians, notably by depriving them of their means of transportation, leading to an increase in their insurance premiums and reducing their sense of security.

Statistics on the Increase in Vehicle Thefts in Canada

In terms of the rise in vehicle thefts in Canada, [David Adams](#), President of Global Automakers of Canada,⁴ said that one vehicle is stolen every five minutes across the country. [Thomas Carrique](#), Commissioner (Commr) of the Canadian Association of Chiefs of Police, added that as of 29 February 2024, there have been over 3,000 vehicles stolen in Canada since 8 February 2024. Figure 1 shows the evolution of vehicle thefts in Canada between 2005 and 2023.

4 Global Automakers of Canada is a national trade association representing the interests of its members, namely 15 automakers, that represent 25 different brands, including Canada's two largest vehicle producers: Toyota and Honda.

Figure 1—Total Vehicle Thefts in Canada between 2005 and 2023



Source: Table prepared by the authors using data obtained from Statistics Canada, Table 35-10-0177-01 Incident-based crime statistics, by detailed violations, Canada, provinces, territories, Census Metropolitan Areas and Canadian Forces Military Police.

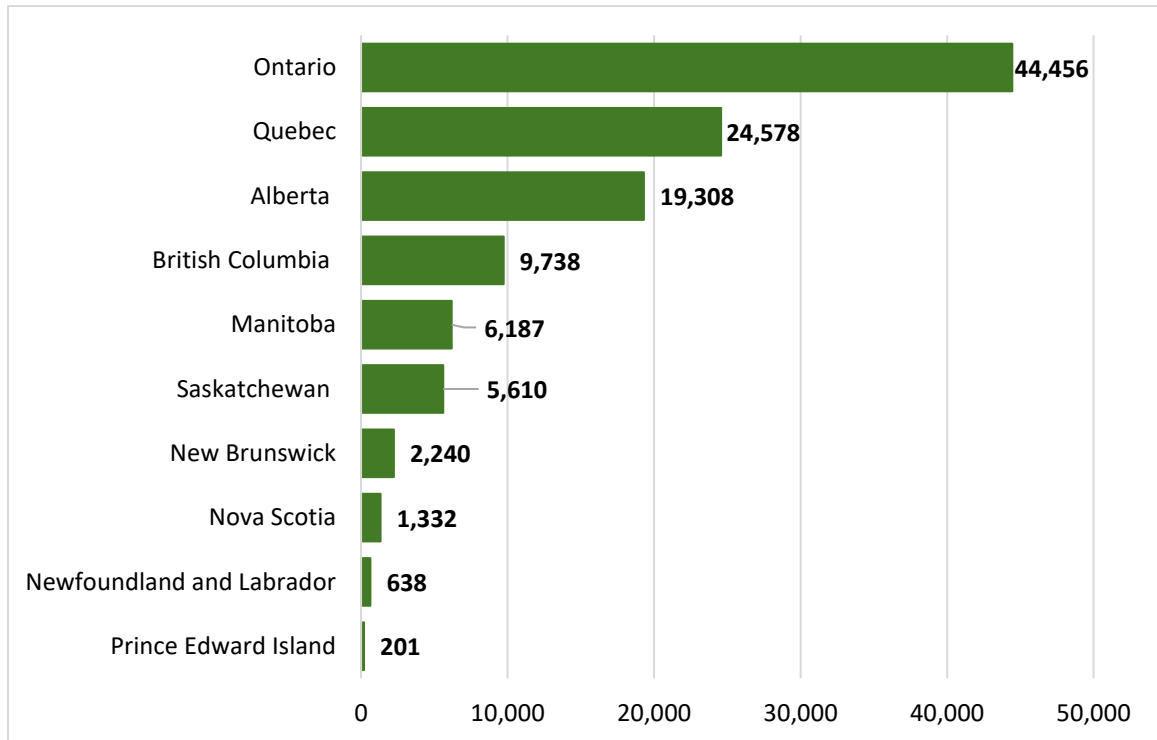
- a.: In the early 2000s, vehicle theft became a major scourge for Canadians. In 2005, the Government of Canada took steps to address this, including modernizing the Canada Motor Vehicle Safety Standard to require vehicles manufactured after 2007 to be equipped with an immobilization system and vehicle identification number (VIN) plates to be installed on the frame of the vehicle. See Government of Canada, [Background: Vehicle immobilizers](#).
- b.: In 2007, changes to the Canadian Motor Vehicle Safety Standard and VIN requirements came into effect. These legislative changes have made it possible to reduce vehicle thefts, as shown in Figure 1.

Note: Équité Association published a [First Half of 2024: Auto Theft Trend Report](#) on 16 July 2024. The report states that, for the period from January to June 2024, vehicle thefts decreased by 17% compared to the same period in 2023.

[Terri O'Brien](#), President and Chief Executive Officer of Équité Association, reported that in less than three years, vehicle theft had risen by 53% in Ontario and by 66% in Quebec. In that regard, Figure 2 shows the number of vehicle thefts by province in 2023 while Figure 3 lists the 10 cities with the highest number of vehicle thefts in 2023.

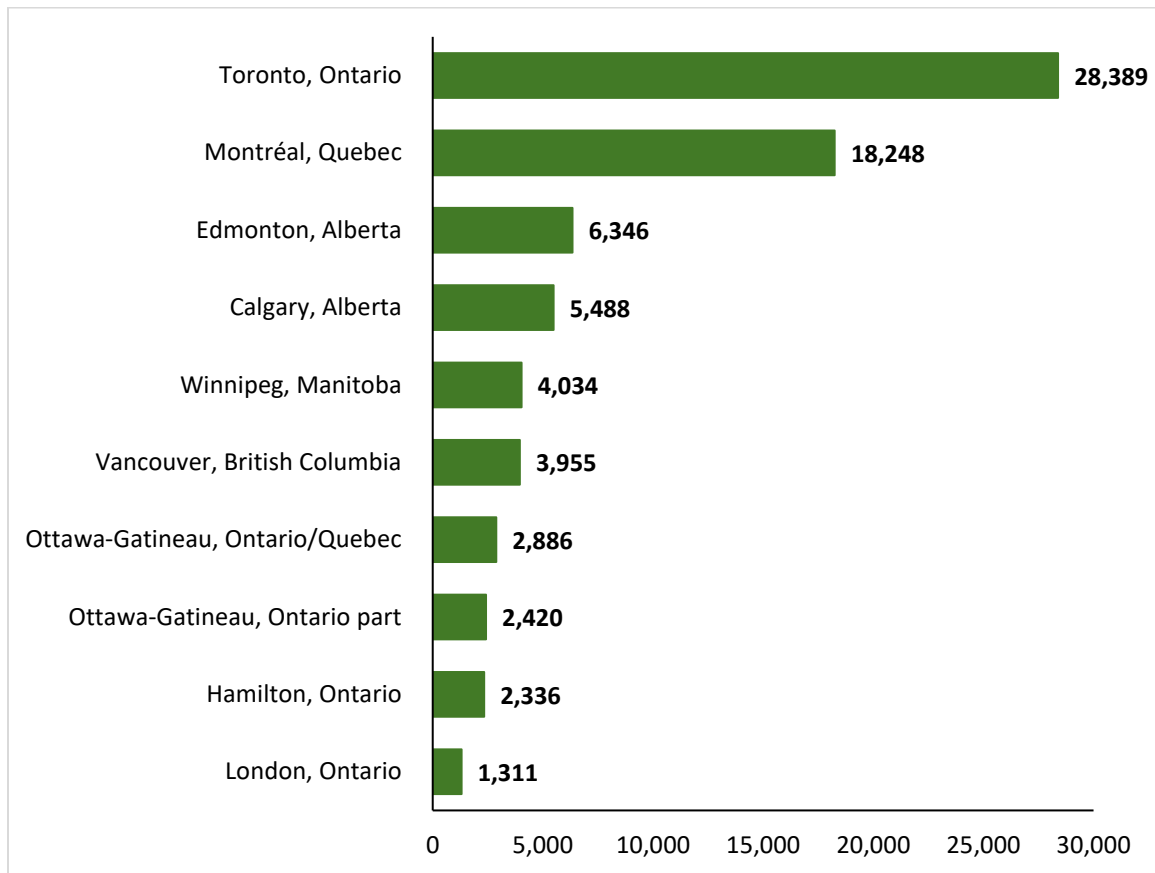


Figure 2—Total Number of Vehicle Thefts by Canadian Provinces in 2023



Source: Table prepared by the authors using data obtained from Statistics Canada, Table 35-10-0177-01 Incident-based crime statistics, by detailed violations, Canada, provinces, territories, Census Metropolitan Areas and Canadian Forces Military Police.

Figure 3—Total Number of Vehicle Thefts by the Top Ten of the Census Metropolitan Area in 2023



Source: Table prepared by the authors using data obtained from Statistics Canada, Table 35-10-0177-01 Incident-based crime statistics, by detailed violations, Canada, provinces, territories, Census Metropolitan Areas and Canadian Forces Military Police.

Ontario: Greater Toronto Area

Several witnesses told the committee that vehicle thefts have increased notably in the Greater Toronto Area. [Huw Williams](#), National Spokesperson for the Canadian Automobile Dealers Association, reported that vehicle thefts have increased by 300% in the Greater Toronto Area since 2015.

Similarly, [Deputy Chief Robert Johnson](#), Deputy Chief of Police of the Toronto Police Service, noted that Toronto has seen a dramatic spike in vehicle thefts, more than anywhere else in Canada. [He](#) said that there were more than 12,000 vehicles stolen in Toronto alone in 2023. To put this in perspective, [he](#) added that it represents about



34 vehicles stolen every day in 2023, or one every 40 minutes, which amounts to approximately \$790 million.

Deputy Chief Nick Milinovich, Deputy Chief of Police of the Peel Regional Police, noted that in 2023 over 7,000 vehicles were stolen in the Peel region, which is almost one vehicle stolen per hour. He added that some days, 1.5 vehicles were stolen per hour.

Deputy Chief Johnson stated that since 2018, Toronto police have recovered 20,000 vehicles, or 46% of stolen vehicles. He added that, in recovering these vehicles, they arrested 1,300 offenders and laid over 5,000 related charges.

Quebec: Montreal

Pierre Brochet, President of the Association des directeurs de police du Québec, said that “[i]n 2023, over 15,000 vehicles were stolen in Quebec. That’s an increase of 57.9% over three years.”

Specifically, Commander Yannick Desmarais (Comd.), Section head of the Service de police de la Ville de Montréal (SPVM), stated that the number of vehicle thefts increased by 147% in Montreal from 2020 to 2023. He noted, however, that the SPVM’s most recent statistics show a 30% drop in thefts in Montreal in the first quarter of 2024. Comd. Desmarais explained that these statistics are a result of police operations, efforts with other partners, and public awareness.

British Columbia

Kelly Aimers, Chief Actuary of the Insurance Corporation of British Columbia (ICBC), mentioned that, according to the Integrated Municipal Provincial Auto Crime Team (IMPACT), in 2023, British Columbia (B.C.) had its lowest rate of vehicle thefts since 2018.

Ms. O’Brien said that B.C. is less affected by the vehicle theft problem than other Canadian provinces since the illegal markets overseas are across the Atlantic. She also explained that the province may be less attractive for criminal organizations since crossing over into U.S. territorial waters could prove to be an obstacle. She said that if

they go south, they're almost immediately out of the port of Vancouver or other B.C. ports and into U.S. territory. If they go north, they hit Alaskan waters and are, again, in U.S. territory. Therefore, they are subject to search and seizure by U.S. Customs and Border Protection.

[Shabnem Afzal](#), Director of Road Safety at ICBC, noted that most vehicles stolen in B.C. are not exported, which explains why 7 out of 10 vehicles are recovered. She also stated that most thefts in B.C. involve older vehicles rather than newer models.

Three Possible Trajectories for Stolen Vehicles

According to testimony heard during the study, stolen vehicles generally have three possible trajectories, namely being exported overseas, having their vehicle identification number (VIN) cloned or “revinned” and being resold within Canada, or being disassembled for parts.⁵ [Deputy Chief Milinovich](#) reported that about 60% of vehicles were being stolen for export, while 40% were being revinned and resold within Canada.

Export Overseas

First, with regard to the export of vehicles overseas, [Deputy Chief Johnson](#) explained that

... like other crimes led by organized crime networks, they do not care about borders or jurisdiction. A violent carjacking in Toronto can end up with an arrest in Hamilton. We know that these stolen vehicles often wind up leaving Toronto and end up sold around the world by organized crime groups.

In Canada, the preferred route for exporting stolen vehicles seems to be the Port of Montreal. [Mr. Williams](#) explained that stolen vehicles were being sent by rail to the Port of Montreal. However, during the Port of Montreal visit, the committee was told that most of the stolen vehicles arrived by truck. [Mr. Williams](#) added that the vehicles were then exported, without CBSA inspection, to Africa, Eastern Europe, and other countries to be resold by international organized crime.

[Julien Baudry](#), Director of Public Affairs at the MPA, explained why the Port of Montreal is a prime target for exporting vehicles. He said that

[t]here are essentially two reasons for this: We are very close to the major urban centres of Quebec and Ontario, but we are also the main container port for supplying markets in Africa or the Middle East. According to [INTERPOL], these two markets are among the destinations for these stolen vehicles.

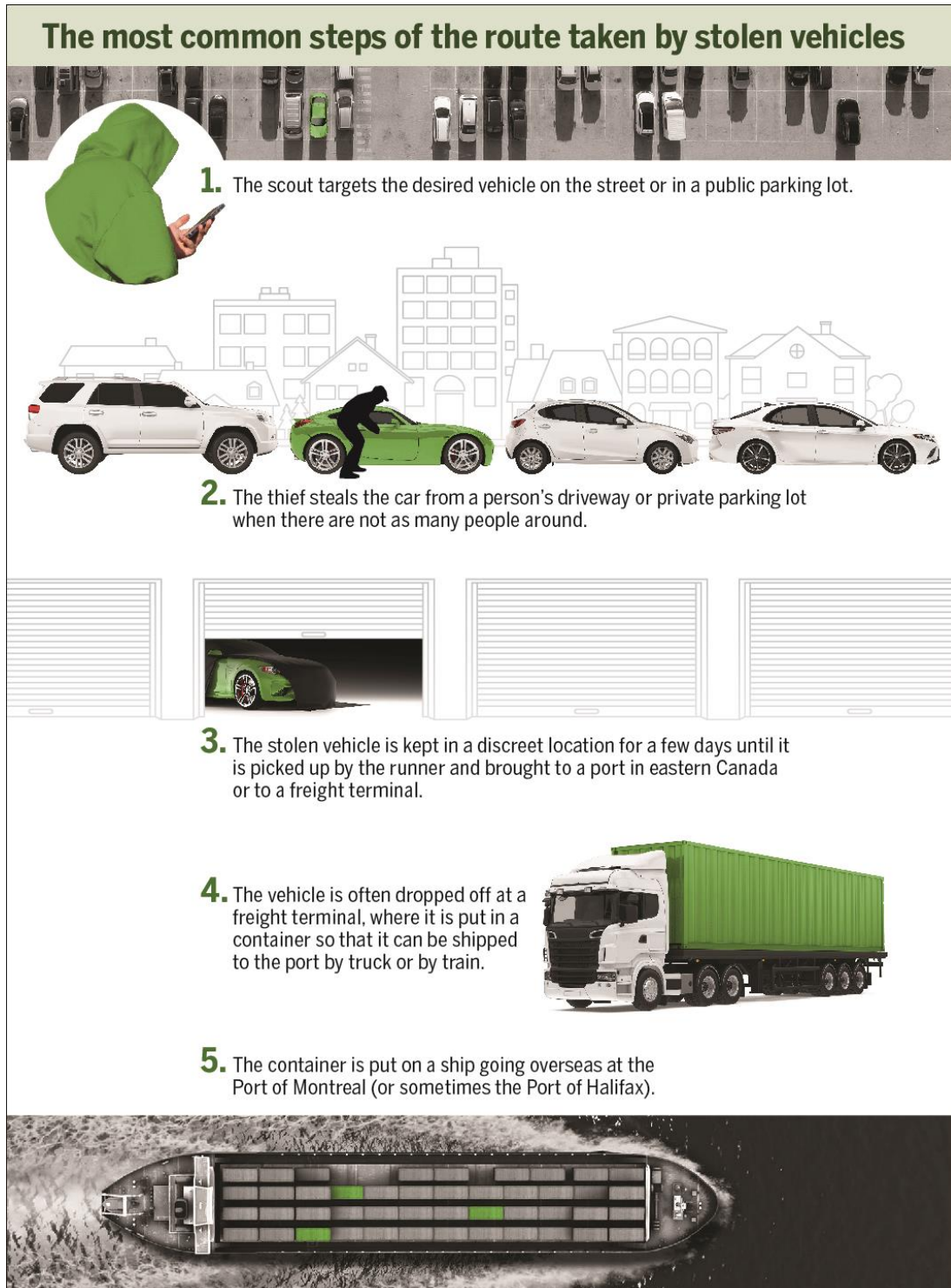
5 SECU, [Evidence](#), 29 February 2024 (Dan Service, Principal, VIN Verification Services Inc.).



Chief Inspector Michel Patenaude (Ch. Insp.) from the Sûreté du Québec (SQ), also highlighted the Port of Montreal's importance for the export of stolen vehicles from Quebec and Ontario.

Figure 4 shows the most common steps of the route a stolen vehicle may take, from the time it is identified until it is exported.

Figure 4—The Most Common Steps of the Route Taken by Stolen Vehicles





Description: The infographic outlines the five most common steps of the route taken by stolen vehicles.

1. The scout targets the desired vehicle on the street or in a public parking lot.
2. The thief steals the car from a person's driveway or private parking lot when there are not as many people around.
3. The stolen vehicle is kept in a discreet location for a few days until it is picked up by the runner and brought to a port in eastern Canada or to a freight terminal.
4. The vehicle is often dropped off at a freight terminal, where it is put in a container so that it can be shipped to the port by truck or by train.
5. The container is put on a ship going overseas at the port of Montreal (or sometimes the Port of Halifax).

VIN Revinning and Resaling

Second, when it comes to revinning and resale in Canada, [Ms. O'Brien](#) explained that “[i]n revinning, a vehicle identification number—or VIN—is changed, in essence, to create a false identity for that vehicle. By creating a new identity for these vehicles, criminals can sell them to unsuspecting Canadians, use them to commit other crimes or export them for significant profit.”

[Dan Service](#), Principal of VIN Verification Services Inc., reported that vehicles are “revinned, registered, given credibility by their provincial government registry and then resold to unsuspecting consumers within Canada.”

Resale of Parts

Third, [Ms. O'Brien](#) said that a small percentage of the stolen vehicles were not exported, but actually dismantled for parts. She specified that catalytic converters are prized by thieves because they have precious metals embedded in them. She added that mass thefts occurred at dealerships where catalytic converters have systematically been stolen.

Financial Burden

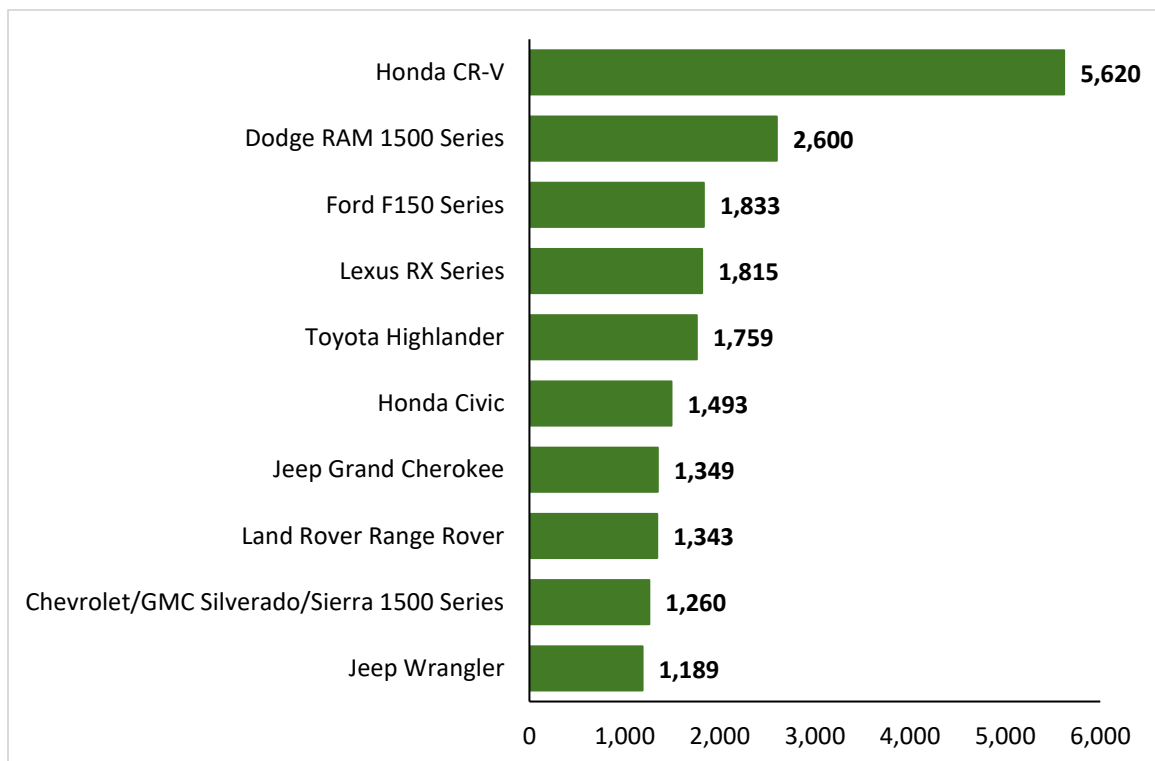
[Comd. Desmarais](#) noted that vehicle theft is a crime that has a significant impact on the victims, both financially and in terms of their sense of safety. Furthermore, according to [Ms. O'Brien](#), the current vehicle theft problem has resulted in Canadians being exploited twice: once when they are victimized by vehicle theft and again when the proceeds from that crime are funnelled back into the community, funding guns, drugs, and other illegal activities.

Regarding the financial burden, [Ian Jack](#), Vice-President of Public Affairs at the Canadian Automobile Association (CAA), stated that

... the costs of vehicle theft are rising astronomically. There have been \$1.2 billion in additional payouts in 2022, and these costs are being passed on to consumers in the form of higher premiums and, in some cases, vehicle surcharges of up to \$500 if you happen to be unlucky enough to own one of the top 10 most stolen vehicles. We believe that these costs will be significantly higher for 2023.

Figure 5 lists the 10 most stolen vehicles in Canada in 2022.

Figure 5—Most Stolen Motor Vehicles in Canada in 2022



Source: Table prepared by the authors using data obtained from Équité Association.

[Ms. O'Brien](#) also mentioned that “some insurers in the U.K. [are] deeming some vehicles on our top 10 list to be uninsurable, or their insurance is over 10,000 pounds a year.” In this regard, [Celyeste Power](#), President and Chief Executive Officer of the Insurance Bureau of Canada (IBC), noted that unlike in the U.K., insurers in Ontario and Alberta have to quote every single customer for insurance.



The committee recognizes that the financial burden of vehicle theft is widely spread. It imposes hardship on insurers who have no other resort than to raise insurance prime affecting Canadians across the country. It is in hopes of addressing insurers concerns that the committee recommends the following.

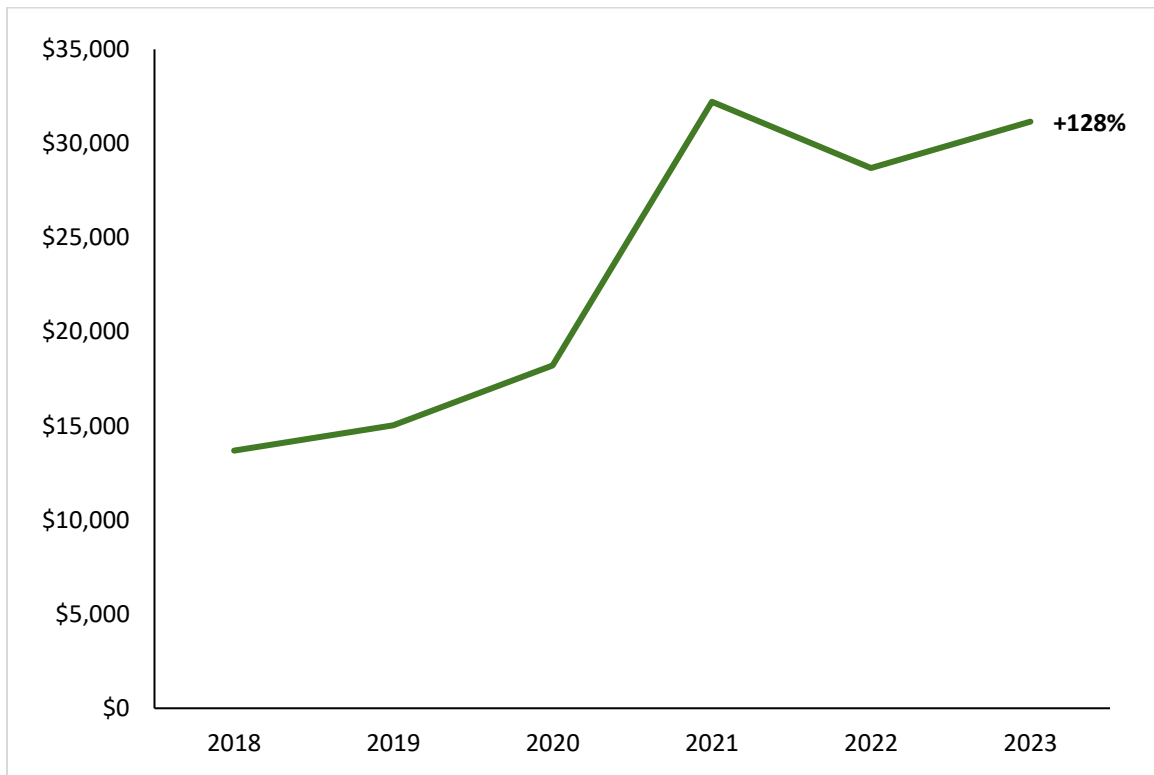
Recommendation 1

That the Government of Canada work in collaboration with provincial and territorial governments to find a balance allowing more freedom to insurers with regards to the insurance of the most stolen vehicles based on the United Kingdom model.

Mr. Jack raised CAA's concerns that insurance premiums, deductibles, and overall auto-related costs would continue to rise if the rate of vehicle thefts is not brought under control. Mr. Jack further noted that the increase in vehicle thefts "are more than just a cost pressure for consumers, as important as that is", but also has psychological effects on affected individuals.

Ms. Power said that in 2023, insurance premiums had increased by an average of \$130 in Ontario and \$105 in Quebec. Figure 6 shows the average cost of vehicle theft insurance claims from 2018 to 2023.

**Figure 6—Average Cost of Vehicle Theft Insurance Claims in Canada
between 2018 and 2023**



Source: Table prepared by the authors using data obtained from the trade association named Insurance Bureau of Canada.

[Ms. Aimers](#) specified that the minimum deductible for multiple thefts in the last few years has reached \$2,500.

[Guillaume Lamy](#), Senior Vice-President, Personal Lines, Canadian Operations at Intact Insurance, added that insurance companies are paying out for claims, but that ultimately, it is the customers who pay for these costs through their insurance premiums.

Another financial implication of vehicle theft is the cost of law enforcement. [Ms. O'Brien](#) pointed out that “[f]rom a fiscal standpoint, there are significant costs incurred by the government in terms of law enforcement and administration of the criminal justice system, which affect all taxpayers.”

The financial implications of the rise in vehicle thefts not only affect individuals and the government, but also businesses. In this regard, [Mr. Williams](#) noted that the costs for securing dealerships were high, and the insurance costs were also increasing for



dealerships. [Mr. Williams](#) also said that customers come to the dealerships to return their vehicles when their model is on the most stolen vehicle list out of fear of becoming a victim of violent crimes.

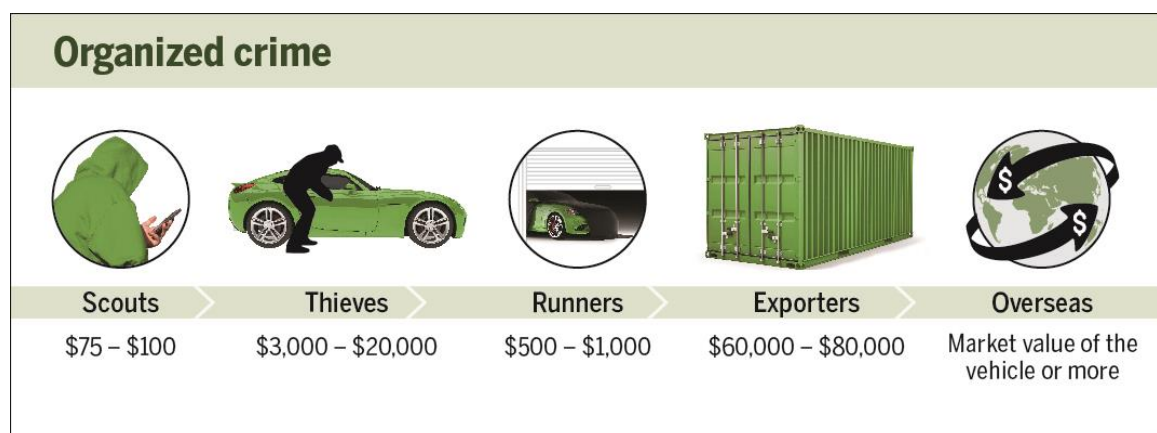
CHAPTER 2: INVOLVEMENT OF ORGANIZED CRIME

Several witnesses noted that the increase in vehicle thefts may be attributable to the rise in organized crime. [Comd. Desmarais](#) stated that vehicle theft is of particular interest to criminal organizations given the vehicle shortage due to supply chain disruptions since the COVID-19 pandemic. Furthermore, [Mr. Lamy](#) explained that criminals, including those in organized crime, “see vehicle theft in Canada as a low-risk, high-reward crime.”

According to [Ch. Insp. Patenaude](#), “these organized crime structures that are going from the theft to the exportation overseas are very complex organizations, and they all have different roles and responsibilities in the organization.” During the visit to the Port of Montreal, the committee also heard that it is important to strengthen information sharing between the various law enforcement partners to focus on the leaders of these organized crime groups and disrupt their operations.

[Scott Wade](#), Detective Inspector with the Ontario Provincial Police (OPP), explained that vehicle theft is carried out by organized crime groups in major metropolitan regions using spotters to identify vehicles, thieves to steal them and runners to transport the vehicles to ports of export for Europe, Africa, and the Middle East. Figure 7 illustrates the role and financial gain of each participant involved in vehicle theft.

Figure 7—The Hierarchy of Actors Involved in Vehicle Theft and Their Profit



Role of Organized Crime in Vehicle Theft

[Damon Lyons](#), Executive Director of the Canadian Vehicle Exporter's Association, explained that he believed the increase in organized crime was the driving force behind the surge in vehicle theft. He mentioned that a "recent report by Criminal Intelligence Service Canada stated that in just one year, between 2022 and 2023, they assessed there was a 62% increase in the number of organized criminal groups operating in the stolen vehicle market."

In his [brief](#), Mr. Lyons reaffirmed the major role organized crime plays in vehicle theft today. He noted that "[g]iven that the exportation process, vehicle manufacturer standards, vehicle recovery rates, and offender punishments have remained stable for well over a decade, the only new factor that can be added to the calculation is the involvement of organized crime."

In his [brief](#), Mr. Lyons noted that another factor explaining the rise in vehicle theft in Canada is that "[b]ad actors exploit federal regulations intended to allow for the regular flow of Canada's massive trade variety of goods."

In contrast to Mr. Lyons, [Commr. Carrique](#) was of the opinion that the vehicle theft problem and the involvement of organized crime were not new but dated back to the 1990s. According to him, the market for shipping stolen vehicles from Canada had decreased significantly in 2007 following the adoption of a "Transport Canada regulation⁶ that mandated vehicle manufacturers to equip all new vehicles with anti-theft engine immobilizers." However, organized crime found ways to circumvent anti-theft technologies while capitalizing on the vehicle shortage caused by the COVID-19 pandemic. This shortage also increased demand for used vehicles.

[Commr. Carrique](#) stated that according to him this surge in thefts in Canada is due to the ease with which thieves can obtain vehicles that are desirable overseas. Criminal networks make substantial profits by exporting these vehicles that are sold to buyers from Africa and the Middle East.

6 [Motor Vehicle Safety Regulations](#), C.R.C., c. 1038. For further explanation, see Transport Canada, [Background: Vehicle immobilizers](#).



Many witnesses, including [Commr. Carrique](#), said that the profits of vehicle theft are used to finance “other criminal activities ranging from drug trafficking and arms dealing to human smuggling and even international terrorism.”⁷

Several initiatives have been put in place to curb the involvement of organized crime in vehicle theft, including project RECHERCHER, which “targets criminal groups responsible for the export of stolen vehicles.”⁸ These police initiatives will be discussed in greater detail in Chapter 3.

The committee recognizes that organized crime plays a significant role in the commission of vehicle thefts and that the real motivation for the organized crime is not necessarily the stolen vehicle, but the financial gains that such criminal activity generates. To limit the financial gain of organized crime, the committee makes the following recommendation.

Recommendation 2

That the Government of Canada continue to strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing regime, to address money laundering and proceeds of crime linked to vehicle theft.

Increase in Violence

Witnesses noted a considerable increase in acts of violence used to commit vehicle thefts. [Ch. Insp. Patenaude](#) noted that, even though vehicle theft is a property crime, the increase in violence used to commit theft raises issues of public safety.⁹ He also pointed out that violence is often used to avoid being arrested by law enforcement.

[Comd. Desmarais](#) observed a link between vehicle theft and gun violence. He said that the SPVM speculated that the profits generated by vehicle theft are used to acquire firearms.

[Deputy Chief Johnson](#) explained that violence can materialize as intimidation with firearms or breaking and entering. He also said that in 2023, 202 home invasion cases and 233 breaking and entering cases were reported in Toronto, representing a 400%

7 SECU, [Evidence](#), 26 February 2024 (Terri O’Brien, President and Chief Executive Officer, Équité Association); [Evidence](#), 26 February 2024 (Deputy Chief Nick Milinovich, Deputy Chief of Police, Peel Regional Police); and [Evidence](#), 15 April 2024 (Scott Wade, Detective Inspector, Ontario Provincial Police).

8 SECU, [Evidence](#), 15 April 2024 (Matt Peggs).

9 SECU, [Evidence](#), 26 February 2024 (Terri O’Brien); [Evidence](#), 29 February 2024 (Damon Lyons, Executive Director, Canadian Vehicle Exporter’s Association).

increase. He further stated that as of 29 February 2024, since the beginning of 2024, 17 home invasions and over 32 carjacking occurrences had been reported in Toronto, which was double that of the same period last year.

Deputy Chief Milinovich noted that, over the course of the past two years in the Peel region alone, 185 carjacking incidents had been reported. He also said that home invasions are on the rise in the region as well.

Similarly, Mr. Adams explained that in Quebec and Ontario, thefts that are violent can be committed in the form of carjackings or home invasions. Mr. Brochet and Commr. Carrigue said that the crimes are not only a threat to the public, but also to police officers in the course of their duties. Commr. Carrigue specified that police officers are being threatened at gunpoint or being struck by violent offenders attempting to flee in stolen vehicles.

Mr. Williams said that violent thefts also occur at dealerships, reporting that employees have been held at gunpoint, pistol-whipped, or were victim of carjacked. He also mentioned that every dealership in Canada have a detailed security plan and protocols in place to prevent vehicle theft.

With regard to carjacking, Ms. O'Brien noted that

the criminals are becoming more brazen, often resorting to physical violence, as evidenced by the significant increase we've seen in carjackings, break and enters and owner-interrupted thefts that often result in violence. Greater Toronto area residents have witnessed a 104% increase in carjackings. Carjackings are terrifying.

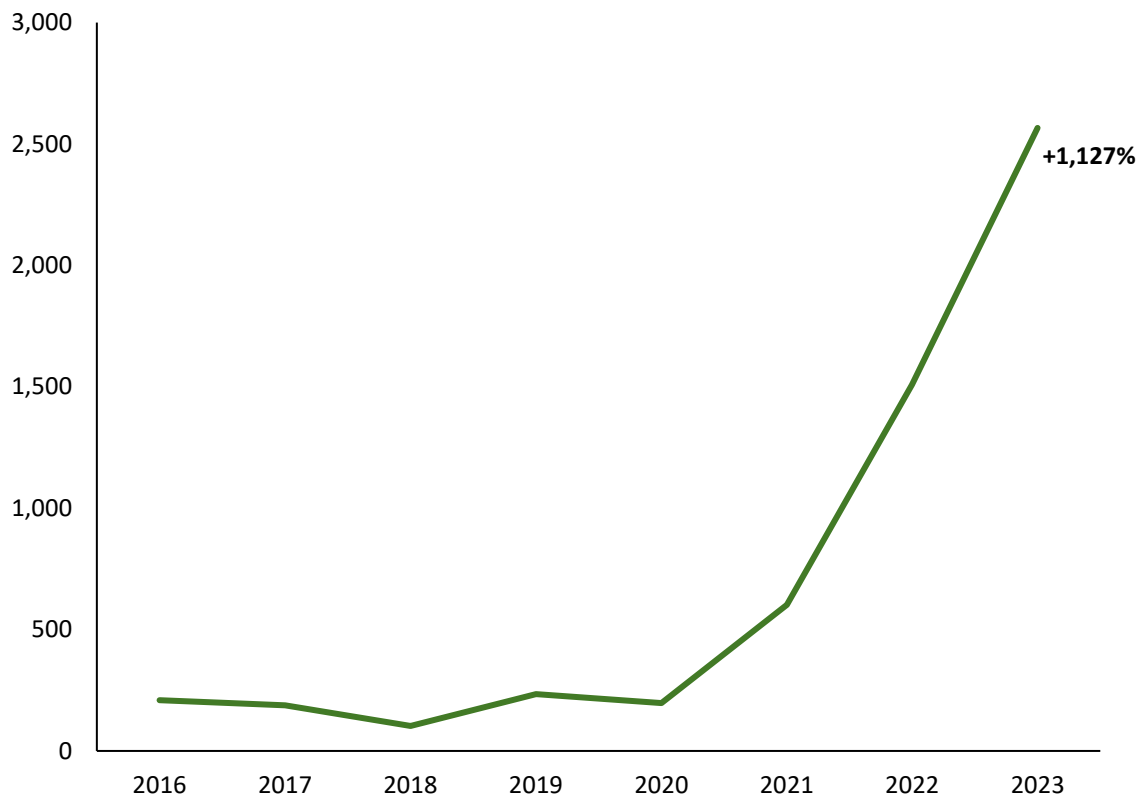
She added that “[a]ccording to a recent Angus Reid survey, 84% of Canadians say the rise in auto theft makes them concerned about their safety and the increase in crime in their community.”¹⁰

Figure 8 shows the rate of increase in vehicle thefts related to more serious violations and the involvement of organized crime reported by police services between 2016 and 2023.

10 Équité Association, “Survey finds majority of Canadians feel unsafe in their communities as the auto theft crisis continues to accelerate in the first half of 2023,” 10 October 2023.



Figure 8—Involvement of Organized Crime in Vehicle Thefts in Canada between 2016 and 2023



Source: Table prepared by the authors using data obtained from Statistics Canada, Table 35-10-0062-01 Police-reported organized crime, by most serious violation, Canada (selected police services).

Offenders Profile

Witnesses expressed concern over criminal organizations recruiting young people to commit vehicle theft. Moreover, [Mr. Williams](#) reported that criminal organizations are taking advantage of Canadian youth by paying them exorbitant sums of money to get involved in these crimes. [Commr. Carrique](#) said that there is a significant level of participation by young people, not only in committing vehicle theft, but in spotting and identifying the vehicles. In the Greater Toronto Area especially, many of these young people are armed, which puts public safety at risk.

Det. Insp. Wade explained that in Ontario, the average age of vehicle thieves is between 15 and 22 years, and he added that the accused are often “in possession of drugs, weapons, including firearms, and technological devices such as reprogrammed key fobs used to facilitate the theft of vehicles.” Lastly, Det. Insp. Wade said that 40% of the offenders arrested by the OPP were out on bail.

Deputy Chief Johnson reported that almost 50% of those arrested for carjacking in Toronto were repeated offenders and that a third of them were young offenders. Deputy Chief Milinovich added that in the Greater Toronto Area, “a large percentage of our carjackings are committed by people who have existing violent criminal records.”

In Quebec, specifically in Montreal, the trend seems to be different from that in the Greater Toronto Area. Comd. Desmarais said that, of the 550 arrests made by the SPVM in 2023, 50% of the individuals were between the ages of 15 and 25. Comd. Desmarais added that, in many cases, the young people arrested had no criminal record, so they were released, while Ch. Insp. Patenaude noted that criminal organizations also recruits “street gangs that have a history of violence [and drug trafficking].”

The committee heard several witnesses mention that youth outreach is crucial in reducing their involvement in criminal organizations that use them to commit vehicle thefts. Possible solutions will be discussed in Chapter 4.

CHAPTER 3: COMPLEXITY OF THE PORT ENVIRONMENT

Witnesses reported that the complexity of the port environment in Canada contributes to the difficulty of intercepting stolen vehicles before they leave the country.¹¹ Anita Gill, Director of Health, Safety and Security at the Vancouver Fraser Port Authority, explained the complexity of this environment by outlining the various roles of the parties involved:

One of the many regulations governing marine security is the *Marine Transportation Security Act* and regulations that outline the security roles and responsibilities within the marine environment. These regulations set out requirements for all port authorities and the requirements for independent marine terminal operators regarding the security of marine transportation and the protection of critical infrastructure.

Each of the 17 Canadian port authorities are responsible for implementing security measures within its jurisdictional boundaries, exclusive of leased spaces. The responsibility for security within those leased spaces falls to each independent terminal operator that has entered into a lease with that port authority.

11 SECU, Evidence, 18 April 2024 (Anita Gill); and Evidence, 18 April 2024 (Michel Patenaude).



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CANADA



The RCMP and CBSA are responsible for border protection and transnational crime, while municipal police agencies respond to calls for service from the terminals. Last, Transport Canada determines which categories of persons are required to have security clearances within the marine port environment. For the Vancouver Fraser Port Authority region, we have 29 different law enforcement and regulatory agencies that have a mandate on our port jurisdiction, and we have ongoing relationships with these agencies.

Figure 9 follows some of the steps taken by an exported container when it arrives at the port and illustrates the various roles and responsibilities of each participant involved in the port environment.

Figure 9—Role of Port Environment Stakeholders in the Export Process

Role of port environment stakeholders in the export process

Transport Canada determines in its *Marine Transportation Security Regulations* the categories of persons who must hold a detailed security clearance.






Port authorities are responsible for ensuring the safety of people and goods transiting through the port (*Canada Marine Act*). All access to the port is monitored and recorded.

While containers are stored at the terminal, CBSA officers inspect the documentation and exterior of the containers to ensure compliance (*Customs Act*). CBSA officers may recommend further examination of at-risk containers through steps A or B below.


A) The HCVM: X-ray examination of the container using the HCVM to detect, notably, the presence of illegal goods and stolen vehicles.

B) Physical examination at the CBSA warehouse: In the event of non-compliance detected by the HCVM or in the documentation, a complete examination of the container is carried out by a CBSA officer.



When illegal goods are found, the CBSA calls upon appropriate services, such as the RCMP or local police services who begin the investigation.

Each terminal is leased by a private operator who is responsible for ensuring the security and for loading containers onto ships.





Description: Figure 9 is an infographic representing the role of port environment stakeholders in the export process.

1. Transport Canada determines in its *Marine Transportation Security Regulations* the categories of persons who must hold a detailed security clearance.
2. Port authorities are responsible for ensuring the safety of people and goods transiting through the port (according to the *Canada Marine Act*). All access to the port is monitored and recorded.
3. While containers are stored at the terminal, CBSA officers inspect the documentation and exterior of the containers to ensure compliance (according to the *Customs Act*). CBSA officers may recommend further examination of at-risk containers through steps A or B below.
 - A) The HCVM: X-ray examination of the container using the HCVM to detect, notably, the presence of illegal goods and stolen vehicles.
 - B) Physical examination at the CBSA warehouse: In the event of non-compliance detected by the HCVM or in the documentation, a complete examination of the container is carried out by a CBSA officer.
4. When illegal goods are found, the CBSA calls upon appropriate services, such as the RCMP or local police services who begin the investigation.
5. Each terminal is leased by a private operator who is responsible for ensuring the security and for loading containers onto ships.

This chapter explores in greater depth the different aspects of the port environment, the problems identified, and the suggestions made by witnesses.

Legislative Framework

The *Constitution Acts 1867 to 1982* assign the responsibility for ports to the federal government.¹² The *Canada Marine Act* (CMA), which received Royal Assent in 1998, provides for the establishment of Canadian port authorities (CPAs) and defines their powers. The CMA has for objective to make “the system of Canadian ports competitive, efficient and commercially oriented.” As explained by Félix-pier Bergeron, Director of Port Protection and Business Continuity at the MPA, the CMA also establishes the responsibilities of the CPAs in terms of the management, operation, and maintenance of Canada’s ports.

In 1994, the *Maritime Transportation Security Act* (MTSA) was adopted, followed in 2004 by the *Marine Transportation Security Regulations* (the Regulations), giving port

12 *Constitution Acts 1867 to 1982*, s. 91(2)—Trade and Commerce; s. 91(10)—Navigation and Shipping; s. 91(12)—Sea Coast and Inland Fisheries; and s. 91(13)—Ferries between a Province and any British or Foreign Country.

authorities responsibility for safety, order, and the port environment. Together, the CMA, the MTSA, and its Regulations, provide the legislative framework for Canada’s marine sector.¹³

The MTSA and its Regulations are largely influenced by the International Maritime Organization’s (IMO) *International Ship and Port Facility Security Code* (ISPS Code).¹⁴ The IMO is “the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships.”¹⁵

Captain [Allan Gray](#) (Capt.), President and Chief Executive Officer of the Halifax Port Authority, explained that in the aftermath of the 9/11 terrorist attacks, the IMO developed security measures specifically designed to combat terrorism. Following that, the IMO continued its work on improving maritime security in a holistic way, specifically by proposing the ISPS Code, which was adopted in 2004, and the IMO Code of practice on security in ports.¹⁶ According to [Capt. Gray](#), the IMO particularly useful tools for developing and implementing security strategies and identifying potential security risks in the port environment. Moreover, Capt. Gray mentioned that “[t]here is a call at IMO to broaden the scope of the ISPS code to consider organized crime. I would recommend that the Canadian representatives on IMO engage with and support this initiative.” To this end, the committee makes the following recommendation:

Recommendation 3

That the Government of Canada recommend the International Maritime Organization to expand the scope of the *International Ship and Port Facility Security Code* to consider organized crime.

On another hand, [Ms. Gill](#) said that it would be important to amend the Regulations so as to “add more of a role in there for persons either at the marine terminals or at the port authorities so we could put in additional measures to assist law enforcement.” Currently, it allows port authorities to put security measures in place to protect Canada’s critical infrastructure, but it makes no mention of putting in measures for detecting or preventing criminality.

13 SECU, [Evidence](#), 18 April 2024 (Félixpier Bergeron, Director, Port Protection and Business Continuity, Montreal Port Authority); and [Evidence](#), 18 April 2024 (Anita Gill).

14 Transport Canada, [Marine Security Acts and Regulations](#).

15 International Maritime Organization, [IMO At Glance](#).

16 International Maritime Organization, [SOLAS XI-2 and the ISPS Code](#).



Considering the complexity of the port environment and the various pieces of legislation that could be amended to facilitate the work of stakeholders in the fight against vehicle theft, the committee makes the following recommendations:

Recommendation 4

That the Government of Canada work with public safety partners to identify high-risk Port facilities and conduct targeted security assessments for potential vulnerabilities, and that the Government of Canada revise and validate security plans for high-risk container facilities.

Recommendation 5

That the Government of Canada review existing legislation and regulations, such as the *Customs Act*, with a view to:

- **Enhance compliance with export controls;**
- **Increase accountability for all partners and facility operators involved in export operations;**
- **Increase penalties for non-compliance and false reporting; and**
- **Benefit from international best practices.**

Recommendation 6

That the Government of Canada assess legislation to ensure export regulations are effective for law enforcement.

Recommendation 7

That the Government of Canada allow port authorities to put security measures in place to prevent criminal activity.

Role of Port Authorities

CPAs are single legal entities that operate independently from the federal government. Each of the CPAs is governed by a board of directors whose members are nominated by port user groups and various levels of government. CPAs operate according to business principles and have the authority to determine their own strategic direction and make commercial decisions based on their needs. They are financially self-sufficient and act as

landlords by assuming responsibility for the maintenance of the port and commercial shipping channels. CPAs can therefore lease out port operations to private terminal operators.¹⁷

When visiting the Port of Montreal, the committee learned that each terminal has a designated origin and destination, and that two ships can be docked at each terminal at the same time. Although security falls under the jurisdiction of the MPA, terminal tenants can set up their own security systems on the terminal they are leasing.

In a [brief](#) submitted to the committee, the Association of Canadian Port Authorities (ACPA) described ports as “complex operating environments” given the various relationships between the organizations working there. The ACPA noted that “[t]here are important distinctions between the roles and responsibilities of the port authority itself, versus the roles of independently owned and operated tenants and port users, government agencies and police of jurisdiction.” [Mr. Baudry](#) said that the MPA’s focus was on the fluidity and the security of the port sites.

[Mr. Bergeron](#) explained that the CMA delegated specific and limited responsibilities to the CPAs regarding the security of the spaces under their authority.¹⁸ For example, this responsibility includes the safety of people and goods passing through the port but does not include the goods inside the containers.

Role of Transport Canada

[Ms. Gill](#) and [Mr. Bergeron](#) stated that the security clearance program is managed by Transport Canada. As such, Transport Canada determines which categories of persons are required to have security clearance within ports and marine facilities and conducts these checks.

17 This information was heard during the committee’s visit to the Port of Montreal, and confirmed by Transport Canada, [Canadian Port Authorities](#).

18 SECU, [Evidence](#), 18 April 2024 (Anita Gill); and [Evidence](#), 29 April 2024 (Captain Allan Gray, President and Chief Executive Officer, Halifax Port Authority).



Reviewing the Security Clearance Process

Witnesses noted a gap in security clearances at Canadian ports. Some witnesses called for greater control over security accreditation of employees and review of the relevant regulations.¹⁹

[Ms. Gill](#) explained that, “[a]s per the Transport Canada regulations, it’s a requirement for everybody entering a cruise facility to have a security clearance,” but that this requirement differs at container terminals. [Mr. Bergeron](#) specified that “[b]asically, [security clearance is] reserved for people having authority over other people or people having authority with regard to the management of the inventory.” He explained that at the Port of Montreal, of the 1,200 longshoremen, only 200 of them have security clearance. [Ms. Gill](#) added that at the Vancouver Fraser Port, of the 32,000 port passes, only 7,000 are required to have security clearances.

According to [Mr. Brochet](#), it is necessary to review the Regulations, take firmer action, and adopt new legislative standards with respect to the selection processes and security accreditation systems for all Canadian port employees. [Ch. Insp. Patenaude](#) and [Mr. Brochet](#) mentioned the possibility of giving police the task of conducting security checks of CPA employees. Police services, such as the SQ, already have the capacity to carry out security clearances and can ensure rigorous, impartial background checks on employees.

In addition, [Capt. Gray](#) pointed out that security clearance cards at Canadian ports were not the same between different ports since each port creates its own access card. He stated that “[t]he inconsistencies make the system vulnerable to fraud. Other jurisdictions have centralized systems with standardized cards, which make it easier to detect forgery and compare a card against a centralized database.”

[Capt. Gray](#) emphasized that a centralized system, like those found in other jurisdictions, would avoid this security gap. [He](#) explained that other countries affix security hologram films on their access cards that can be purchased only from the government. This means that the cards are identical throughout the country, making it easier to detect forgeries.

19 SECU, [Evidence](#), 29 February 2024 (Pierre Brochet, President, Association des directeurs de police du Québec); [Evidence](#), 18 April 2024 (Anita Gill); [Evidence](#), 18 April 2024 (Félix Bergeron); [Evidence](#), 29 April 2024 (Captain Allan Gray); and Canadian Automobile Association (CAA) and CAA Insurance Company, [CAA recommendations on combatting auto theft in Canada](#) (document submitted to the committee by Tim Shearman, President and Chief Executive Officer of the Canadian Automobile Association, and Matthew Turack, Group President, CAA Insurance).

[Capt. Gray](#) supported the federal budget's proposed funding for Transport Canada and the Royal Canadian Mounted Police (RCMP) to create a centralized transportation security clearance program.

Like many witnesses, the committee is concerned by the issue of gaps in the security clearance process of Canadian ports. To that effect, it therefore makes the following recommendations:

Recommendation 8

That the Government of Canada explore legislative amendments to provide police services with the authority to conduct security clearances for all Canadian Port Authorities' employees.

Recommendation 9

That the Government of Canada improve and standardize the security clearance screening of Canadian ports carried out by Transport Canada in collaboration with police services by:

- **establishing a centralized database for employee access cards for all Canadian ports;**
- **establishing a mechanism to standardize authentication of access cards across all Canadian ports; and**
- **considering technology used elsewhere in the world, like holographic film technology.**

Role of the Canada Border Services Agency

[Aaron McCrorie](#), Vice-President of Intelligence and Enforcement at the CBSA, highlighted CBSA's dual mandate "to facilitate legitimate trade in support of a strong Canadian economy and to ensure border security and integrity to protect Canadians from a variety of threats including illegal drugs, firearms and the export of stolen vehicles."

During the Port of Montreal visit, the committee learned that when imported containers arrive at the port, CBSA officers must check the documentation and the exterior of the containers to ensure compliance. No accurate data were available as to the percentage of containers searched when exported. However, CBSA officers confirmed that exported containers are occasionally searched for drugs, firearms, and stolen vehicles, among



other things. The CBSA officers also explained that since the increase in vehicle thefts, they have been paying special attention to the inspection of export containers.

Under section 6 of the [Customs Act](#), the port authority shall provide, equip, and maintain adequate buildings and other facilities for the proper inspection of containers by CBSA officers.

The CBSA has high-tech tools available for inspecting containers, including Ionscan, which detects narcotics and explosives. The CBSA also has an X-ray imaging system, commonly referred to as the HCVM (Heimann Cargo Vision Mobile), which allows for fast and non-intrusive examination of a container's contents.

The HCVM is primarily used to investigate containers that are imported, either when a container seems suspicious, when it has been randomly selected, or when a request has been made by an authority. It can also be used to examine export containers, although less frequently. If non-compliant elements are found during this X-ray examination, the container is brought to the container searches centre for a complete inspection by CBSA officers.

When a container inspection leads to the recovery of a stolen vehicle, a complete examination of the vehicle is carried out. This examination is a way to detect the presence of drugs, weapons, or other illicit goods. Currently, fentanyl is the main opioid intercepted by the CBSA.

[Mr. McCrorie](#) offered an overview of CBSA's approach towards its dual mandate and the work it accomplished in 2023. He explained that throughout all Canadian ports where CBSA operates, the CBSA facilitated the movement of over 3.5 million containers, it protected Canada's communities by preventing over 900 prohibited firearms and over 27,000 weapons from entering the country, and it intercepted over 72,000 kilograms of prohibited drugs, cannabis, narcotics, and precursor chemicals. Lastly, the CBSA prevented 1,806 stolen cars from being exported.

[Mr. McCrorie](#) added that at the time of his testimony, the CBSA had already intercepted 949 stolen vehicles in 2024. [He](#) also said that the CBSA continued to work with "the [RCMP], the [OPP], the [SQ], the [SPVM] and other police of jurisdiction to strengthen information sharing and support their criminal investigations." For example, in 2023, the CBSA participated in 14 different police operations, including Project Vector, a joint operation between the CBSA, the OPP, the SQ, the SPVM and Équité Association, which resulted in 390 shipping containers being targeted and the recovery of a total of 598 stolen vehicles as of 15 April 2024.

[Mr. McCrorie](#) also noted that the CBSA worked in collaboration with industry groups like Équité Association and the Canadian Vehicle Exporter's Association to further improve the CBSA's targeting efforts.

Reviewing the Canada Border Services Agency's Priorities

The committee heard on numerous occasions that the CBSA's mandate was more focused on imports than exports. [Mr. Brochet](#), [Mr. Jack](#) and [Deputy Chief Milinovich](#) noted that the CBSA did not appear to be inspecting export cargoes. [Deputy Chief Milinovich](#) said that despite the high number of stolen vehicles being exported out of the country, the CBSA did not have officers or analysts exclusively assigned to intercepting the export of stolen cars from the country. In this regard, [Deputy Chief Milinovich](#) stated that "[w]e need to resource and equip our ports in a way that is commensurate with the pressure and issues we are experiencing."

In terms of the CBSA's mandate and the export of goods, [Capt. Gray](#) noted that it was important to understand "that most customs authorities around the world are focused on protecting a country and looking at goods coming in. ... [T]heir primary focus is about protecting a country, so their resources are allocated that way." He believes that the current resource allocation does not allow the CBSA to focus sufficiently on exports.

Similarly, [Mr. McCrorie](#) said that the CBSA mainly focuses its efforts on threats coming into Canada, such as drugs and illegal firearms. In his view, this does not mean that the CBSA is ignoring exports. Rather, it is a question of balancing its priorities and the risks detected.

With respect to balancing priorities, [Mr. McCrorie](#) explained as follows:

Our mandate, both in terms of looking at traffic coming in, whether it's people or goods, or traffic leaving in terms of exports, is to always take a risk-based approach. We can't check every person. We can't check every container. We can't check every ship or every truck. However, by taking a risk-based approach, we're making effective use of the resources that have been allocated to us by the people of Canada.

Nevertheless, [Mr. Brochet](#), proposed a restructuring of CBSA's operations so that it could significantly increase audits of export containers. [He](#) suggested that the CBSA be required to carry out a certain percentage of random inspections of container contents because, to [his knowledge](#), the CBSA checks only the containers it receives information on regarding potential illegal activities. [Mr. Brochet](#) said that the type of new obligations would require additional resources and a review of the CBSA's methods.



Mr. Jack also said that there needed to be a mentality shift at the CBSA—it needed to focus more on exports. Meanwhile, Deputy Chief Milinovich also stressed the need to review relevant legislation such as the *Customs Act* and the *Export and Import Permits Act*.

Considering the testimony heard, the committee recognizes the need to review the CBSA’s priorities so that the agency can give greater priority to export containers and that resources be allocated to it in this regard. To that effect, the committee makes the following recommendation:

Recommendation 10

That the Government of Canada review the export surveillance aspect of the Canada Border Services Agency's (CBSA) mandate by:

- **requiring a minimum percentage of random examinations of export containers at Canadian ports;**
- **allocating more resources to this aspect of the CBSA's mandate; and**
- **introducing legislative amendments and regulations to compel rail and port operators to provide adequate accommodations for the examination of exported containers by CBSA officers.**

Maintaining the use of X-ray Technology

Capt. Gray explained that, according to the standard practice around the world, including in Canada, “there is no X-ray or scanning of export boxes unless the country of destination has a security requirement for a preload scan.” He is of the opinion that “spending a lot of money on scanners may not fix the problem, and scanning every single container may not fix the problem.”

Mr. Bergeron spoke about some important aspects related to the use of technological equipment, such as the HCVM, which emits radiation to scan the containers. He noted that it would be best to assess the health risks to workers associated with radiation. He pointed out that although this technology is used more frequently in other parts of the world, “in those places, they don’t have the same commitment to human life that we do in Canada.” He also noted that it would be necessary to assess whether there is enough space to use them and whether the use of this technology would affect the port’s efficiency. He explained that this technology “takes between four and five minutes to scan each container.”

[Mr. McCrorie](#) explained that approximately 2,300 containers a day transit through the Port of Montreal, but that the X-ray technology currently available to the CBSA allows it to search only around 10 containers per hour.

If we had 10 screening devices, we could do all 2,300 in a day, but that doesn't account for the backlog that would occur with vehicles lining up and trains lining up. It's just physically impossible to search every container. That's why it's so important to leverage information and intelligence and do our targeting.

[Mr. McCrorie](#) reported that, for a while, most of the stolen vehicles were recovered through police tip-offs, but that nowadays, about 70% of the stolen vehicles recovered by the CBSA are found through CBSA's own targeting work. The other 30% are found through police tip-offs. The CBSA carries out this work using targeting and information management techniques it obtains as part of export declarations, which includes VINs. He deems that it would be preferable to consider other solutions than scanning more containers, such as leveraging information and intelligence as well as targeting techniques.

When it comes to the effectiveness of scanning export containers, [Capt. Gray](#) said that this approach is not entirely foolproof. For instance:

[I]f the manifest says the box contains household goods but a scan reveals a car inside, then it's reasonable that enforcement agencies know they should be inspecting the container. But if they scan a box that has a car inside, and the manifest says there is a car inside, there is no way of knowing if that car is stolen without opening the container and looking to see if the VIN matches the ownership documents. Even that check might not catch a VIN that has been tampered with.

This means that scanning a container would only help detect undeclared vehicles but would not effectively identify vehicles that have been revinced. [He](#) added that it is not realistic to scan every single container or even the majority of them. [Capt. Gray](#) therefore questioned spending a lot of money to buy scanners as a possible solution.

The committee recognizes the effectiveness of scanning export containers but understands that it is not realistic to use this technology on all export containers. It further recognizes that the CBSA's targeting expertise is important and that the agency provides excellent support to police investigations when their assistance is requested. For these reasons, the committee makes the following recommendations:

Recommendation 11

That the government of Canada enhance collaboration between the Canada Border Services Agency and port authorities, rail network, and shipping partners to expand



export cargo container examinations, notably to include urgent, significant, and random deployment of scanning and detection technology in new locations.

Recommendation 12

That the Government of Canada continue to provide adequate resources to the Canada Border Services Agency to maintain their 100% response rate in conducting container examinations when information is provided by law enforcement agencies.

Increasing Funding

[Mr. McCrorie](#) highlighted the \$28 million federal investment announced at the Summit by the Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs to combat the export of stolen vehicles. In a [news release](#), the CBSA announced that this funding would, among other things, increase the CBSA's capacity to detect and search containers with stolen vehicles, as well as test available detection technologies, such as advanced analytical tools like artificial intelligence (AI), that could support the work of CBSA officers in intercepting export containers.

Witnesses such as [Ms. Gill](#) and [Mr. Adams](#) applauded the Government of Canada's announcement of increased funding for law enforcement resources, including supporting the CBSA's work at Canada's ports.

However, other witnesses, such as [Mr. Lamy](#), were of the opinion that continued investments in the CBSA are critical. For example, [Brian Kingston](#), President and Chief Executive Officer of the Canadian Vehicle Manufacturers' Association, stressed the need to support the CBSA through "investments into personnel, container imaging machines and remote VIN verification technologies."

With regard to staff shortages, [Mark Weber](#), National President of the Customs and Immigration Union, suggested opening a second college to train CBSA officers. [He](#) noted that there is currently no shortage of applicants, but rather a shortage of resources to train them. [He](#) is of the opinion that "[t]echnology can be very helpful to an officer, but you need the officer there."

[Mr. Jack](#) suggested providing the necessary resources to the CBSA "by upping boots on the ground, installing cargo container scanners and prioritizing random inspections on exports, which today are virtually non-existent."

The committee understands the need for continued investments in the CBSA to ensure that the agency has the resources it needs to meet the expectations of Canadians. The committee therefore recommends the following investments:

Recommendation 13

That the Government of Canada invest in combating vehicle theft by:

- **Increasing the complement of border officers by hiring new frontline officers and deploying them to ports, rail yards, and intermodal hubs to expand examination capacity in response to intelligence developed by the Canada Border Services Agency and law enforcement;**
- **Dedicating new resources to intelligence and targeting capabilities specific to stolen vehicles; and**
- **Identifying and testing new detection technology tools to expand capacity to screen containers for stolen vehicles.**

Recommendation 14

That the Government of Canada decrease spending on outside consultants at the Canada Border Services Agency and divert that money towards increasing scanning capacity at Canada's ports.

Recommendation 15

That the Government of Canada open a second Canada Border Services Agency training college.

Role of Canadian Police Services in Ports

The committee heard that the role of Canadian police services was critical in the fight against vehicle theft. During the visit to the Port of Montreal, the committee was also told that when illegal goods are retrieved, the CBSA called on intelligence services and then on the RCMP and local police services, who are responsible for contacting the appropriate foreign authority or the provincial police services, to coordinate further investigation.

In certain circumstances, the police service of jurisdiction may decide to proceed with a controlled delivery of the container with the illicit goods or stolen vehicle. The police



officers explained to the committee that a controlled delivery involves proceeding with the planned delivery of the container, notably by reducing or replacing the goods, allowing for arrests to be made when the container is retrieved.

Considering the important and ongoing role of various police services in ports, the committee makes the following recommendation:

Recommendation 16

That the Government of Canada continue to commit to supporting the Royal Canadian Mounted Police and other police services by ensuring they have the necessary tools to gather information and make arrests against organized crime.

Collaboration at the Port of Montreal

According to several witnesses, “[c]ombating vehicle theft requires co-operation among [police services] organizations, governments, industry and international partners.”²⁰

Comd. Desmarais noted the SPVM’s collaborative efforts with its partners:

At the SPVM, our priority has always been to work with our partners. In 2022 and 2023, we continued to build on this approach, which has always produced excellent results. After discussing with our partners at the Canada Border Services Agency or CBSA, the SQ, the Ontario Provincial Police or OPP, the Royal Canadian Mounted Police or RCMP, and the Equity Association, we decided to pursue that approach further.

Comd. Desmarais also stressed the need to continue working closely together from a national perspective to reduce the criminal organizations’ activities.

Similarly, several witnesses highlighted the police operations carried out in collaboration with various partners to reduce vehicle theft and curb organized crime activities, including:

- Project VECTOR: Assistant commissioner and Regional Commander Matt Peggs (A/Commr.), of the RCMP’s Ontario Division, said that the RCMP was involved in Project VECTOR, which targets the criminal supply chain of stolen vehicles. He added that on 3 April 2024, the project led to the recovery of 598 vehicles at the Port of Montreal. Mr. McCrorie said that

20 SECU, *Evidence*, 15 April 2024 (Matt Peggs); *Evidence*, 15 April 2024, (Aaron McCrorie); and *Evidence*, 15 April 2024 (Scott Wade).

the project was a joint operation between the CBSA, the OPP, the SQ, the SPVM and Équité Association.

- Project EMISSIONS: [Det. Insp. Wade](#) said that Project Emissions allowed for the collection and sharing of vehicle theft crisis information with police services nationally and internationally.
- Virtual interprovincial and cross-border intelligence team on the export of stolen vehicles: [Ch. Insp. Patenaude](#) said that “a virtual interprovincial and cross-border intelligence team on the export of stolen vehicles has been set up using resources from the [SQ], the [OPP], the [RCMP], and the [CBSA].”
- Tag stolen vehicle tracking system²¹: [Mr. Bergeron](#) mentioned that the MPA was working with private companies “that monitor or track stolen vehicles in the port using the famous Tag stolen vehicle tracking system.” Antennas were installed at the Port of Montreal for this purpose. [He](#) also told the committee about the launch of a national program to welcome all companies operating in the field of technology similar to these antennas.

Collaboration at the Port of Vancouver

According to [Ms. Gill](#), “port security and port policing exist on a continuum, and enhanced information sharing between [police services] and port authorities is essential.” In this regard, she mentioned the collaboration between various partners at the Port of Vancouver, including:

- PIMSWG: [Ms. Gill](#) highlighted the success of the PIMSWG, which operates at the Port of Vancouver. This initiative includes senior leadership from regional Transport Canada, RCMP, CBSA, Vancouver Police Department and Delta Police Department.
- Training on the inner workings of the Port of Vancouver: [Ms. Gill](#) said that senior RCMP officers had reported the need to better understand the port’s operations in order to intervene more effectively. The Port of

21 The [Tag stolen vehicle tracking system](#) refers to a varied number of wireless tracking devices, patented by the OTODATA WIRELESS NETWORK INC., that are installed throughout a vehicle trackable throughout North America. The Tag logo is etched on the front driver and passenger side windows of your vehicle to deter theft. See SECU, [Evidence](#), 18 April 2024 (Guillaume Lamy).



Vancouver therefore offered a two-day training course in co-operation with the RCMP's Federal Serious and Organized Crime division, Pacific region, and CBSA Operations and Intelligence, Pacific region.

Enhancing the Police Ability to Search

In addition to collaboration, increasing police officers' powers to conduct searches could facilitate vehicle theft investigations. [Comd. Desmarais](#) explained that the various police services can conduct container searches with legal authorization: "We state what the ongoing investigation is and open the containers together." However, [he](#) believed that giving additional powers to open containers to police officers working at the port "whether they are from the [SQ], Montreal city police, or other police services ... would certainly facilitate matters." [Ch. Insp. Patenaude](#) added that the SQ had been working with the SPVM and the CBSA since March 2022 to enhance their ability to search containers.

However, [Mr. Bergeron](#) explained that the local police jurisdictions all across the country could have access to the Port of Montreal if they asked for it, "but they couldn't open a container by themselves. The CBSA or the RCMP needs to be there, because they are the only two that can open a container under the *Customs Act*." [Mr. McCrorie](#) added that, as opposed to the police jurisdictions, the CBSA has the power to open containers without a first obtaining a warrant. [Mr. Bergeron](#) stated that the MPA granted the CBSA and the RCMP, as well as other police services, an ongoing 24-hour access to the Port of Montreal, which extends to the terminals and to more than 600 cameras monitoring the entire Port.

[Mr. Bergeron](#) pointed out that no police jurisdictions had applied for access to the Port of Montreal, but that the OPP carried out a joint vehicle theft investigation with the SPVM, which is the police of jurisdiction. [He](#) explained that "[i]t's a question of territorial jurisdiction, but if they demand access, they will grant them access. They can then get into the terminal, assess what it is and where they want to find something, and then call in the CBSA to open the container."

With regard to the physical capacity to inspect containers, [Comd. Desmarais](#) noted that there is naturally less space designated for searching export containers than for import containers at the Port of Montreal, which prevents them from doing more.

The committee commends the collaborative work between the police services, the CBSA and the port authorities. It recognizes the important work of the police services in the fight against vehicle theft. However, it cannot ignore the existence of obstacles to the

work of police services in the port environment. The committee makes the following recommendations with the objective of countering some of these obstacles.

Recommendation 17

That the Government of Canada work with provinces, territories, and municipal partners to provide additional funding to police services to improve their capacity to provide timely referrals, information, and actionable intelligence to the Canada Border Services Agency (CBSA), as well as take custody of stolen vehicles intercepted by CBSA.

Recommendation 18

That the Government of Canada amend the *Customs Act* to make changes to the conditions under which containers may be searched and expand the powers of police officers working at ports to open containers when they suspect fraudulent contents.

Containers Security

Capt. Gray explained that

[t]ypically, a shipping container is packed at an off-site location. The paperwork is done. That includes a self-declaration of what's inside. The container is closed and marked with a customs seal. When a container arrives at a terminal by either truck or rail, the container number is matched to the booking number, the customs seal is physically checked to see that it hasn't been broken, the serial number of the seal is noted against the container and then the container is put in the stacking area for export. Neither the terminal operator nor the port authority have the right to hold or open a container unless directed by the shipper, the shipping line or the CBSA.

He added that in terms of documentation accompanying a container, “there is a bill of lading, which is a legal contract between the shipper and the carrier that shows ownership, and there is a cargo manifest, which lists the contents of what is claimed to be inside the box.” The manifest document includes words like “said to contain.” No one other than the exporter who filled the document and the container knows for sure what is in it.

Mr. Bergeron also explained that the CPAs and the terminals do not have access to information about the containers’ content. “The only people who do have access to that information besides the exporter are the customs officers and the vessel operators.”

Mr. Bergeron pointed out that although the MPA do not have the authority to inspect containers, initiatives have been launched to support police and businesses that conduct



investigations. In this regard, [he](#) said that the MPA has given access to 800 police and customs officers, including RCMP, SQ, SPVM and CBSA officers, to the Port of Montreal at any given time. In addition, more than 600 cameras were installed at the port to ensure better monitoring. [He](#) stated that “access to the port is monitored 24 hours a day, seven days a week, at all times. Any access to the port is monitored and logged.”

[Mr. Baudry](#) stated that the MPA also intensified its communication efforts to facilitate mutual understanding between the Port and the police. [Capt. Gray](#) said that it is vital for CPAs to “work closely with their partners, including local police, federal enforcement authorities and the [CBSA] to achieve security.”

Amending the Rules Associated with the Export Manifest

According to [Mr. Bergeron](#), a major problem stems from the regulations surrounding the export manifest. He said that “there is no accountability on who stocked the container. The paperwork, once they sign off and it is sent to CBSA, is the end of it, but there is nobody who signs off by saying what is in the container for real.” [Mr. Bergeron](#) noted that the Regulation and legislation needs to be amended to add some form of accountability with respect to the validity of the content declared to be in the container.

[Mr. Brochet](#) suggested “to force carriers to ensure that the container contents match the container manifest. In other words, they need to be liable for what they carry”. In that regard, [Mr. Bergeron](#) said that currently, container carriers “don’t have liability because the container is sealed.” [He](#) is of the view that the person who put the seal on the container is the weakest link in the chain because “there is no responsibility for that.”

Witnesses also highlighted a problem regarding the possibility of amending an export manifest after the departure of a ship.²² [Ms. Power](#) noted that in Canada, export documents can be amended after a ship had set sail, compared to the U.S. Customs and Border Protection Agency that requires “the exporter of a vehicle to present all export documents and the vehicle at the port at least 72 hours prior to export.”

[Mr. Lyons](#) said that the system in place since 2005 requires the manifest to be presented within 48 hours of departure for anything that leaves by a vessel. [Ms. O’Brien](#) and [Mr. Lyons](#) were of the opinion that this standard should be modified to include the 72-hour rule established in the U.S. Mr. Lyons stated in his [brief](#) that

22 SECU, [Evidence](#), 26 February 2024 (Terri O’Brien); [Evidence](#), 18 April 2024 (Guillaume Lamy); and [Evidence](#), 29 April 2024 (Ian Jack, Vice-President, Public Affairs, Canadian Automobile Association).

[i]n consultation with industry, Canada should explore the feasibility of requiring shipping lines to only amend prescribed Bill of Lading data when the [Canadian Export Reporting System Portal] declaration has been properly amended with CBSA. This will provide greater data to CBSA for its targeting intelligence, as well as create a greater risk to organized crime in the falsification of their data and documents.

[Comd. Desmarais](#) also sustained that a period of 72 hours would be favourable to CBSA and police investigations, as it would give them greater flexibility to perform checks. [Mr. Lamy](#) explained that introducing the 72-hour rule as an export requirement “would allow for more vehicles to be searched prior to export, and ensure the actual VIN matches what is declared on the export declaration form.”

The committee was surprised by the shortcomings surrounding the rules associated with the export manifests. Therefore, it makes the following recommendations in the hope that their implementation will contribute to improving export standards and facilitate the work of detecting stolen vehicles.

Recommendation 19

That the Government of Canada review the *Customs Act* and its regulation to impose an obligation of veracity on the export document submitted to Transport Canada and ensure the imposition of substantial penalties in the event of false declaration on the container manifests.

Recommendation 20

That the Government of Canada amend the *Customs Act* and its regulation to prohibit the alteration of export manifests after the departure of vessels and require the presentation of export documents at least 72 hours before departure.

Using Artificial Intelligence Technology in the Port Environment

Some witnesses proposed using AI technology to make it easier for the CBSA to target and inspect containers. For instance, [Mr. Baudry](#) said that the MPA was looking at new technologies to facilitate the detection of containers carrying stolen vehicles. While some witnesses called for more X-ray inspections of containers, others raised the possibility of using new technologies such as AI.

[Mr. Lyons](#) believed part of the government’s \$28 million in funding should be invested in AI development as it would support the analysis of submissions in the Canadian Export Reporting System. In his [brief](#) submitted to the committee, Mr. Lyons explained that



criminal organizations often make misrepresentations in their declarations. The CBSA could take the following measures:

- VIN verification via decoding;
- automated VIN duplication checks;
- automated checks of the national stolen vehicle database;
- the creation and automated checks of a true national vehicle lien database; and
- automated comparisons of integrated data sets deemed most relevant to targeting suspicious activity.

Mr. Lyons stated in his [brief](#) that the CBSA could draw inspiration from the efforts of the Financial Transactions and Reports Analysis Centre, which announced investments in AI as a means of targeting. [He](#) believed that there were too many containers to open every single one of them, “but with their intelligence, we would know who is shipping this product and if that’s actually what’s inside of that container. It’s about gathering all that intelligence to know where we should target our efforts.”

[Ms. Gill](#) also argued that “[t]here are many implications of installing X-ray machines, like resourcing and additional potential responsibilities on CBSA and the terminal operators.” She also said that AI could make it easier to identify containers to examine by comparing the manifest to the contents of the container. She said that the Vancouver Fraser Port Authority would be willing to discuss the best way to integrate these technologies.

Considering the rapid progress in technology such as AI and the benefits it represents for ensuring containers security, the committee makes recommendations in favour of investing and using these technologies.

Recommendation 21

That the Government of Canada integrate the use of advanced data analytics and artificial intelligence (AI) to better target containers with suspected stolen vehicles and that the Canada Border Services Agency utilizes AI to facilitate the verification of Vehicle Identification Numbers and the Canadian Police Information Centre.

Recommendation 22

That the Canada Border Services Agency undertake the following measures:

- **Verify the vehicle identification number (VIN) by decoding;**
- **Improve targeting techniques and verification of export declarations;**
- **Implement automated VIN duplication and national stolen vehicle database checks (Canadian Police Information Centre); and**
- **Improve analysis of submissions to the Canadian Export Reporting System.**

CHAPTER 4: SUGGESTIONS TO COMBAT VEHICLE THEFT

Throughout this study, the committee heard many possible solutions to combat vehicle theft. While the committee recognizes that there is not only one solution to this complex issue, it acknowledges the importance of diversifying approaches. In addition to the suggestions specific to the port environment discussed in Chapter 3, the section below explores other suggestions put forward by witnesses.

Raising Public Awareness

Raising public awareness is an important aspect of vehicle theft prevention, whether with consumers, young offenders, or dealers. CAA and CAA Insurance provided recent data in their [brief](#) on security measures currently taken by consumers:

- Only 80% of drivers lock their car doors.
- Just over 1/3 of drivers keep their vehicle in a garage.
- Just 20% of drivers have motion sensors or a video camera for their driveway or garage.
- Only 5% of drivers use either a Faraday pouch or a steering wheel lock.
- There is considerable opportunity to change habits—very few drivers actively park their lesser-valued vehicle at the bottom of their driveway.²³

23 Parking the vehicle with the lowest value at the end of the driveway can serve as a deterrent and provide protection against theft of the second, higher-value vehicle, which would then be blocked by the vehicle parked at the end of the driveway.



According to [Ms. Power](#), focusing our efforts on prevention and consumer awareness to make vehicles harder to steal is a first step that should not be overlooked.

[Ms. Power](#) and other insurer representatives, such as [Mr. Lamy](#) and [Mr. Jack](#), noted the efforts made to date by insurers to encourage consumers to better protect themselves against vehicle theft. For instance, [Ms. Power](#) highlighted the awareness efforts made by IBC and the industry in general:

When it comes to elevating consumer awareness, insurers are doing their part. In addition to consumer education at the point of sale by brokers and agents and incentivizing the installation of aftermarket anti-theft devices, our industry ran an “End Auto Theft” campaign last fall to educate drivers on what they can do to protect themselves. We reached tens of millions of drivers.

[Ms. Power](#) explained that her organization advises consumers to install a bar on the steering wheel or put their keys in a Faraday bag.²⁴ [Mr. Jack](#) noted that CAA also provides the same type of advice to consumers.

According to the [brief](#) submitted by CAA and CAA Insurance, more specific awareness campaigns in high-risk areas, such as “Lock It or Lose It” in Alberta, serve to remind residents to take the simple step of locking their vehicles all the time.

[Mr. Lamy](#) stated that Intact Insurance works closely with provincial regulators to raise awareness around theft trends, partners with companies such as Tag to offer Intact customers the opportunity to install aftermarket tracking devices on their vehicles, and supports communication efforts through their brokers to encourage customers to protect their vehicles.

[Comd. Desmarais](#) and [Mr. Adams](#) noted the use of the media as a means for raising awareness. In this regard, Mr. Adams said that his organization has been developing a website to raise consumer awareness on vehicle theft and provide information to victims of this type of crime.

Several police representatives also expressed the need to focus on prevention among young people who are often targeted by organized crime groups wishing to take advantage of their vulnerabilities.²⁵ [Comd. Desmarais](#) explained that these young people,

24 A Faraday bag is a commonly used tool that incorporates electromagnetic field blocking technology. When used to store a vehicle key, the Faraday bag helps shield or completely blocks the signals of certain devices used to steal vehicles by copying the wireless signals of keyless entry systems.

25 SECU, [Evidence](#), 26 February 2024 (Nick Milinovich); [Evidence](#), 18 April 2024 (Michel Patenaude); and [Evidence](#), 18 April 2024 (Yannick Desmarais).

who often have no criminal record, are easily tempted by the money they can make from stealing vehicles, but that they do not always understand the reality. [Comd. Desmarais](#) provided the example of young people who “film themselves inside the vehicles while being followed by the police to make fun of the situation. As Mr. Patenaude said earlier, we need to focus on educating those young people, while also focusing on enforcement.”

Along the same lines, during the visit to the Port of Montreal, the committee heard that to reduce the involvement of at-risk youth in vehicle theft, it is important to target the leaders of organized crime networks.

The committee recognizes that public awareness and community initiatives are important aspects of vehicle theft prevention, not only for vehicle owners, but also to help prevent the recruitment of at-risk youth by organized crime and gangs. The committee hopes that the implementation of the following recommendations will help strengthen the resilience of Canadian communities to vehicle theft.

Recommendation 23

That the Government of Canada continue to invest in community-based prevention initiatives for youth-at-risk of future involvement in the criminal justice system, including by prioritizing the funding of new project under the Youth Gang Prevention Fund for community-based initiatives preventing at-risk youth from joining gangs and from getting involved in other criminal and anti-social activities, such as youth delinquency, vehicle theft, substance use, and gun violence.

Recommendation 24

That the Government of Canada continue investing in the Initiative to Take Action Against Gun and Gang Violence to address the increased links between gun and gang violence and vehicle theft.

Recommendation 25

That the Government of Canada collaborate with provincial and municipal governments to develop a national awareness campaign focused on vehicle security best practices, aimed at educating the public on preventative measures to reduce the risk of vehicle theft.



Recommendation 26

That the Government of Canada support research initiatives to evaluate the effectiveness of community-based policing strategies in reducing vehicle theft, with a focus on fostering partnerships between law enforcement and local communities.

Amending the *Criminal Code*

Many witnesses were in favour of amending the *Criminal Code*. [Commr. Carrique](#) identified some of the most frequently proposed solutions, such as “stronger minimum sentences for repeat offenders, the creation of new offences related to trafficking and/or the exporting of stolen vehicles, and exercising the full range of *Criminal Code* penalties currently available.”

Some of these solutions will be explored in more detail below.

Imposing Stiffer Penalties

Several witnesses supported the idea of imposing stiffer penalties for crimes related to vehicle theft.²⁶ As explained by [Det. Insp. Wade](#) and [Commr. Carrique](#), stiffer penalties would not only serve as a deterrent to criminals, but would also put repeat offenders behind bars to prevent crimes from being repeated. [Mr. Jack](#) also suggested imposing higher maximum sentences for repeat offenders.

In terms of repeat offences, [Commr. Carrique](#) noted that Bill C-48²⁷ on bail reform had made significant improvements with respect to bail. He believes that the Act should be evaluated after the prescribed five-year period in the optic to potentially making further improvements.

26 SECU, [Evidence](#), 26 February 2024 (Celyeste Power, President and Chief Executive Officer, Insurance Bureau of Canada); [Evidence](#), 26 February 2024 (Deputy Chief Robert Johnson, Deputy Chief of Police, Toronto Police Service); [Evidence](#), 26 February 2024 (Nick Milinovich); [Evidence](#), 29 February 2024 (Thomas Carrique, Commissioner, Canadian Association of Chiefs of Police); [Evidence](#), 15 April 2024 (Scott Wade); [Evidence](#), 15 April 2024 (Brian Kingston, President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association); [Evidence](#), 18 April 2024 (Yannick Desmarais); [Evidence](#), 29 April 2024 (Ian Jack).

27 [Bill C-48, An Act to amend the Criminal Code \(bail reform\)](#), 44th Parliament, 1st session. Adopted and in force since 2023. Bill C-48 amends the *Criminal Code*'s provisions concerning bail and creates, notably “a reverse onus provision for any person charged with a serious offence involving violence and the use of a weapon who has been convicted, within the last five years of a serious offence involving violence and the use of a weapon.” With regards to the safety and security of the community, Bill C-48 also requires the court to take into account in its decision if the accused has a previous convictions involving violence.

According to [Commr. Carrigue](#), the minimum penalty of six months in prison for a third offence is insufficient and should be increased to be an effective deterrent. He “believe[s] there's a lot of merit to increasing the minimum penalty, and that [Bill C-379²⁸] is a good place to start the discussion.”

To [Commr. Carrigue](#), tougher penalties are both a deterrent factor as well as a helpful tool to the police’s ability to solve crimes. For instance,

[i]f [the police is] unable to solve the crime and lay a charge, there is no consequence. However, if [the police] solve[s] the crime, [lays] the charge and there's no substantive penalty, [the police] wasted [its] time and effort, and the criminals are empowered to continue with their criminal activities.

On the ability to prosecute, [Ms. Power](#) noted the importance of investing more resources in the criminal prosecution system since this has a real impact on whether or not legal proceedings will be initiated.

On the topic of sentencing, [Det. Insp. Wade](#) said it was important to recognize that vulnerable youths are being exploited by organized crime. [He](#) also added that the ability to solve crimes is equally as important as the ultimate sentencing when it comes to deterring offenders.

The committee heard from several witnesses who recommended amendments to the *Criminal Code*, including through the imposition of more severe penalties and through the addition of new offences specifically related to vehicle theft. In response to these testimonies, the committee makes the following recommendations:

Recommendation 27

That the Government of Canada amend the *Criminal Code* to provide additional tools for law enforcement and prosecutors to address vehicle theft by:

- **Including new offences related to trafficking and exporting stolen vehicles.**

28 [Bill C-379](#), An Act to amend the Criminal Code (motor vehicle theft), 44th Parliament, 1st session. Bill C-379

amends the *Criminal Code* to address motor vehicle theft by increasing the minimum term of imprisonment in the case of a third or subsequent motor vehicle theft offence, providing that primary consideration must be given to the fact that the offence was committed for the benefit of, at the direction of or in association with a criminal organization and restricting the possibility for a person convicted of a motor vehicle theft offence of being subject to a conditional sentence order.



- Including new criminal offences related to auto theft involving the use of violence or links to organized crime; possession or distribution of an electronic or digital device for the purposes of committing auto theft; and laundering proceeds of crime for the benefit of a criminal organization.
- Adding a new aggravating factor at sentencing if an offender involved a young person in committing an offence under the *Criminal Code*.
- Increasing the *Criminal Code* penalties for motor vehicle theft, such as escalating terms of imprisonment for subsequent offences and increasing the penalties for motor vehicle theft when it has been committed for the benefit of or in association with a criminal organization.

Recommendation 28

Recognizing that the bail system is a joint responsibility between the federal, provincial and territorial governments, that the Government of Canada, in consultation and collaboration with the Provinces and Territories, review the bail system to reduce recidivism and deter auto theft.

Creating New Offences

[Mr. Adams](#) and [Deputy Chief Milinovich](#) suggested drawing inspiration from the consequences of being charged with drug possession or trafficking in drugs under the *Controlled Drugs and Substances Act* to combat vehicle theft. [Det. Insp. Wade](#) and [Deputy Chief Milinovich](#) proposed taking some of those concepts from this Act, notably those related to the possession of drugs for the purpose of exporting and importing, and applying them to stolen property or vehicles. Deputy Chief Milinovich is of the view that if this type of criminal act is federally legislated, it would be easier for the police to investigate and prosecute.

[Deputy Chief Milinovich](#) explained that, in general, when a person is charged with vehicle theft, they are often charged “with possession of stolen property over \$5,000 or theft over \$5,000.” However, these common charges “don’t reflect the risk and the injury that it’s causing to our communities.”

[Deputy Chief Milinovich](#) said that he hopes the federal government’s action plan “will formally elevate auto theft to a national priority and examine opportunities to legislate

tougher sanctions and federal sanctions, which would enhance police abilities to pursue the organized crime groups that are responsible for this.”

Considering the recommendations made by some witnesses regarding the adoption of new offences relating to vehicle theft in the *Criminal Code* similarly to the sanctions provided in the *Controlled Drugs and Substances Act*, the committee made recommendation 27 above.

Implementing Measures to Foster Collaboration and Information Sharing

The majority of witnesses stressed the importance of collaboration between all stakeholders, including all levels of government, the CBSA, partners in the private industry, vehicle manufacturers, port authorities and shipping companies in the fight against vehicle theft.²⁹ For many, these various types of collaboration would not only make it more difficult to steal and transport vehicles, but would also help coordinate efforts against organized crime, put an end to violence, and keep communities safe.

Det. Insp. Wade noted that intelligence sharing and partnerships helps achieve good outcomes in the fight against vehicle theft:

We're sharing intelligence and finding new ways, I think, to share information. We're considering an evaluation of the *Customs Act* and broader application of sharing that intelligence and information, which is ongoing. We've had excellent success as a result of those partnerships.

Increasing Intelligence Sharing and Establishing a National Strategy

The key to successful collaboration is information sharing. As Ch. Insp. Patenaude explained, “the pillars of strong and effective collaboration are the fluid and ongoing exchange of current intelligence, the establishment of joint teams, the conduct of ad hoc joint operations, and mutual assistance among partners.” A better flow of information is part of the solution that several witnesses have called for.

29 SECU, *Evidence*, 26 February 2024 (Robert Johnson); *Evidence*, 26 February 2024 (Shawn Vording, Vice-President, Product and Sales, CARFAX Canada); *Evidence*, 26 February 2024 (Celyeste Power); *Evidence*, 26 February 2024 (Terri O'Brien); and *Evidence*, 15 April 2024 (Aaron McCrorie).



In this regard, [Comd. Desmarais](#) noted that information sharing between police agencies is effective, but that the process is at times more complex with the CBSA since documents have to be filled out to obtain information, which can slow down some investigations.

[Ms. O'Brien](#) also said that Équité Association would like to have better information sharing with the CBSA, possibly through a tri-party agreement that would allow the CBSA to share information, including manifest information. She noted that Équité Association currently has an intelligence-sharing agreement with the police, and that they can then share the data obtained with the CBSA.

[Ms. Gill](#) mentioned the need for enhanced information sharing between the police and the CPAs. [Mr. Bergeron](#) noted that the MPA wants to be part of the process of reducing the vehicle theft problem, but the lack of lawful information sharing undermines this collaboration.

[Capt. Gray](#) noted the lack of effective data transfer from agencies to ports and terminals. He believed that the problem stems from the existing legislation, which does not give ports access to CBSA data.

Many witnesses supported the creation of a national strategy to foster collaboration. For instance, [Deputy Chief Johnson](#), [Mr. Adams](#) and [Deputy Chief Milinovich](#) suggested that a national strategy be created to coordinate efforts and cut through barriers to fight this problem affecting Canada as a whole.

[Mr. Lamy](#) noted that “[t]his is a national crisis that requires a whole-of-society approach to solve.” Meanwhile, [Comd. Desmarais](#) said that collaboration is key, given that theft rings do not operate within territorial boundaries.

The committee acknowledges that enhanced information sharing between the CBSA, police agencies, CPAS, and stakeholders, is part of the solution to disrupt vehicle theft. The committee is aware that some legislations prevent information sharing and hinders this collaborative approach. The committee believes that the following recommendations should be implemented.

Recommendation 29

That the Government of Canada enhance customs information and intelligence sharing to support municipal and provincial police services in their vehicle theft investigations.

Recommendation 30

That the Government of Canada engage all partners in the export trade, such as port authorities, shipping lines, and rail operators, to develop actionable intelligence on stolen vehicles.

Recommendation 31

That the Government of Canada establish a National Intergovernmental Working Group on Auto Theft led by Public Safety Canada with federal, provincial, territorial, and municipal governments as well as police services to coordinate actions, monitor progress, and that the task force review and strengthen initiatives that may be undertaken at all levels for a multi-faceted approach to combatting vehicle theft.

Recommendation 32

That the Government of Canada strengthen existing ways of sharing intelligence and information among law enforcement and public safety partners by:

- **Dedicating federal resources to the provincially led Auto Theft Joint Intelligence Group, with key police services and leveraging private sector collaboration; and**
- **Using the Criminal Intelligence Service Canada network, to provide actionable intelligence, and the Canadian Integrated Response to Organized Crime, to coordinate national operational approaches to organized crime, including vehicle theft.**

Recommendation 33

That the Government of Canada develop and implement a GPS tracking protocol for vehicle theft victims to share location data of stolen vehicles with relevant authorities for safe retrieval.

Recommendation 34

That the Government of Canada amend the legislation to allow ports authorities to access the Canada Border Services Agency data.



Recommendation 35

That the Government of Canada promote collaboration and information sharing by increasing financial support of the various collaborative initiatives undertaken by police services, public safety partners, and other independent organizations to combat vehicle theft.

Building on International Collaboration

Some witnesses mentioned that INTERPOL considered vehicle theft to be an international problem and that Canada is a source country for the export of stolen vehicles.³⁰ For instance, [Mr. Lyons](#) stated that

INTERPOL now describes Canada as a source nation for stolen vehicles. This should not sit well with any of us. Canada is a nation based on trade. Our reputation on the international stage is paramount to our collective success. In the automotive industry, for well over 40 years, Canada has been known around the world as the most trusted nation to do business with and to source vehicles from for the international market. When organized crime threatens Canadian citizens and businesses, it is incumbent upon the government to root out organized crime so that Canada can regain its rightful place as a leader in trusted international trade.

[Capt. Gray](#) and [Ms. Power](#) pointed to the need to build on international policing collaboration to make it easier to recover vehicles in Canada. According to [Ms. Power](#), sharing information “with foreign partners, including INTERPOL, would help arm international customs officials with the knowledge they need to intervene.”

In this regard, [Mr. Lamy](#) welcomed “the recent investment directed to INTERPOL’s joint transnational vehicle crime project.”

[Ms. O’Brien](#) and A/Commr. [Peggs](#) mentioned that the RCMP shares Canadian Police Information Centre data on over 104,000 vehicles stolen in Canada with INTERPOL. A/Commr. [Peggs](#) said that this information “is now accessible to the international law enforcement community, which can query vehicles matching Canadian records in the INTERPOL database.”

A/Commr. [Peggs](#) reported that in the first six weeks, there were over 1,000 query alerts for Canadian records and 150 requests for international collaboration. He also highlighted the

30 SECU, [Evidence](#), 29 February 2024 (Huw Williams, National Spokesperson, Canadian Automobile Dealers Association); [Evidence](#), 29 February 2024 (Damon Lyons); and [Evidence](#), 29 February 2024 (David Adams, President, Global Automakers of Canada).

fact that the RCMP has a network of liaison officers and analysts deployed around the world to work with international partners.

[Ms. O'Brien](#) said that "Équité Association was designated as the non-law enforcement repatriation agency in Canada" and that at the time of her testimony, Équité Association had already identified over 150 stolen vehicles.

Considering that vehicle theft is a global problem, collaboration with international partners must be part of the solution. Therefore, the committee makes the following recommendations:

Recommendation 36

That the Government of Canada engage foreign border services for collaboration, implement best practices, and find technological solutions to address the rise in vehicle theft.

Recommendation 37

That the Government of Canada strengthen interjurisdictional and international cooperation with provincial, municipal, and foreign law enforcement partners.

Recommendation 38

That the Government of Canada connect Canada's stolen motor vehicle records from the Canadian Police Information Centre to INTERPOL's Stolen Motor Vehicle Database.

Recommendation 39

That the Government of Canada invest in INTERPOL to combat transnational organized vehicle crime.

Building on Collaboration with the Private Sector

Several witnesses raised the importance of collaboration with the private sector. For example, [Mr. Kingston](#) mentioned that law enforcement agencies communicated with vehicle manufacturers to tell them how vehicles are stolen, so that they could better understand how to more adequately secure the vehicles.

In this regard, [Mr. Adams](#) said that monthly meetings are held with "key industry trade associations, police authorities and vehicle theft task forces to share intelligence and map out advocacy initiatives on vehicle theft." This collaboration helps



to determine how [organizations like Global Automakers of Canada] can better knit together law enforcement with automakers to assist in interdicting vehicles immediately after they have been reported stolen.

[Ms. Power](#) and [Shawn Vording](#), Vice-President of Products and Sales at CARFAX Canada, noted the importance of expanding information sharing among enforcement agencies and industry partners so that authorities could access vehicle data quickly and easily.

Improving Vehicle Security

Many witnesses raised the importance of increasing vehicle security, highlighting the role of the vehicle manufacturing industry, and the sales industry.

[Elliot Silverstein](#), Director of Government Relations for CAA Insurance, said that “[e]verybody plays a role in this, whether you're an insurer, government, law enforcement, but manufacturers as well.” He reported that 80% of members surveyed felt that manufacturers need to do more.

Several witnesses raised the importance of incorporating the use of technology into vehicle manufacturing.

Revising Obligations with Respect to Vehicle Protection Technology and the Right to Repair

According to [Mr. Silverstein](#), “[t]here's a lot more that the industry can and should do” in terms of protection because Canadians should not be “shouldering the cost of the aftermarket³¹ costs to keep their vehicle safe when they are already paying a lot for those vehicles and other types of theft deterrence in their own home.” [Mr. Jack](#) agreed, saying that consumers should not have to incur the cost of securing vehicles, especially since aftermarket anti-theft solutions are more expensive.

[Mitra Mirhassani](#), Professor at SHIELD Automotive Cybersecurity Centre of Excellence, also believed that there were more measures vehicle manufacturers could take, particularly since some manufacturers take the issue of vehicle safety more seriously than others. In her view, the industry was falling behind with respect to security because

the technology is advancing much faster than we can find the loopholes in the security and fix it. A lot of times when the car is on the market, the security loopholes are just identified.

31 The aftermarket is defined as the market for parts and accessories used in the repair or enhancement of a product, such as an automobile.

We are playing a game of cat and mouse a bit with this feature, and that could be one of the reasons why the carmakers are falling behind. The process of adjusting their technology might take them some time to get into the market.

[Ms. O'Brien](#) noted that in addition to software patches, vehicle immobilizers are a simple security solution for manufacturers. [She](#) said that Canada could draw on the work done in the U.K., where they have made “great strides in terms of the simple technologies their manufacturers are installing to prevent vehicles from being stolen in the first place.”

[Mr. Adams](#) said that automakers are constantly working to make their products more secure. [He](#) believes that no automaker wants to have their vehicle on the top 10 list of stolen vehicles because it damages their reputation.

[Mr. Adams](#) and [Mr. Kingston](#) shared examples of technological solutions that have been introduced by automakers to enhance vehicle security. These include

passive ignition immobilization, active warnings in the event of an unauthorized vehicle entry, dashcams with surveillance modes, parts marking, hidden VIN markings, stolen vehicle location services, software updates, supplemental unlock code entry in the radio and software lockdowns to prevent programming of extra key fobs, just to name a few.³²

[Flavio Volpe](#), President of the Automotive Parts Manufacturers' Association, explained that vehicle tracking technology, which is similar to that available for smartphones, already exists and is used by several automakers around the world. He believes that “[i]t’s a question of whether as a society we are prepared—owners are prepared, passengers are prepared—to give permissions that infringe on a lot of different things in the umbrella of privacy in exchange for a more secure relationship with your car.” He added that, unlike a smartphone, a vehicle sometimes has multiple drivers or passengers who are not necessarily involved in an ownership relationship. This makes it difficult to comply with Canada’s privacy standards.

[M. Kingston](#) noted that coordination is needed between the demand for increased vehicle security and the right to repair legislation. He explained that the right to repair legislation³³ requires vehicle manufacturers “to provide full access to the data stored and

32 SECU, [Evidence](#), 15 April 2024 (Brian Kingston).

33 [Bill C-244, An Act to amend the Copyright Act \(diagnosis, maintenance and repair\)](#), proposes to amend the [Copyright Act](#) in order to allow the circumvention of a technological protection measure if the circumvention is solely for the purpose of the diagnosis, maintenance or repair of certain types of products. The proposed amendments aim to standardize the rules for the maintenance and repair of consumer goods. At the time this report was drafted, Bill C-244 was at consideration by the Standing Senate Committee on Banking, Commerce and the Economy.



transmitted by vehicles beyond what is needed for repair. This works directly against the efforts of auto manufacturers to keep vehicle systems secure.”

[Mr. Adams](#) also highlighted the importance of ensuring that government policies do not undermine automakers’ efforts regarding security:

While automakers are working to make their vehicles ever-more secure, we're also being asked by “right to repair” advocates to make more of our vehicle systems open to third parties. Legislation like Bill C-244, which is currently before the Senate, will make it easier for bad actors to find ways to bypass the technologies that automakers are constantly introducing to make it more difficult to steal vehicles. Collectively, we need to be smart. We need to be coordinated, and we need to be comprehensive.³⁴

In its [brief](#) to the committee, the Automotive Industries Association of Canada (AIAC) explains that the “right to repair is about ensuring independent repair and service technicians have access to necessary data strictly for the diagnosis, service, or repair of a product.” According to AIAC, providing independent technicians access to vehicle data should not compromise the security of a vehicle—“this suggests the vehicle was not designed with security in mind from the outset.” To ensure independent repair and service technicians continue their work, the right to repair needs to be taken into consideration and manufacturers should be addressing “their own shortcomings in securing products against theft and other forms of unauthorized access.”

Strengthening Vehicle Safety Legislative Standards for Manufacturers

[Mr. Silverstein](#) stated that, after buying a home, the second-largest purchase someone can make is purchasing a vehicle. This is why it is important to have “the standards and the security up to date to make sure that they have the peace of mind that their car is going to be there in the morning.” To this effect, [Mr. Brochet](#) also mentioned the need to toughen statutory standards for automakers.

[Mr. Jack](#) and [Mr. Lamy](#) recommended that the [Motor Vehicle Safety Regulations](#), which dates back to 2007, be updated. [Mr. Lamy](#) added that there is a gap in security measures between manufacturers and that standardization is therefore required:

Transport Canada has not updated the vehicle anti-theft immobilizer standard since it was initially enacted in 2007. The federal standard is based on an independent safety standard produced by the Underwriters’ Laboratories of Canada [...] which was created in 1998. This predated the development of technologies that are now standard in

34 *Ibid.*

almost all current vehicles, including keyless ignition, which has rendered the vehicle immobilizer standard specified in the regulations obsolete.³⁵

In this regard, [Ms. O'Brien](#) and [Ms. Power](#) welcomed Transport Canada's commitment to modernize the safety standards that were announced at the Summit.

[Mr. Brochet](#) said that it was necessary to toughen statutory standards for automakers. He suggested "requiring all new vehicles to be fitted with a personalized immobilizer, or bringing in a time limit of one hour or more before a key can be reprogrammed."

[Dr. Mirhassani](#) mentioned that the standards of the Society of Automotive Engineers, the International Organization for Standardization, and the World Forum for Harmonization of Vehicle Regulations would be enforced in Europe starting in July 2024. These standards incorporate the secure-by-design principle.

Considering the various recommendations made by witnesses the Committee believes that some of the proposed legislative measures should be adopted to modernize the *Motor Vehicle Safety Regulations* and more specifically the Canadian Motor Vehicle Safety Standards. It therefore makes the following recommendations:

Recommendation 40

That the Government of Canada update and modernize the Canadian Motor Vehicle Safety Standards under the Motor Vehicle Safety Regulations, to ensure manufacturers include technological advancements to deter and prevent vehicle theft, such as tracking or anti-theft devices, in new vehicles.

Recommendation 41

That the Government of Canada work with manufacturers to modify their obligations relating to vehicle safety standards, such as incorporating software patches or immobilizers to new vehicles, to better prevent vehicle theft.

Regulating the Sale of Parts

As mentioned in Chapter 1 under the section on possible trajectories for stolen vehicles, organized crime groups disassemble stolen vehicles for the use and resale of their parts.

35 CAA and CAA Insurance Company, [CAA recommendations on combatting auto theft in Canada](#).



[Ms. O'Brien](#) noted that legislative measures were introduced in Manitoba and that this approach proved to be quite effective. Since then, sellers have had to prove ownership of the vehicle or part before reselling it. She urged the other provinces to review the rules governing parts.

[Mr. Service](#) said that it has become critical to regulate how vehicle parts are sold, notably through record keeping.

Banning Devices Used to Defeat Anti-theft Systems

[Commr. Carrique](#) suggested regulating “advancements in anti-theft technology to disable, track and recover stolen vehicles, along with restricting the sale of tools utilized to defeat anti-theft systems.”

In this regard, [Mr. Volpe](#) and [Mr. Adams](#) believed that while a total ban on these devices could not hurt, it would certainly be more useful to ensure that they could not be sold freely on online platforms like Amazon and Alibaba.

However, [Mr. Volpe](#) and [Mr. Kingston](#) believed that the motivation of the criminal sphere would not go away by limiting legitimate access to smuggling tools.

[Mr. Kingston](#) said that there are many devices out there to facilitate theft:

The government has taken the right step by starting to ban some of them, but I want to be clear that the day after something is banned, a similar device that accomplishes the very same outcome is released and sold in Canada, so it's a very difficult task to stay ahead of all of these third party, aftermarket and, in many instances, illegal devices that are available to thieves.

[Ms. O'Brien](#) said that the announcement regarding the ban on vehicle theft devices is welcome news.³⁶

[Dr. Mirhassani](#), however, argued that a total ban on technological devices used for vehicle theft is not an effective solution because “[t]he thieves are certainly not going to abide by the law. They’ll get them from other sources.” Furthermore, banning these devices could seriously harm the training and education of students who would no longer be able to use these tools as part of their learning of automotive cybersecurity.

36 Public Safety Canada, [Government of Canada announces federal support for auto theft investigations and stolen vehicle recovery](#).

The committee recognizes that devices used to defeat anti-theft systems facilitate vehicle thefts but banning them does not solve completely this scourge. The committee believes that some legislative measures should be adopted. It therefore makes the following recommendation:

Recommendation 42

That the Government of Canada amend the *Radiocommunication Act* to regulate the sale, distribution, and importation of radio devices used for vehicle theft.

Securing Vehicle Identification Numbers

[Ms. O'Brien](#) noted that Équité Association saw a sharp increase in stolen vehicles that remain in Canada and are revinned. As mentioned in Chapter 1 under the vehicle trajectory section, organized crime groups use the process of revinning to create a new identity for a stolen vehicle.

[Mr. Service](#) said that VINs “are the key to legitimizing stolen vehicles back onto the registry and into the consumer market.”

Several witnesses stated that there are loopholes in provincial registration systems that allow such criminal activity.³⁷ Like [Ms. Power](#), they noted the important role provinces play to combat revinning.

The committee recognizes the importance of working in collaboration with the provinces and territories to regularize vehicle registration process and the issuance of VINs. In an effort to reduce VIN cloning and make vehicles harder to steal, the committee makes the following recommendation:

Recommendation 43

That the Government of Canada encourage provincial and territorial governments to take steps to:

- **Combat revinning or the use of fraudulent vehicle registrations to re-sell stolen vehicles;**

37 SECU, [Evidence](#), 26 February 2024 (Terri O'Brien) and [Evidence](#), 29 February 2024 (Dan Service).



- **Ensure the verification of third-party vehicle registration and the physical inspection of problematic Vehicle Identification Numbers take place during registration; and**
- **Ensure vehicle sellers are required to prove ownership before resale.**

Limiting Access to Registrant Identification Numbers

According to [Ms. O'Brien](#), one of the loopholes is that thieves are able to request registrant identification number (RIN) histories. [She](#) described the RIN as “a list of vehicles that includes make, model, colour, details about the vehicle, past owners, and the VINs. It’s almost like a shopping list.” This gives criminals easy access to all the VINs they can use to re-register a vehicle in another province with what looks like a legitimate VIN, but which is in fact a cloned VIN from another province.

[Mr. Vording](#) highlighted the importance of vehicle history reports, saying that,

[w]hen it comes to automotive theft and fraud, the ... vehicle history report helps our customers identify critical issues before they purchase a vehicle, such as vehicle information numbers, or VINs, specific to cloning; VIN tampering; stolen cars; and inaccuracies in vehicle data. In fact, for any VIN in North America, Carfax Canada has access to data that may help determine whether this is the case.

[Mr. Vording](#) mentioned that CARFAX Canada is raising consumer awareness by stressing the importance of running a vehicle history to avoid purchasing a vehicle with a cloned VIN.

Centralizing the Administration of Vehicle Registration Programs

[Mr. Service](#) noted another gap in the management of vehicle registration programs and issuance of provincial VINs. [He](#) believed there is a lack of rigour and care from provincial governments in the administration of vehicle registration programs and the issuance of identification numbers: “not all provinces are created equal, nor have they approached the issue of VIN issuance with the same rigour and care.”

In this regard, [Mr. Service](#) praised the provinces of Alberta and Saskatchewan, which both have a formal VIN examination process that allows for frequent vehicle inspections. He also said that even without VIN programs, B.C. and Prince Edward Island are doing a good job of managing VINs by ensuring that they are issued by a single entity. [He](#) noted, however, that many other provinces, including Ontario, Quebec, and Manitoba, do not

have a VIN examination process or an entity to carry out VIN examinations, “there is simply no one to call.”

Mr. Service explained that when someone conducts a VIN examination, they must start by doing

an initial query, then a cross-country query and then a vehicle history check. They might even have to make some phone calls to determine what the history of that vehicle is and whether it's legitimately for sale in the province they're in.

Those questions become pointless if you have no one you can send out to validate what you're being told.

Mr. Service explained that based on his experience, “problematic VINs occur in approximately 1% to 2% of the vehicles annually registered.” In Ontario, this ratio represents approximately 10,000 to 20,000 registered vehicles, which in other provinces would have to undergo a mandatory exam. “This is where stolen vehicles are being hidden, reintroduced onto the registry and given legitimacy by our provincial governments.”

Mr. Service said that

[A] rigorous assigned VIN program that utilizes trained professional VIN examiners to confirm vehicular identity at the point of registration and that has the authority to issue VINs to vehicles that qualify for them is crucial to stemming the flow of stolen vehicles within Canada. Making stolen vehicles harder to sell and increasing the likelihood of being caught reduces the criminal motivation to steal them.

He explained that every application for a provincially issued VIN should be examined. The same standard should apply to VINs that seem problematic, any vehicle registered by a province with no examination process, and possibly vehicles that are on the most stolen vehicle list. He said that a program could be up and running in a matter of months. Mr. Service also noted that these programs do not represent additional costs for the government since they are based on a consumer-pay model.³⁸

By way of a solution, Mr. Service and Commr. Carrigue recommended calling for “verification of third party vehicle registration, the physical inspection of problematic VINs during the registration process, and the creation of a national system for vehicle registrations.”

38 SECU, Evidence, 29 February 2024 (Dan Service).



The committee heard that there would be merit in developing a centralized national system for vehicle registrations and considers that the government could explore such idea with the help of already existing provincial registries. Therefore, the committee make the following recommendation:

Recommendation 44

That the Government of Canada invest and participate in the interprovincial records exchange to improve data sharing across jurisdictions on vehicle registration.

CONCLUSION

The problem of vehicle theft has grown substantially in Canada, affecting all Canadians. The committee's study revealed the complexity of the situation and the various gaps that have allowed vehicle thefts to grow. Several suggestions on this matter were put forward by witnesses and are worth exploring.

The committee recognizes that the involvement of organized crime is a major part of this problem. Rapid and lasting solutions are necessary to limit its influence over vehicle theft.

APPENDIX A: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
CARFAX Canada Shawn Vording, Vice-President, Product and Sale	2024/02/26	96
Customs and Immigration Union Mark Weber, National President	2024/02/26	96
Équité Association Terri O'Brien, President and Chief Executive Officer	2024/02/26	96
Insurance Bureau of Canada Jason Clark, National Director, Climate Change Advocacy Celyeste Power, President and Chief Executive Officer	2024/02/26	96
Peel Regional Police Nick Milinovich, Deputy Chief of Police	2024/02/26	96
Toronto Police Service Robert Johnson, Deputy Chief of Police	2024/02/26	96
Association des directeurs de police du Québec Pierre Brochet, President	2024/02/29	97
Canadian Association of Chiefs of Police Thomas Carrique, Commissioner	2024/02/29	97
Canadian Automobile Dealers Association Huw Williams, National Spokesperson	2024/02/29	97
Canadian Vehicle Exporter's Association Damon Lyons, Executive Director	2024/02/29	97

Organizations and Individuals	Date	Meeting
Global Automakers of Canada David Adams, President	2024/02/29	97
VIN Verification Services Inc. Dan Service, Principal	2024/02/29	97
Automotive Parts Manufacturers' Association Flavio Volpe, President	2024/04/15	102
Canada Border Services Agency Aaron McCrorie, Vice-President, Intelligence and Enforcement	2024/04/15	102
Canadian Vehicle Manufacturers' Association Brian Kingston, President and Chief Executive Officer	2024/04/15	102
Ontario Provincial Police Scott Wade, Detective Inspector	2024/04/15	102
Royal Canadian Mounted Police Matt Peggs, Assistant Commissioner and Commanding Officer of Federal Policing, Central Region, Division O Martin Roach, Assistant Commissioner and Commanding Officer of Federal Policing, Eastern Region, Division C	2024/04/15	102
Intact Insurance Guillaume Lamy, Senior Vice-President, Personal Lines, Canadian Operations	2024/04/18	103
Montreal Port Authority Julien Baudry, Director, Public Affairs Félixpier Bergeron, Director, Port Protection and Business Continuity	2024/04/18	103
Service de police de la Ville de Montréal Yannick Desmarais, Commander, Section head	2024/04/18	103
Sûreté du Québec Michel Patenaude, Chief Inspector and Director, Criminal Investigation	2024/04/18	103

Organizations and Individuals	Date	Meeting
Vancouver Fraser Port Authority Anita Gill, Director, Health, Safety and Security	2024/04/18	103
Canadian Automobile Association Ilan Jack, Vice-President, Public Affairs Elliott Silverstein, Director, Government Relations, Insurance	2024/04/29	104
Halifax Port Authority Allan Gray, President and Chief Executive Officer	2024/04/29	104
Insurance Corporation of British Columbia Shabnem Afzal, Director, Road Safety Kelly Aimers, Chief Actuary	2024/04/29	104
SHIELD Automotive Cybersecurity Centre of Excellence Mitra Mirhassani, Professor	2024/04/29	104
Canada Border Services Agency Annie Beauséjour, Regional Director General, Quebec Region Aaron McCrorie, Vice-President, Intelligence and Enforcement	2024/05/23	107
Department of Public Safety and Emergency Preparedness Talal Dakalbab, Senior Assistant Deputy Minister, Crime Prevention Branch Tricia Geddes, Associate Deputy Minister Hon. Dominic LeBlanc, Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs	2024/05/23	107

Organizations and Individuals	Date	Meeting
<p>Department of Transport</p> <p>Hon. Pablo Rodriguez, Minister of Transport</p> <p>Sean Rogers, Executive Director, Legislative, Regulatory and International Affairs</p> <p>Lisa Setlakwe, Assistant Deputy Minister, Safety and Security</p> <p>Melanie Vanstone, Director General, Multi-Modal and Road Safety Programs</p>	2024/05/23	107
<p>Royal Canadian Mounted Police</p> <p>Bryan Larkin, Deputy Commissioner, Specialized Policing Services</p> <p>Matt Peggs, Regional Commander, Federal Policing, Central Region</p>	2024/05/23	107

APPENDIX B: LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Association des directeurs de police du Québec

Association of Canadian Port Authorities

Automotive Industries Association of Canada

CAA Insurance Company

Canadian Association of Chiefs of Police

Canadian Automobile Association

Canadian Vehicle Exporter's Association

Customs and Immigration Union

National Police Federation

Shipping Federation of Canada

VIN Verification Services Inc.

York Regional Police

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 96, 97, 102, 103, 104, 107, 119, 125, 129, 131, and 135](#)) is tabled.

Respectfully submitted,

Iqwinder Gaheer
Chair

Supplementary Report of the Conservative Party of Canada

The Standing Committee on Public Safety and National Security's study on the growing problem of car thefts in Canada and on the measures the federal government has taken to combat this criminal activity has yielded a number of useful insights and recommendations to aid policy makers in the fight against automotive theft in Canada.

The final report omits some major recommendations aimed at criminal sentencing and criminal justice reform that the Conservative Party of Canada believes are necessary to combatting the growing problem of auto theft. They are collected in this supplementary report along with expert testimony in support of these recommendations.

Recommendation 1: That the government of Canada increase *Criminal Code* penalties for motor vehicle theft, including escalating terms of imprisonment for subsequent offences.

Witnesses testified that stronger *Criminal Code* penalties are required in order to deter car thieves from stealing vehicles.

Brian Kingston of the Canadian Vehicle Manufacturer's Association testified that "strengthening the Criminal Code sends a signal that there are very clear and punitive penalties to people who choose to engage in frequent car theft."¹

Ontario Provincial Police Commissioner Thomas Carrique said "increasing the minimum penalties would be a deterrent. Right now, there is a minimum penalty of six months on a third offence. I do not believe that is strong enough. I believe there's a lot of merit to increasing the minimum penalty, and that bill you referred to is a good place to start the discussion."²

Recommendation 2: That the government of Canada increase *Criminal Code* penalties for motor vehicle theft when it has been committed for the benefit of or in association with a criminal organization.

The committee heard testimony urging particular criminal penalties aimed at organized criminal organizations, who are responsible in large part for the increase in car theft.

Commissioner Thomas Carrique said "specific to the theft of motor vehicles, we're calling for stronger minimum sentences for repeat offenders, the creation of new offences related to trafficking and/or the exporting of stolen vehicles, and exercising the full range of Criminal Code penalties currently available."³

Detective-Inspector Scott Wade of the Ontario Provincial Police added that "organized crime groups travel interprovincially to major metropolitan regions using spotters to identify vehicles, thieves to steal them and runners to transport the vehicles to points of export."⁴

¹ House of Commons, Standing Committee on Public Safety and National Security (SECU), *Evidence*, 15 April 2024 (Brian Kingston, President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association)

² SECU, *Evidence*, 29 February 2024 (Thomas Carrique, Commissioner, Canadian Association of Chiefs of Police)

³ SECU, *Evidence*, 29 February 2024 (Thomas Carrique)

⁴ SECU, *Evidence*, 15 April 2024 (Scott Wade, Detective Inspector, Ontario Provincial Police).

Recommendation 3: That the government of Canada remove eligibility for house arrest when an individual is convicted of motor vehicle theft by way of indictment.

Commissioner Thomas Carrique testified to the negative impact of weak penalties on deterring and preventing car thieves from repeating their activities. In his opinion, “police services right across this country are doing an absolutely amazing job at tackling auto theft, recovering vehicles and laying charges. You heard some of those successes from the Toronto police and Peel police earlier this week. However, there need to be consequences. When we do make those arrests, there need to be the appropriate penalties....many of these offenders are repeat offenders. If they are incarcerated for longer periods of time, they are, in fact, not out in the community and able to victimize innocent Canadians by engaging in these criminal activities that they do over and over again.”⁵

Recommendation 4: That the government of Canada repeal the requirement for courts to impose bail according to the least onerous conditions for the accused and return to a standard of appropriate conditions with respect to public safety.

Witnesses told the committee that permissive bail guidelines are allowing car thieves to repeatedly victimize communities before they are brought to justice.

Detective-Inspector Scott Wade estimated “around 40% of the offenders we were arresting who were out of bail at the time...we're seeing that a large percentage of the offenders arrested are out on bail at the time for either other offences or similar offences, and then the majority of the offenders are being released on bail when they're brought before the courts.”⁶

Commissioner Thomas Carrique testified that “reckless offenders, many of whom have previous convictions for robbery, auto theft and weapons offences, or are out on bail for similar crimes, are committing violent carjackings and home invasions to gain access to certain sought-after vehicles.”⁷

Recommendation 5: That the government of Canada increase resources for the criminal prosecution system.

Witnesses testified that a major problem facing the justice system is a lack of resources for courts and Crown prosecutors.

Commissioner Thomas Carrique said “the prevalence of auto theft and of repeat violent offenders not being incarcerated is creating a danger for my officers and for officers right across this country.”⁸

Detective-Inspector Scott Wade added “the establishment of the major auto theft prosecution response team is going to counter a lot of those issues, if that is the case.”⁹

⁵ SECU, *Evidence*, 29 February 2024 (Thomas Carrique)

⁶ SECU, *Evidence*, 15 April 2024 (Scott Wade)

⁷ SECU, *Evidence*, 29 February 2024 (Thomas Carrique)

⁸ SECU, *Evidence*, 29 February 2024 (Thomas Carrique)

⁹ SECU, *Evidence*, 15 April 2024 (Scott Wade)

Bloc Québécois supplementary report on the study on the growing problem of vehicle theft in Canada

The theft of vehicles and their export is a growing problem in Canada, and the Port of Montreal has become a hub for this activity over the years. With vehicle theft doubling in Quebec in recent years and profits from this criminal activity filling the coffers of organized crime, it became urgent to look at how the actors involved can combat this issue. On 23 October 2023 the Bloc Québécois secured the unanimous adoption of a motion calling on the House of Commons Standing Committee on Public Safety and National Security to undertake a study on the growing problem of car theft in Canada and on the measures the federal government has taken to combat this criminal activity.

Throughout this study, the Bloc Québécois has called for particular attention to be paid to port security, as stolen vehicles are shipped overseas every week. There is every reason to believe that the proceeds from these criminal activities benefit organized crime and enable them to fund illegal guns, drugs and other criminal activities, contributing to an increase in crime in our communities.

The Bloc Québécois wishes to thank all the witnesses who participated in this important study and hopes that the recommendations in this report will be implemented by the federal government in order to bring about real change that will ensure the safety of our communities. It is important to us that concrete measures be taken so that everyone can live in a society where they feel safe. While the Bloc Québécois agrees with the recommendations put forward in this report, we would like to refine some. With this supplementary report, we urge the federal government to respect the jurisdictions of Quebec and the provinces and to encourage and fund their efforts rather than compete with them.

The Bloc Québécois believes that recommendation 25 should read as follows:

- That the Government of Canada unconditionally transfer funds to provincial and municipal governments to develop awareness campaigns focused on vehicle security best practices, aimed at educating the public on preventative measures to reduce the risk of vehicle theft.

The Bloc Québécois believes that recommendation 26 should read as follows:

- That the Government of Canada transfer funds to provincial and municipal governments to support research initiatives to evaluate the effectiveness of community-based policing strategies in reducing car theft, with a focus on fostering partnerships between law enforcement and local communities.

