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• (0815)

[English]

The Chair (Mr. Heath MacDonald (Malpeque, Lib.)): I call this meeting to order.

Welcome to meeting number 97 of the House of Commons Standing Committee on Public Safety and National Security.

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. To prevent disruptive audio feedback incidents during our meeting, we kindly ask that all participants keep their earpieces away from the microphone. Audio feedback incidents can seriously injure interpreters and disrupt our proceedings. I remind you that all comments should be addressed through the chair.

Pursuant to the motion adopted on October 23, 2023, the committee resumes its study on the growing problem of car thefts in Canada.

We have today two panels of witnesses. I would like now to welcome our witnesses for the first panel. We have, from the Canadian Automobile Dealers Association, Huw Williams, national spokesperson. From the Canadian Vehicle Exporter's Association, we have Damon Lyons, executive director; and from Global Automakers of Canada, we have David Adams, president.

Up to five minutes will be given for opening remarks, after which we will proceed with the rounds of questions.

I welcome all of you here today. I now invite Mr. Williams to make an opening statement.

Just before you start, Mr. Williams, I have Mr. Shipley.

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

Thank you, witnesses, for being here.

I want to quickly mention to the committee that I want to welcome Damien Kurek, MP, who is now a permanent member of this committee. I was a little remiss in not doing it on Monday. I should have done it, and I want to welcome him to our team here.

Thank you.

The Chair: Congratulations.

Mr. Williams, go ahead for five minutes, please.

Mr. Huw Williams (National Spokesperson, Canadian Automobile Dealers Association): Thank you, Mr. Chairman. The P.E.I. dealers say hello. I mentioned that I was testifying before your committee today, and they send their greetings.

Good morning.

On behalf of the 3,500 independently owned franchise car dealers across the country, I want to thank this committee. This is not a perfunctory opening thank you. I want to thank you for holding these hearings and advancing the issue of stopping auto theft. Every party around the table has pushed on this issue, and we appreciate it. We appreciated it at the national summit as well.

Ms. O'Connell, we saw you there and appreciated your attendance, and yours as well, Madame Michaud.

I think it sends a really strong signal that all of the parties are together and moving forward. On the way up to testify today, I met with a member from Montreal who is holding a round table on this in their riding in Montreal. The issue is getting attention, but this committee is really important. Why it's important is that auto theft is not a local problem. It's a national and international problem that impacts not just main streets, but every home and every driveway in the country.

Our 160,000 employees and the over four million customers we serve annually are frontline victims of this organized crime. Interpol has made it very clear that this is an international problem and that Canada is a major source country for the export of stolen vehicles. We are literally exporting stolen vehicles across the world from our neighbourhoods, driveways and homes.

Our dealership employees are being carjacked. They're being held at gunpoint. They're being pistol-whipped. They're run over. They're strong-armed out of vehicles on a daily basis. Every single dealership in the country has a detailed security plan and theft protocols to protect their assets and their people, and has gone to the extent of hiring former law enforcement security officials to try to protect their dealership.

If these international crime rings are thwarted at our local stores, they just go and steal factory direct. Days before the auto summit was held here in Ottawa—again, we're appreciative of that initiative—thieves broke into the Oakville Ford plant. They went in and stole 650,000 dollars' worth of vehicles right from the Ford plant. This is organized crime at its best.

Most important, however, our customers are the victims of this crime. There are armed home invasions happening to access keys. They're kicking in doors in the middle of the night. There are armed carjackings in driveways, with kids in the car, to take the keys. They're holding our customers at gunpoint. They're carjacking not just everyday Canadians but NHL stars, sports stars. This is Canada that we're talking about, not Central America. This should not be happening in our country.

Everybody here would be aware of the stats coming out of the auto summit, but they've been well known to the auto sector for a long time: up 300% since 2015 in the greater Toronto area. These are shocking numbers, but the problem is that every police agency knows what's happening and what is costing us a billion dollars a year. The simple formula is this: The cars are being stolen and they're being shipped, towed and sent by rail to the port of Montreal, where the cars are then exported out of the country without CBSA inspection. They're being sent to Africa, eastern Europe and elsewhere, where they're sold by international crime.

The problem is that this is being used to fund guns, drugs, fentanyl and street crime in Canada. That's not our view as the car dealers association. That's what frontline police officers tell us. They all know what's happening. That's what senior police officers tell us, and that's what chiefs of police tell us. It's the pipeline out of the country that's the real problem.

It requires concrete federal action. While funding announcements are appreciated, we need to ensure that action takes place quickly on this, as cars are still being stolen every day and the violent crime that's associated with this is taking place every day. We need a senior official appointed in almost an "auto czar" format to make sure that CBSA and some of the other departments are brought together to do things differently. Doing it the same old way is not going to get it done. In this solution, we need a new way of addressing organized crime.

I'll tell you quickly that CADA has a long history of working on this issue. We advocated when we saw our stolen vehicle rates outstrip the United States in the early 2000s. We advocated loudly for a new bill on this, Bill S-9, which was a specific law passed in 2010 that made it a specific crime to steal an automobile. It also cut down on the trafficking of VIN numbers. It addressed chop shops, and it made it an offence to traffic in stolen vehicle parts.

● (0820)

The most important thing that was passed in 2010 in Bill S-9 gave the Canada Border Services Agency the right to search containers before they left the country. We saw a dramatic drop as that took place. What we're looking forward to is a continued ramp-up of CBSA's activity, in conjunction with that of the RCMP and provincial police forces.

Thank you. I look forward to your questions.

The Chair: Thank you, Mr. Williams.

I now invite Mr. Lyons, please, to make an opening statement.

Mr. Damon Lyons (Executive Director, Canadian Vehicle Exporter's Association): Good morning, Mr. Chair, esteemed members of the committee and my fellow invited guests.

The Canadian Vehicle Exporter's Association would like to thank you for the invitation to appear today on the critical topic of vehicle theft in Canada. I would like to start with a quote:

Police have put the brakes on auto theft in the Greater Toronto Area and the effect is so dramatic that [the] Toronto police chief and insurance investigators are taking notice.

This quote is one that every person in Canada hopes to see in the media in the very near future. However, this quote was in fact first given nearly 12 years ago in a 2012 article entitled, "How auto theft became a dying criminal art in Toronto".

The implication from this article is, of course, that prior to 2012 Canada was dealing with a substantial auto theft problem. However, with certain efforts, we were seemingly able to turn the tide in the battle during that time period. This begs the question: What is Canada's history of vehicle theft, what policies and procedures led to such a dramatic reduction in the past, what has led to our recent surge in vehicle theft and how can we apply our past successes to the problems of today?

Where are we today? The most relevant metric to gauge vehicle theft trends is to compare thefts against the actual number of vehicles registered on Canadian roads. In 2022, this theft rate equated to approximately 404 thefts per 100,000 registered vehicles. Where were we in the past? If we go back 22 years to 2001, we saw a theft rate of 931 per 100,000. Auto theft rates today are more than 50% lower than they were 22 years ago.

Please don't get me wrong: This overview is in no way meant to discount the very real problem that exists now. On a daily basis, we see media reports of auto theft recently transitioning from property crime to a crime of violence in the form of break and enters and armed carjackings. Technology in the form of residential cameras allows us to instantly see with our own eyes masked perpetrators standing on our doorsteps at 3 a.m. or brandishing a firearm in the direction of an unsuspecting, terrified victim. The monetary cost is of course staggeringly large, with all estimates agreeing on a value well north of \$1 billion in damages.

Rather, this overview is meant to draw attention to our past successes in an attempt to understand the root causes of the issue so that we can develop well-thought-out solutions in today's current fight. In our longer submission to the committee, the CVEA has compiled a number of historical events as a reference on how success can be achieved.

Chief among these is the recent surge in organized crime. 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. It cannot be a coincidence that this increase in organized crime coincides with the timing of the recent surge in vehicle theft.

This is leaving a stain on Canada's reputation as a trading partner. 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.

Last, the CVEA would like to commend the government for committing \$28 million to the CBSA in its efforts to modernize its intelligence-gathering systems to root out illicit goods, while ensuring that the flow of regular trade is not unintentionally adversely affected.

Thank you for your time.

The CVEA looks forward to today's discussion and the ongoing work that I'm sure we are all committed to.

• (0825)

The Chair: Thank you, Mr. Lyons.

Mr. Adams, your opening statement, please.

Mr. David Adams (President, Global Automakers of Canada): Thank you, Chair.

Thank you to the members of the committee for inviting me to appear before you today.

My name is David Adams. I'm the president and CEO of Global Automakers of Canada, which is a national trade association whose members include 15 of the world's most recognized automakers, representing 25 different brands, including Canada's two largest vehicle producers: Toyota and Honda.

I would particularly like to thank MP Michaud for bringing forward the motion to undertake this important study.

It's important to keep in mind that what we're really talking about here is, in fact, organized crime in Canada, with auto theft being one of its most visible symptoms. Given the complex nature of this issue, Global Automakers of Canada has been advocating for this committee to undertake a study of this issue for some time, as well as advocating for a national summit on auto theft to bring together

all relevant stakeholders and experts, which we participated in on behalf of our members earlier this month.

When we think back over the last two years and about why this issue has grown so rapidly, it's clear that theft has become increasingly highly lucrative for organized crime groups in this country. Indeed Canada has been, as you have heard, identified by Interpol as a source nation for stolen vehicles.

You're all well aware of the statistics. I won't go into those or repeat them, but the reality is that across Canada one vehicle is stolen every five minutes. In the hardest-hit parts of the country, Ontario and Quebec, we're seeing criminals increasingly resorting to violent crimes like carjackings and home invasions to steal vehicles.

We applaud the Government of Canada's recent announcements of increased funding for law enforcement resources, including for CBSA at Canada's ports; of starting to tackle the availability of car theft tools in Canada; and of the need for better coordination between various law enforcement agencies, both domestically and internationally.

We're seeing first-hand the impact of the \$51 million committed by the Ontario government last year to establish a provincial auto theft task force with respect to both busts and recoveries, highlighting that resources, while not the only solution, do make a huge difference.

To support that work, we think the Government of Canada should consider setting up a national task force on auto theft to coordinate these efforts and to help cut through jurisdictional barriers to co-operation.

We also need to ensure that government policies don't undermine our efforts. 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.

Canada's automakers have been closely engaged in this issue for years and are ready and willing to co-operate with those who share our desire to mitigate auto theft.

What are we doing about the issue? Automakers are constantly reviewing and updating the security systems in our vehicles but are facing increasing odds against sophisticated, international organized crime rings that have identified Canada as a market opportunity for their crimes. Vehicles with similar security systems in other countries aren't facing the same kinds of challenges to the same degree from auto theft.

We're convening monthly meetings with other key industry trade associations, police authorities and auto theft task forces to share intelligence and map out advocacy initiatives on auto theft to determine how we can better knit together law enforcement with automakers to assist in interdicting vehicles immediately after they have been reported stolen.

We have been developing a website, which will soon be launched, focused on providing awareness on auto theft to consumers and auto theft prevention, and informational assistance to those who have had their vehicles stolen.

We've been meeting with Amazon and other online platforms to discuss the reality that tools and devices with apparently no legitimate purpose other than to facilitate auto theft are readily available on their platforms. Other jurisdictions like the U.K. are already moving to ban such devices.

We've also been encouraging all of our members to meet with police teams when vehicles are recovered to better understand how thieves have compromised vehicles to steal them so that this information can be supplied to global engineering teams.

We don't have all the answers by any means, and auto theft is a very complex problem for which there are no quick fixes or silver bullets. However, we do believe there are some short-, medium- and longer-term initiatives that could be undertaken to address the auto theft problem plaguing our country right now.

• (0830)

We look forward to working with the committee to identify and implement these solutions.

Thank you very much for your time.

The Chair: Thank you, all, for your opening remarks.

I will now open the floor for questions.

Mr. Motz, you have six minutes. Go ahead, please.

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Thank you very much, Chair.

I appreciate the witnesses for being here today. Thank you for being part of finding a solution.

As we've heard in your testimony today and in reading about what's going on, solving this problem involves all of industry and all of society. It involves prevention. It involves consumer awareness, justice system changes, police and CBSA involvement, technology and insurance. There are many facets to fixing this, including government policy.

I was interested in your last comments, Mr. Adams. You said you were concerned about government policies that may actually hinder

the work being done to prevent car thefts. I know you talked about some of the technology side of it, but does it also include the potential of the current government's softer-on-crime approach? Does that have any impact on the current reality of this situation?

All three of you can weigh in on that.

The Toronto Police Service told us on Monday that 50% of the thieves they catch are repeat offenders, so I would be interested in hearing your thoughts on this.

Mr. David Adams: If you look at the reality of where auto theft fits in the hierarchy of organized crime activity, my understanding is that it's third on their list now. The two things ahead of it are drugs and other such initiatives, including fentanyl. When you think about the consequences of being charged with drug possession or trafficking in drugs, I would say that maybe we need to look at similar types of provisions with respect to the consequences of being prosecuted for auto theft crimes.

Mr. Glen Motz: Mr. Williams, go ahead.

Mr. Huw Williams: I would say this. We've had literally hundreds of meetings with police agencies. Our dealers are meeting with police in their communities all the time. The number one thing we hear about from our dealers meeting with police and at our own meetings is the revolving-door justice system. People are arrested and they're let out the same day. Police are extremely frustrated with this.

I know you're hearing this from police officials, but I can tell you that this is what frontline officers are frustrated with.

There is also a formula the police are well aware of, and we certainly see it across communities. It's low risk, high reward. These are very valuable assets that are being sold across the world, and thieves are being paid a handsome reward for stealing the vehicles with a low risk of getting caught and a low risk of severe punishment. If you look at that equation, it's definitely one root of the problem, and organized crime is exploiting it.

Mr. Glen Motz: Thank you for those comments.

You both mentioned and we heard from our witnesses on Monday as well that carjacking has certainly increased, which is increasing a risk to the owners of these vehicles. It's not just, "I could lose my vehicle", but "I'm at risk of losing my life or my family or bystanders." Is that right?

The same thing applies. Unfortunately this government has chosen to reduce some of the penalties for firearms offences. Again, I would presume that your thoughts are similar in those cases where the sentence, if someone is caught and convicted, doesn't match the actual carjacking offences being committed.

• (0835)

Mr. Huw Williams: I will leave it to the police officials to comment on that, and you'll hear from them, but I can tell you that among frontline officials there is frustration with that revolving-door justice system and the fact that, once they run a case on this, it's very difficult to seize offenders out committing.

That cycle is well known to organized crime, and international organized crime is taking advantage of the way Canada operates.

Mr. Glen Motz: Right.

There was a comment made the last time we had CBSA and the union here.

You made a comment, Mr. Williams, about CBSA. We can give more money to CBSA. We can ask them to put more officers at the ports. With respect to demand and what's going on at the ports, for example, and by rail, is there a way...? We heard on Monday that there are a lot of vehicles leaving the Toronto area on rail as well, which, we've been told, CBSA doesn't check.

Is it a change of upper management? Is it a change of focus? What's going on? It doesn't seem to translate into actually getting any action at the port.

Mr. Damon Lyons: Maybe I can address this one. I spent 22 years in the export market as a dealer. With CBSA, since 2020, we've had what's called the CERS portal, where everyone who exports a product has to declare that good.

Since 2005, I believe, the VIN number has been a part of that declaration, but it just came online in 2020. That has to be submitted for every shipment 48 hours prior to the exportation before it can go on a vessel. What we probably need here is an investment in AI. There are vast sums of data that come into that service portal, and it's just not possible for five people—or a hundred people—to go through that data.

I know that FINTRAC recently announced a large investment in AI to go through their massive amounts of data. If CBSA takes part of this \$28 million and apply that to intelligence that is targeting those export declarations, they will have an idea of what containers they should be looking at. There are too many containers to open every single one of them, of course, 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.

Mr. Glen Motz: Mr. Lyons, would it be helpful if, much like the United States where they have the 72-hour window in which you have to have your manifest in and it can't be altered...? Would a change of legislation by the government to tighten up the actual documentation of that process be of value in curbing at least a little bit of the auto thefts from our export market?

Mr. Damon Lyons: We actually already have a system in place now, since 2005. Right now we have a 48-hour rule for anything that leaves by a vessel. Going to 72 hours could certainly help, and I think no legitimate trader would argue against that.

Part of that process in the U.S. is not that they actually look at the vehicle or in a container. They look at a title. You submit a title to U.S. Customs 72 hours before a container can go onto the boat.

The Chair: Thank you, Mr. Lyons.

Thank you, Mr. Motz. I was being very generous there.

Mr. Schiefke, please, you have six minutes.

Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.): Thank you very much, Mr. Chair.

Thanks to our witnesses for being here today. This is an issue of grave concern for my constituents. My neighbour had his car stolen

out of his driveway just four days ago, and that I think represents the vast majority of all the cars that are stolen. They're stolen straight out of people's driveways.

When I'm having discussions with my constituents, they're saying, "Is it me or does it seem like cars are easier to steal now than they were before?" I didn't have an answer, so I started to look into it. I started to look at what's going on, not just in Canada but around the world. We see a 59% increase—I don't know if it's news to the Conservatives, who think this is a made-in-Canada problem—in the U.K. year over year in auto theft. The United States has had a 105% increase in car thefts. There's an underlying problem here, regardless of where you are in the world. In developing countries, there are more cars being stolen.

I'll start off my question with you, Mr. Adams. Ford posted \$5.1 billion in profits last year. GM posted \$19.1 billion in profits last year. Toyota—and I own one, a Toyota RAV4—was at \$61 billion. This represents a significant increase in profits year over year. How much of that money is going into ensuring these cars are harder to steal than they were before?

• (0840)

Mr. David Adams: I certainly can't give you a dollar figure, but what I will say is that automakers are constantly hardening their systems against vehicle theft.

Frankly, I think I resent and our members resent the implication others have made that, "Oh well, there was an immobilizer standard put in place in 2007 in Canada and nothing has been done since then." That's absolutely false—

Mr. Peter Schiefke: I'm not even stating that. I just want to know how much, and if you don't have information—

Mr. David Adams: I can't give you that information.

Mr. Peter Schiefke: Can you get that to the committee, please? Can you furnish that information?

Mr. David Adams: I can't get Ford, GM and Chrysler, but I can maybe see what I can do about the other members.

Mr. Peter Schiefke: Any efforts in that regard would be helpful to us in determining exactly where we need to be putting our efforts.

This question is for you, Mr. Williams, representing all of the car dealerships in Canada. How many letters have you written to the car dealerships and to the car manufacturers asking them to do more to make it harder for people to steal vehicles in Canada?

Mr. Huw Williams: I would say this. We work on a daily basis on security of vehicles. One of the real challenges is—

Mr. Peter Schiefke: The question was, how many letters have you written asking them to make it harder—

Mr. Huw Williams: We meet with them on a weekly basis and this is an agenda item, so we do it in person. We don't write them letters.

Mr. Peter Schiefke: Do you have any data on how many letters have been written by your dealerships, for example, asking the automakers to make it even more difficult?

It's the second-largest purchase that people have after their homes. You can't take somebody's home off their lot, but you can definitely steal somebody's vehicle. It's the second-largest expense that people have. How much pressure, in layman's terms and in concrete terms for the Canadians who are watching, are you putting on the automakers to make it harder to steal vehicles?

Mr. Huw Williams: Dealers want to make those cars as hard to steal as possible. The natural conundrum is that the manufacturers can give us a car you can't steal. However, the problem is that you can't drive it or repair it. We have 26 million vehicles on the road, and access to those vehicles—

Mr. Peter Schiefke: I'm sorry. Can you clarify that? I don't understand what you mean by "you can't drive it or repair it." What does that mean?

Mr. Huw Williams: You could lock it down in concrete.

We had a case where a vehicle was stolen five days ago outside of a very well-known Montreal restaurant. It had a club on it. It had a boot on the wheel, but they just had a tow truck pull it out.

Mr. Peter Schiefke: We're obviously not going to encase them in concrete. However, I remember how, 20 years ago, I had a vehicle that had a key. It seemed harder for people to steal that car than it is now. With all the supposed technology we put in place, it's actually easier.

What pressure, then, are you putting on the automakers—the ones that give you those vehicles—to make it harder? At the end of the day, this is costing taxpayers tens of billions of dollars. There's a lot of discussion about how the government needs to.... This is happening around the world.

Mr. Huw Williams: Yes, I think that's where—

Mr. Peter Schiefke: The underlying factor in my view here, sir, is that the auto manufacturers making—just these three companies—\$80 billion total in profit are not addressing this and putting in place the investments necessary to protect the second-largest investment Canadians make.

We want answers.

I'd like to know, then, if you can furnish any data to us and share with us the letters and the pressure, in written form, that you have put on the automakers to show them that you are putting pressure on them to protect the second-largest investment Canadians have.

Also, I would like for you, Mr. Adams, to show us, in concrete terms—in data—how much you have invested, year over year, over the last 10 years, to make it harder for people to steal vehicles in Canada.

I'll cede my remaining time to Mr. McKinnon.

Thank you.

Mr. Huw Williams: Mr. Chair, can we answer that question?

Thank you for posing the question.

I would refer you to my colleague Damon's statistics. The stolen vehicle rate was higher when there was a key entry, so it's declined since then.

What we've seen is that the recovery rates have changed as well. It used to be that cars were easier to recover because it was local thieves stealing them—chop shops and that sort of thing. What's changed is the dynamic. They're being exported out of the country by international crime groups that are constantly trying to figure out how to crack the code of getting into these cars.

Mr. Peter Schiefke: How much time do I have left, Mr. Chair?

The Chair: You have 45 seconds.

Mr. Peter Schiefke: Thank you, Mr. McKinnon.

The thing is, Canadians don't care what happens to their car after it's stolen and whether it's going abroad or to a chop shop. They don't want their car stolen to begin with. For me, the onus is on the people making that car to ensure it is as difficult as humanly possible. It is you versus organized crime.

• (0845)

Mr. Huw Williams: A hundred per cent.

Mr. Peter Schiefke: If they have the resources to break into those vehicles more easily than they could before, it is your job, as the manufacturers, to counter that with the \$80 billion you made in profit and ensure it is harder.

I find it insulting that you're standing here and.... I read this brief put forward. It speaks about \$650,000 from the Oakville Ford assembly. That's seven F-150s. That's 1% of the problem. The real problem is that 99% are stolen out of people's driveways. Then they wake up in the morning to go to work. They want cars that are harder to steal, not easier to steal. We need you to do better.

The Chair: Thank you, Mr. Schiefke.

We're going to move to Ms. Michaud for six minutes.

[*Translation*]

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

Thank you to the witnesses for being here. Their expertise will be very useful to us.

We are at the beginning of this study, and a number of stakeholders have already told us that automakers have a greater role to play in solving this crisis. Obviously, the police also have a role to play, as does the Canada Border Services Agency—

[*English*]

The Chair: Give me one moment. There's no translation.

Let's continue.

[*Translation*]

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

Thank you to the witnesses for being here today. Their expertise will be very useful to us in this study.

Although we are at the beginning of the study, a few stakeholders have already told us that automakers could have a big role to play in solving this crisis. Obviously, the police have a big responsibility as well, as do the Canada Border Services Agency and the Montreal Port Authority.

In fact, I spoke to port administrators who said that there was a lot of systematic denigration of Quebec with respect to the Port of Montreal. I am against that kind of mud-slinging, and that's not the issue. But I think the port administrators have a responsibility too.

I was saying that automakers have a role to play. I'd like to hear what you have to say on the advent of certain technologies, an issue raised by Mr. Schiefke. According to what the representative of the Équité Association told us, the majority of stolen vehicles are new, meaning that they were manufactured between 2017 and today. It does seem to be easier to steal a new vehicle, perhaps because of some of the new technologies. For example, I can start my vehicle or lock it using my cellphone. When I park it in the parliamentary parking lot and arrive in the committee room, I get a notice telling me where I parked it. All of this technology has a negative effect, because criminals can use it for their purposes.

This leads me to wonder if you can do better at the vehicle design stage. If I have a notification that tells me where my vehicle is parked, could I have a notification that the vehicle has been unlocked or started by another person, that is, by a means other than my key or a signal from my phone? I don't know. Have the automakers looked at those things? What more can you do to help counter this phenomenon?

Mr. Williams, do you have an answer?

Mr. Huw Williams: Mr. Adams is representing the automakers.

Mr. David Adams: Thank you for the question.

[*English*]

What I would say is that automakers are continually hardening their vehicles. I'll give you one example of what some automakers are doing with respect to auto theft. The key fob predominantly has been identified as problematic with respect to vehicle theft in terms of the signal being intercepted between the home and the vehicle. With regard to Mr. Schiefke's point, a number of automakers now have worked to improve their systems so that, when that key is stationary, that signal is cut off, or automakers are integrating situations in the key fob where the key fob can be cut off so that the signal no longer transmits.

With regard to your point about technology, a number of other automakers are introducing technology into those applications that provides a geofence around the vehicle. If your vehicle is in your driveway and it moves beyond a radius around where your home is, you're notified right away that something has happened to that vehicle so that you know that it's not you doing that but that it's some-

thing else. Technology is constantly evolving in vehicles. It's constantly being improved and hardened against vehicle theft. No automaker wants to have their vehicle on the top-10 list of stolen vehicles, because it's a black mark against their reputation. We're working diligently to address the technology in vehicles on a daily basis.

• (0850)

[*Translation*]

Ms. Kristina Michaud: Do you want to add anything, Mr. Williams?

[*English*]

Mr. Huw Williams: I would say with respect to the top-10 list that, if you look at the Toyotas that are on that top-10 list, as an example—not to pick on one particular brand—you will see that the stolen vehicle rate is 10 times higher on those Toyotas on the top-10 list in Canada. It's six times higher in Canada than it is in the U.S. It is a global problem. We take the point that this is organized crime everywhere, but we're uniquely being taken advantage of here in Canada.

[*Translation*]

Ms. Kristina Michaud: Thank you.

A few weeks ago, I participated in the National Summit on Combatting Auto Theft. I'm going to share with you some things I heard and was astounded by.

One of the speakers said that it's recommended that people leave their cars in the garage and that, in that way, car theft could be avoided. I found that quite an impressive statement. First of all, not everybody has a garage. Then we've seen cases where people have broken into a house's garage to steal a vehicle. So, I felt that proposing this solution wasn't the idea of the century.

I also heard a speaker say that it wasn't the cars' fault, it was the criminals' fault. I understand that, but I still think there are things that manufacturers can do, that's for sure.

The purpose of the summit was to bring all the stakeholders to the same table and to hear from them, because I think there's a lack of collaboration among the various stakeholders. This has come up a number of times.

The government has taken the initiative to host this summit. However, as soon as the initial speeches were made, the ministers put forward solutions. In a way, so much the better. At the same time, I thought we were going to wait to consult stakeholders before proposing solutions.

What Minister Champagne has proposed is to ban certain devices that make it possible to reproduce the signal of a key to steal a vehicle. Yesterday, in *La Presse* and on Radio-Canada, police officers and security and cybersecurity experts said it was a waste of time, since some devices are already banned but are still used by offenders. Police officers have said that this idea clearly came out of nowhere and that no one was consulted.

I'd like to hear from each of you on that.

[English]

Mr. David Adams: You're right. It's important to have coordination, networking and dialogue amongst all stakeholders. That's what we've been facilitating on our own through the association for the last number of months with police task forces right across the country.

What the auto theft task forces have said to us is that, whenever they have a bust of a vehicle ring, they find not only vehicles but also counterfeit key fobs and devices that are used to copy keys and to interrogate the vehicles so they can start them.

Will banning those devices help? It couldn't hurt. What could help is at least not having them readily available on online platforms like Amazon and Alibaba for a few hundred dollars or a few thousand dollars.

The Chair: Thank you, Mr. Adams.

Thank you, Ms. Michaud.

We're moving now to Mr. Julian.

Go ahead, please. You have six minutes.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you, Mr. Chair.

Thank you to our witnesses.

I want to follow up very quickly with you, Mr. Adams. You mentioned a number of initiatives to harden vehicles against auto theft. Do you have any idea of the cost per vehicle of those particular elements?

You talked about modifying the key fob so it doesn't transmit and those kinds of things. Do you have any sense of how much that adds to the cost of the vehicle?

Mr. David Adams: I don't, but I think that reflects back on Mr. Shipley's comment.

I can try to determine that amount for you. I guess it goes to the overall issue of affordability for Canadians. There is some cost associated with it for sure.

Mr. Peter Julian: Absolutely. Concerns have been raised about the part that auto manufacturers play in preventing auto theft. I think it is a multi-faceted problem, as you've all expressed. It's not just a matter of manufacturers hardening their vehicles at what could be a relatively low cost—and I think your figures will help us with that. There's also a government responsibility as well.

I want to come back to you, Mr. Williams. You mentioned in your brief that your dealership employees are being carjacked at gunpoint, pistol-whipped, run over and shot at. Do you have figures

to share with us about the extent to which that has happened across the country?

You also spoke quite appropriately, I think, about the role of CBSA. We heard testimony earlier this week from Mr. Weber of the CIU, who very clearly pointed to the Conservative government's cuts of 1,100 officers back in 2014, from which CBSA has not recovered. The new government did not, in any way, respond to the size and scope of those cuts, which means, according to Mr. Weber, that CBSA is 3,000 agents short.

To what extent do you have figures on some of these violent acts on car dealership employees, and to what extent do these cuts—initiated by the Conservatives and maintained by the Liberals—serve to undermine the ability of CBSA to really enforce the law?

● (0855)

Mr. Huw Williams: I won't be able to give you a figure on the exact number of stolen vehicles at dealerships off the top of my head, but I could look into that, for sure.

The cases I'm referencing are well known and documented in the media. Sales folks run over as they get strong-armed in a robbery. There's a very famous case in British Columbia where a police officer was shot responding to a Chrysler dealership that was being robbed of vehicles at gunpoint. Dealerships across the country can all tell you stories about people coming in for test drives, and then snatching the keys and bolting that way.

It's a pervasive problem.

Mr. Peter Julian: I understand.

It's helpful for us to have the concrete numbers. If that is something your association gathers, it would be helpful for all.

Mr. Huw Williams: We don't gather it, but I will undertake to look into it and see what we can do to provide some clarity on that front.

With respect to the coordination issue, we've been somewhat mystified, because we've been promoting this issue on a cross-jurisdictional basis since roughly 2022. We saw, between 2018 and 2022, in all the GTA areas, that there was a 200% increase in auto theft. When we took part in events like the Peel auto summit, CBSA was reticent to come to the table. Police chiefs from all over the region were there. Leadership and law enforcement from OPP were there. CBSA was absent in a senior leadership capacity. It's mystifying to us.

Mr. Peter Julian: You and other witnesses have said—and I certainly agree—that organized crime has taken advantage of CBSA not being able to act on this issue. There were cuts done by the Conservatives in 2014 that have not been restored by the Liberals to date, leaving us 3,000 agents short.

Do you believe this has been a contributing element to the fact that we haven't been able to crack down on organized crime syndicates and do the appropriate filtering to ensure vehicles are not being shipped overseas?

Mr. Huw Williams: I would comment that CBSA seems to be in some disarray with respect to dealing with exports. I think that's a combination of personnel and training, but it's also the overall approach. I think the union did a very good job of explaining that in previous testimony this week.

Mr. Peter Julian: Thank you.

You referenced B.C. To all of you, B.C. has been the exception across the country. We've seen a rise in car thefts, particularly in Ontario. In B.C., the number actually went down in 2022. There are anecdotal violent acts. I don't doubt that. B.C. is on a trade route to the Middle East. In fact, it's easier to ship to the Middle East from British Columbia than it is from eastern Canada in many respects. However, one of the reasons why some people have been attributing this exception to B.C. seems to be the fact that there is integrated law enforcement. It also has what has been called the biggest bait car program in the world.

On the bait car program, I know the New Westminster Police do an excellent job. The Burnaby RCMP and RCMP detachments throughout the Lower Mainland work with local police detachments. The bait car program has been a real success. We see rising rates elsewhere. However, in B.C., rates remained stable in 2022 or even went down, as I mentioned.

To what extent should we be integrating some of the B.C. strategies to help lower auto theft rates in other parts of the country?

Mr. Damon Lyons: I'll jump in on this one.

In Ontario, when we had the extremely high rate, we saw the creation of the Ontario provincial auto theft team in the early 2000s. As we saw, by 2012, it had such success that the team was disbanded in 2015. That's the time period, again, when we started to see the thefts slowly creep back up again.

B.C. has the IMPACT team, of course, which has been there for the entirety of that time.

Certainly, having the resources brought back in is critical. Ontario invested \$51 million in the OPP for auto theft. There was a stat that came out from the Toronto police recently: In January of this year, they saw their first decline in auto theft compared with January of last year. Potentially—it's one month—it could already be a success. We see that investment to help the police on the ground could be one of the avenues to help knock this down.

● (0900)

The Chair: Thank you, Mr. Julian.

Thank you, Mr. Lyons.

We're moving into the second round now.

We have Mr. Kurek up for five minutes.

Mr. Damien Kurek (Battle River—Crowfoot, CPC): Thanks very much to our witnesses.

I find it very interesting how this meeting has gone. The Liberals, specifically, seem desperate to blame anybody for their inaction when it comes to the revolving door of the justice system.

Mr. Williams, there are certainly larger car dealership networks that own a number of dealerships, but many of your members.... I know that, in my constituency, as an example, these are small businesses. These are in smaller communities and have 20 to 30 employees.

Can you share what you're hearing from your members about some of the ways they're practically trying to fill in the gaps being created by the revolving door of the justice system, in order to combat the explosion in the rate of stolen vehicles in this country?

Mr. Huw Williams: I appreciate the commentary.

When you're a single dealership operator and that is your family business, you're truly the victim of this. To the member from Vaudreuil's commentary, I'm not diminishing that our customers are the largest victims of this, but we are in a constant cat-and-mouse game with organized crime to try to protect those assets, because if you have a hundred vehicles on the lot, you have to put hard security measures in place.

I won't list all of those here, because I don't want to tip our hand to organized crime, but it's a constant ratcheting up of those elements. Every dealership has a constantly evolving protocol.

What's new in the last five years, I think, is that dealerships have had to reach out to former law enforcement security officials to have them on paid retainers to help them harden their assets and protect their employees going forward. We've seen everything in thefts at night, as well, from when they come in and remove physical barriers and flatbed vehicles out of there, to knocking right through the showroom walls.

Mr. Damien Kurek: It may seem like a fairly straightforward question, but are there costs associated with those measures?

Mr. Huw Williams: Yes. The costs are enormous, of course, with respect to that, but there's also the cost in increasing pressure from insurers, because if you're constantly a victim, just as the average member of the public is constantly a victim of this, there's pressure on the insurance costs as well.

Mr. Damien Kurek: In many cases, these small business owners—certainly, the car dealerships I represent—are paying the costs. Those are being passed on to consumers. Everybody, whether it's dealerships or individuals, is paying higher costs. Would it make sense to you, especially for these repeat offenders...?

I recently heard a statistic that, in Alberta, several hundred individuals were responsible for thousands of crimes, resulting in tens of thousands of hours of police time being taken to put resources, in some cases, into having to rearrest the same person time and time again for things like auto theft and the associated criminal activity.

Would it make sense to you that somebody who seems intent on continually breaking the law faces an appropriate penalty for their crimes? Would that assist in helping make sure that vehicles are no longer stolen?

Mr. Huw Williams: I think we need a layered approach to address this. I think specific penalties for auto theft and their enforcement are important.

What we should all be outraged by is that it's international organized crime taking advantage of Canadian youth, in some cases, and paying them exorbitant sums of money to get involved in crime. That's the tragedy underlying this. It's large international groups taking advantage of Canadians, paying them and incentivizing them to become part of these organized crime rings.

Mr. Damien Kurek: Please, go ahead.

Mr. Damon Lyons: Following up on that, Toronto police announced a bust last year in which they arrested hundreds of people. When questioned about whether they were arresting the people on the street or the higher levels of the crime group, I think it was the chief who said they were not getting the head of the snake.

This is really the key. We can take our criminal justice system. Are we going to put kids in jail for three years, or are we going to try to get the head of organized crime?

There is a report from a couple of years ago that said 86% of money laundering cases never go to trial in Canada. That's a horrible number. We have the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, but it's hardly ever used. The reason is—

• (0905)

Mr. Damien Kurek: I'm out of time, but I'll just conclude by saying that instead of sending letters, maybe we need real action.

The Chair: Thank you, Mr. Kurek.

Mr. Bittle, you have five minutes.

Mr. Chris Bittle (St. Catharines, Lib.): Thank you so much, Mr. Chair.

I'll start with Mr. Williams. I'll say I'm a little disappointed, because the witnesses we've heard from have talked about a multi-layered approach and how there are issues with CBSA, law enforcement, the industry and insurance, and everyone has a part to play. However, your organization just came here and said we need an "auto czar"—whatever that is and whatever that does. That doesn't really acknowledge jurisdictional issues and whatnot.

Why doesn't the auto industry have a part to play in the minds of dealers?

Mr. Huw Williams: Let me be perfectly clear. Car dealers don't want our vehicles to be stolen. We don't want our customers to be victims of it. I think the answer deserves a fair commentary.

When customers come into dealerships and say they're turning in their keys because they're worried about this brand being in the top 10, and they don't want their wife or family to be carjacked while they're driving it, that's a problem.

Mr. Chris Bittle: I appreciate that.

Why aren't you demanding that your manufacturers make it more difficult to steal the cars, or requesting that the government step in with more regulation with respect to the auto industry and the items that can be put in place if the industry doesn't want to do anything?

Mr. Huw Williams: I want to be clear. We do put pressure on the manufacturers to try to make the cars...and we work co-operatively with them to try to up that game against organized crime. Respectfully, we just don't do it by writing letters to them.

Mr. Chris Bittle: I didn't ask you to write letters. You came here to testify as an expert. You didn't mention anything in terms of that except that your only solution to this is an auto czar.

I'll move on.

You stated that the rates of auto theft are lower in the United States. You did say that specifically, to be fair to you, with respect to one brand of vehicle. Were you just testifying with respect to one brand of vehicle? We heard from Équité at the last meeting that the rates of auto theft in the United States and Canada are very similar.

Do you have different evidence or data to provide to this committee to show that the rates of auto theft are actually higher in Canada?

Mr. Huw Williams: Yes. I would be happy to provide the data to the committee. I would say that, historically, the rates in auto theft, correcting for population, have been higher in Canada than in the United States. It's one of the few areas over 30 years....

Mr. Chris Bittle: You'll provide me with that data, and Équité, which testified last week, is wrong.

Mr. Huw Williams: No, I would not say that Équité is wrong. What I would say is that we have definitely seen, in the last two years, spikes in auto theft in the U.S. as well.

Mr. David Adams: If I could interject and answer your question....

Mr. Chris Bittle: Be very quick, Mr. Adams. I'm running out of time.

Mr. David Adams: Sure.

You asked for a comparison. The National Insurance Crime Bureau in the United States stipulated that, from 2021 to 2022, their auto insurance theft rates increased by 10.4%. StatsCan reported an increase from 2021 to 2022 of 24%. For similar vehicles in both countries, there was twice the rate of increase in auto theft in Canada as there was in the United States, according to StatsCan and National Insurance Crime Bureau.

Mr. Chris Bittle: You did agree with the Conservative point in terms of their “tough on crime” approach. In terms of that having that similar rate, and I guess we can debate in terms of... I'll concede the point that the increase may be higher, but the rates are still probably the same or very similar. Why do you think that higher levels of incarceration and higher sentences, which exist in the United States, and a higher prevalence of mandatory minimums...? Why is that not working in the United States, but it will work in Canada?

Mr. Huw Williams: Do you want me to answer that question, sir?

Mr. Chris Bittle: You're the one who spoke to it, yes.

Mr. Huw Williams: I'd be happy to do so.

I was appointed by a Liberal member, the Liberal minister, to sit on the national business crime prevention council under Minister Rock. I dealt with the social determinants of how to help Canadians commit fewer crimes. We're not here purporting that we jump on the U.S.-style system; I want to be clear about that.

However, what we are hearing from law enforcement is the frustration with the rearrest format. I think we should all be outraged that organized crime is taking advantage of young people and paying them a lot of money to steal cars and do home invasions. There's something different about the way Canada is, particularly in Quebec and Ontario—again, this is what law enforcement tell us—and with the funnel coming through the port of Montreal. I think when you look at what happens on the west coast, you see that, yes, you have the continuation of the crime task force, but you also have that funnel of cars constantly going through the port of Montreal.

I will note that the law enforcement chiefs of police in Ontario told me personally that they're concerned about Hamilton coming on as a port. Does that become the next point of entry for organized crime to take advantage of?

● (0910)

Mr. Chris Bittle: Thank you. I'm out of time.

The Chair: Thank you, Mr. Bittle.

We'll move to Ms. Michaud, please.

[*Translation*]

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

As was mentioned earlier, this isn't a uniquely Canadian problem. In fact, we're seeing an increase in vehicle theft elsewhere in the world, particularly in the United States and Europe.

Earlier this week, the president of the Equité Association told us that manufacturers in the U.K. had implemented flight prevention technologies. They would have been incentivized to move forward after insurers stopped insuring the frequently stolen makes of vehicles. That's why they've developed these technologies.

Mr. Adams, can you tell us about those technologies? I'm not sure if you're familiar with these technologies that have been developed in the U.K. You represent global automakers, so I would think so.

I'm wondering if, in Canada, we'll have to wait for some insurers to decide to stop insuring certain makes of vehicles before manufacturers decide to go ahead. Can we not move forward and follow the example of the U.K.?

[*English*]

Mr. David Adams: I would say that automakers are already taking proactive steps now to harden and safeguard their vehicles. In terms of the activity that's been undertaken in the U.K., I'm vaguely familiar with that, but what I understand is that every solution has unintended consequences. Some of the unintended consequences that I'm aware of in the solution proposed in the U.K. is that some auto manufacturers have said it's not worth the cost of investing in that technology, at least for certain models. As a result, the model availability of vehicles has dropped.

That's not to say that technology might not be something that we should look at, but I guess with respect to the overall issue of technology I would just say that, as an association, we advocated for the holding of these hearings. We're interested in getting to the bottom of auto theft. We know that we're part of the solution, but we're not necessarily looking to be a scapegoat in terms of “it's all the automakers' problem”. I think the federal government has outlined that, as an outcome of the auto theft study, the justice system needs to be looked at.

CBSA needs resources and, more to Mr. Lyons' point, resources to implement technology. We haven't upheld our international shipping obligations in terms of implementing treaties that would implement technology to safeguard exports going out of the country. It is an all-of-society problem, and if we want to look at technology and implement technology, sure, we can look at that, but my response to you would be that we have an auto theft problem right now in Canada. If we have a solution that's going to be a technology standard, that's going to take some time to implement, with software, hardware and getting suppliers on board to facilitate that. We're happy to look at that, but it's not going to do anything to solve the problem right now.

The Chair: Thank you.

Mr. Julian, you'll be the last one up for this panel, please.

Mr. Peter Julian: Thank you.

I have just a very quick question for you, Mr. Adams. You said that there were fewer models available in the U.K. market. If you have any information on what that has actually meant for that retirement or reduction—three models or 30 models—I think it would be helpful to us.

I want to come back to you, Mr. Lyons.

Just before the chair cut me off on my questioning, I was going to follow up. You said that, in 2018, there was an integrated crime unit in Ontario that was ended...?

Mr. Damon Lyons: I believe it was around 2015. It was the Ontario provincial auto theft team that existed since the early 2000s. Again, at the Ontario level, they were coordinated across the various police departments just to tackle auto theft. We saw it in that time period.

Mr. Peter Julian: It ended in 2018.

● (0915)

Mr. Damon Lyons: I believe in the area of 2015. It was hard to actually get the start date and the end date, but it was in that time period—from my recollection anyway.

Mr. Peter Julian: Thank you.

If you have more information to offer on that, it would be helpful.

Mr. Damon Lyons: I think it's part of our submission as well.

Mr. Peter Julian: Thank you.

On the money laundering, you referenced 86% of money-laundering cases not being followed up on within the justice system.

Mr. Damon Lyons: There's an article that we cited in our larger piece to you, and that's a major problem. Organized crime really is the issue. Again, we can look at incarcerating every teenager or 20-year-old for three years. Are we putting them there to put them in prison, or are we putting them there to rehabilitate them? How do we get to the organized crime?

Again, we have the proceeds of crime act, but in talking to RCMP officers, they say it's expensive, it's time-consuming and it's complicated. They usually just drop those cases and go after some kind of a civil forfeiture. That's great and would take away some money from organized crime now, but in the long run they're going to make that money back.

We really have to have the overall approach. We have to get the offenders off the street now. Again, do we try to rehabilitate those so they'll have a better life going forward, or do we adjust the head of the snake?

Mr. Peter Julian: This issue of financial crime has come up repeatedly. We saw under the former Conservative government how weak they were on financial crime. Tragically, the Liberal government hasn't really taken the initiatives that are important in this respect, including putting in place a publicly accessible beneficial ownership registry that helps to crack down on money laundering.

Would you say that's a key component? If we're talking about a multi-faceted approach to auto theft, that cracking down on financial crime and money laundering is an important component.

Mr. Damon Lyons: One hundred per cent, yes.

Mr. Peter Julian: Yes.

The Chair: Mr. Julian, you're over your time.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Chair, I have just a point of clarification. Mr. Adams, in response to Mr. Bittle's question, talked about insurance rates and StatsCan.

Was that right, or was it theft rates? Either way, will you commit—

Mr. David Adams: It was theft rates.

Ms. Jennifer O'Connell: It's theft rates. Will you commit to table that with us?

Mr. David Adams: Sure.

Ms. Jennifer O'Connell: Thanks.

The Chair: Thank you.

That is the end of the first panel. Thank you for coming here today. It was a great discussion on a very important issue.

We're going to suspend for approximately five minutes.

● (0915)

(Pause)

● (0920)

The Chair: I would like to welcome our second panel of witnesses.

In person is Mr. Dan Service, principal, VIN Verification Services Inc. By video conference are Pierre Brochet, president, Association des directeurs de police du Québec, and, from the Canadian Association of Chiefs of Police, Thomas Carrique, commissioner.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

Welcome to all. I now invite Mr. Service to make an opening statement.

Go ahead, please.

Mr. Dan Service (Principal, VIN Verification Services Inc.): Good morning to this committee and to you, Mr. Chair.

Thank you for having me here today to discuss the ongoing problem of auto theft in Canada.

My name is Dan Service. I am the founder and CEO of VIN Verification Services. I founded this company after a 25-year career with the Edmonton Police Service, which included responsibility for the economic crime and commercial auto theft sections. After retirement from the service, I spent three years with the Insurance Bureau of Canada, concluding there as their national director of investigations.

VIN Verification Services has been the exclusive service provider to Alberta Transportation for vehicle examination and VIN issuance for the past six years and, since 2020, the exclusive service provider to Saskatchewan Government Insurance. In fact, we are the only company in Canada under contract to conduct VIN examinations and issue VINs on behalf of government. We have completed more than 21,000 examinations in Alberta and Saskatchewan since 2018 and have recovered over one million dollars' worth of stolen vehicles.

You heard in this committee that stolen vehicles have three possible end destinations. The first is the ports. This has been extensively discussed. The second is being chopped and salvaged for parts. The third and probably most troubling is vehicles being revinned, registered, given credibility by their provincial government registry and then resold to unsuspecting consumers within Canada.

What can be stated is that both provincial and federal governments have a responsibility to provide legitimate oversight to the issue of vehicle theft. While responsibility for the export of stolen vehicles rests with the Canada Border Services Agency, the legitimacy of vehicle registration and VIN issuance rests with the provinces. While every provincial government has the obligation to issue VINs as part of their vehicle registration process, not all provinces are created equal, nor have they approached the issue of VIN issuance with the same rigour and care.

VINs are the key to legitimizing stolen vehicles back onto the registry and into the consumer market. Our experience administering the program tells us that problematic VINs occur in approximately 1% to 2% of the vehicles annually registered.

In Alberta and Saskatchewan, we conduct roughly 4,000 vehicle examinations every year for a population of five million people and a total vehicle registration of approximately 140,000. The Province of Ontario registers roughly one million vehicles every year with a population of 14 million people. However, in Ontario, there is no exam process and no examination entity. For many provinces, there is simply no one to call.

Of the 1% to 2% ratio of problematic VINs expected in Ontario, we believe there are between 10,000 and 20,000 vehicles being added to the registry every year that, in other jurisdictions, would be required to undergo a mandatory exam. This is where stolen vehicles are being hidden, reintroduced onto the registry and given legitimacy by our provincial governments.

Of course, an assigned VIN program is only as effective as the registry's ability to require and conduct an examination. 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.

As a starting point, every vehicle applying for a provincially issued VIN must be examined prior to VIN issuance. Every vehicle with a problematic VIN should be mandated to undergo examination. Any vehicle that gets registered by a province that does not have a rigorous assigned VIN program should undergo an examination. Lastly, if the top-10 list of stolen vehicles annually supplied by the insurance industry has credibility, the top three or top five vehicle types on that list should automatically be required to undergo VIN examination prior to registration renewal or ownership transfer.

Our outreach to the Government of Ontario, since 2020, has focused on how Ontario has become a breeding ground for this type of criminal revinning activity. They need to update their VIN as-

signment and verification processes to give their registry any credibility. Our message to other provinces without an assigned VIN program would be exactly the same.

The answer is clear. An assigned VIN program assures credibility of the vehicle registry systems in Canada, better protects Canadian consumers, benefits law enforcement by reducing calls for service, benefits the insurance industry by recovering vehicles and reducing payouts, and creates a deterrent to the sale of stolen vehicles.

Thank you for your time today. I look forward to answering any questions of the committee.

● (0925)

The Chair: Thank you, Mr. Service.

We'll move to Mr. Brochet online.

[*Translation*]

Mr. Pierre Brochet (President, Association des directeurs de police du Québec): Mr. Chair and honourable committee members, the Association des directeurs de police du Québec, or ADPQ, would like to thank you for inviting us to share our thoughts on the issue of car thefts in Canada.

Not so long ago, car theft was seen as a minor, almost trivial matter. But, as we all know, times have changed. Car theft now means violence and criminal gangs.

We now know that car theft is committed by organized networks prepared to use violence in order to escape any kind of justice. As well, these networks are exploiting weaknesses in shipping security, with the Port of Montreal being one of their prime targets.

In 2023, over 15,000 vehicles were stolen in Quebec. That's an increase of 57.9% over three years.

At the risk of repeating myself, with these thefts we are now also seeing an escalation of violence, which poses a very real threat to the public and police. Recent attacks on police officers are particularly troubling.

It is now clear, dear committee members, that car theft is no longer limited to mere property damage; it also affects the peace of mind of our neighbours, our police officers, and the safety of our cities and roads, making this an issue that requires the entire country's attention.

In the face of this growing threat, as seen by the recent summit organized by the federal government, there is now a collective will to come up with an aggressive response to these crimes and to dismantle the criminal networks that support them. The summit was certainly a crucial first step, to create an open and inclusive dialogue with all stakeholders. However, it is clear that this is just the beginning of a process that will require our full commitment and meaningful action.

That is why the ADPQ is making a number of recommendations to respond seriously to car theft.

First, it is imperative that we toughen the current legislative standards in four areas.

We are all aware of the challenges surrounding public security. Car theft puts a spotlight on the very integrity of Canada's ports, which is critical infrastructure for our country. We need to take a hard look at the security of our ports, understand how car thieves operate, and take aggressive and decisive action. We must fight organized crime infiltrating our ports.

For example, we need to tackle head-on the critical issue of hiring and conducting security checks of Canadian port employees and the regulations involved. It's time to take firm action by bringing in new legislative standards to address this situation.

That's why we're proposing concrete measures to protect the integrity of our ports, particularly the selection processes and security accreditation system for all Canadian port employees. This is in addition to reviewing the relevant regulations.

Given the situation, we also need to go a step further by giving police the critical task of conducting security checks of Canadian port employees. That way, we can conduct thorough, impartial background checks.

Second, we need 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.

Third, the Canada Border Services Agency, or CBSA, must be required to carry out a certain percentage of random inspections of container contents. On that note, allow me to commend the government's financial commitment to this agency, which plays a critical role in combatting car theft. However, I will add that, if necessary, depending on new demands on the CBSA, it would be worth taking a look at restructuring the agency.

Finally, we also need to toughen the statutory standards for automakers. They must be forced to improve their vehicles' built-in safety features. For example, this could mean 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.

That said, it's important to recognize that beefing up our legislative standards won't be enough. We also need to recognize the critical importance of the investigative and intelligence work carried out by law enforcement by establishing joint teams funded through the federal budget; roll out effective tracking systems and surveillance networks on our highways, based on what is being done in the United States; and continue educating the public about how to prevent car theft.

• (0930)

Dear committee members, the ADPQ recommends that these robust measures be implemented as soon as possible.

We firmly believe that by joining forces and by taking a multidimensional approach, we can actually do something to stop the massive problem of car theft. With this in mind, the ADPQ wishes to stress the importance of close co-operation with the relevant authorities, the industries involved, and civil society to ensure that these initiatives are effective and sustainable. Together we can create a safer environment for our communities and deter crime.

Thank you.

[English]

The Chair: Thank you, Mr. Brochet.

I now invite Commissioner Carrique to go ahead, please.

Commissioner Thomas Carrique (Secretary-Treasurer, Canadian Association of Chiefs of Police): Thank you.

Chair, vice-chairs and committee members, on behalf of the Canadian Association of Chief of Police, thank you for the opportunity to discuss the dramatic increase of auto theft in Canada and opportunities to combat this concerning public and officer safety trend.

I very much appreciated participating in the federal government's National Summit on Combatting Auto Theft, which took place a few short weeks ago on February 8. The summit provided police with the opportunity to collaborate with government officials and industry stakeholders to address the complexities of auto theft, including the role of organized crime in this growing criminal market. The national summit was an excellent first step. The Canadian Association of Chiefs of Police is looking forward to working with the many partners who have committed themselves to working jointly toward identifying and implementing solutions during the summit.

I'm aware of the alarming statistics and safety concerns presented to you earlier this week by the other police witnesses who appeared before you on February 26. To add current context, since the national summit on February 8, there have been over 3,000 automobiles stolen in Canada.

Passenger vehicle thefts are not new to the Canadian criminal market. There are well-documented cases of organized crime groups smuggling stolen vehicles in shipping containers to overseas locations dating back to the 1990s. Generically, the incidence of auto theft decreased significantly in the period leading up to and certainly after a 2007 Transport Canada regulation that mandated vehicle manufacturers to equip all new vehicles with anti-theft engine immobilizers.

Despite these advancements, the criminal element eventually found technological means to manipulate and defeat these technologies. Organized crime has seized upon being able to defeat the advancements in anti-theft technology, while concurrently exploiting the disruption of the global supply chain caused by the COVID-19 pandemic. That led to a shortage of vehicles and vehicle parts, substantially impacting supply and demand and thereby dramatically increasing the value of used vehicles.

Today organized crime has a strong hold on the illicit transnational auto theft market. It's estimated that 80% of passenger vehicles are exported, and 10% of these vehicles are revinned and sold domestically, with the remaining 10% being chopped down and sold for parts. The lucrative international market of stolen Canadian vehicles has surged, as many of the desirable vehicles are readily available in Canada and are either very costly internationally or simply not available for purchase in those countries they're being exported to. For substantial profits, criminal networks are exploiting and exporting stolen vehicles to foreign buyers, with the majority of these vehicles destined for Africa and the Middle East.

As you've heard from my policing colleagues, police leaders, officers, their families and the public alike are all very concerned about the increased level of violence associated with passenger vehicle theft. 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. In doing so, they are endangering the lives of the public and our officers. Unfortunately, there are countless examples of vehicle owners having their vehicles stolen at gunpoint and of officers and/or their vehicles being struck or run off the road by violent offenders attempting to flee in stolen vehicles.

In response to this public and officer safety concern, and to disrupt the illicit transnational market being controlled by organized criminal networks, the profits of which often finance other criminal activities ranging from drug trafficking and arms dealing to human smuggling and even international terrorism, Canadian police leaders are calling for a strengthening of port security and monitoring mechanisms, including inspections and the use of technology, to disrupt the illegal export of stolen vehicles.

• (0935)

We're calling for 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. We're 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.

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.

In closing, by working collaboratively with government and industry stakeholders, collectively, we have an opportunity. In fact, we have a responsibility to better serve Canadians by taking the necessary actions to disrupt and dismantle the organized criminal networks involved in auto theft, thereby improving—

• (0940)

The Chair: Thank you, Mr. Carrique.

We're going to move right into questions with Mr. Shipley, please, for six minutes.

Mr. Doug Shipley: Thank you, Chair.

Thank you to all the witnesses for being here this morning.

I'll start off with Commissioner Carrique. You're awfully close to my home right now. I hear we had over a foot of snow last night. It's nice to see you made it in safely.

Recently, you stated that auto theft is highly profitable with little risk, and in Ontario, you see 68% of those convicted serving a sentence of six months or less. I would like to quote you, sir. You stated, "We need to see stiffer penalties. We absolutely need to have a deterrence for these crimes."

Could you please state to the committee what impact stiffer penalties would have on your ability to address the auto theft crisis?

Commr Thomas Carrique: Yes. Thank you for the question, sir.

I believe that stiffer penalties would provide two deterrents for us.

The first is deterring criminal offenders, obviously, due to substantial consequences for committing offences.

Second, 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.

Mr. Doug Shipley: Thank you for that, Commissioner.

To follow up on that, you also stated, "We want to stop the revolving door of people coming back out on our streets and doing it again.... We want to have them locked up, we want to have them in jail."

Conservatives currently have a private member's bill, Bill C-379, which would create a mandatory minimum of three years in jail for those who have stolen a motor vehicle three times. Just this past week, we had a deputy chief from Toronto and a deputy chief from Peel, and they both agreed that this would be a good deterrent if it passed.

Do you feel that Bill C-379 would be a good deterrent to help with car theft and the revolving door issue?

Commr Thomas Carrique: I believe that 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.

Mr. Doug Shipley: Thank you.

I'll move on to Mr. Brochet, for just a quick question. You mentioned recently in a radio interview that the Laval police are frequently arresting criminals for vehicle thefts, but they are being released on bail and are back on the streets within hours.

Are the government's bail policies hindering your efforts to address the auto theft crisis and to get these criminals off the streets?

[Translation]

Mr. Pierre Brochet: Thank you for the question.

As I said in my opening remarks, car theft is a crime that has evolved considerably. For example, people who steal vehicles are increasingly violent, and may even go so far as to drive at police officers. They will even attack citizens when citizens locate their vehicles. High-level organized crime coordinates all these networks. There are more and more cases where young people arrested in stolen vehicles are armed.

In this context, we can only support harsher penalties. Above all, when someone who has just been arrested for stealing a car has to be released within minutes or hours, it sends a very bad message. We've recently seen young people in the news mocking the police, explaining that they had been arrested and released after only a few minutes on a promise to appear. Obviously, when other young thieves see these messages, they tell themselves that there are virtually no consequences to stealing vehicles.

• (0945)

[English]

Mr. Doug Shipley: Thank you for that.

I'll go back to Commissioner Carrique for a question.

Commissioner, we heard this morning in our first hour that there has been a 62% surge in organized crime. This question might be a little bit vague, and I don't mean this glibly, has auto theft increased the amount of organized crime, or is organized crime growing because of auto theft because they are able to fund it better?

Commr Thomas Carrique: Organized crime has been a long-going issue for law enforcement. We see criminal organizations adapt to the most profitable criminal markets.

As I mentioned, the global pandemic caused a shortage in supply and an increase in demand. Organized crime is exploiting that, along with being able to defeat technology. Today, it's auto theft. These advanced criminal networks will adapt to whatever criminal market is profitable, which is why we need a whole-of-system approach. We need to lock down and limit the amount of opportunity for them to leverage that and steal automobiles from innocent, ordinary, everyday Canadians.

Mr. Doug Shipley: I'm almost out of time, Commissioner, so I'll ask you one last quick question.

Could you speak to the prevalence of young people involved in auto theft rings? What challenges does that pose in terms of sentencing and deterrence in this crime?

Commr Thomas Carrique: There is a significant level of participation by young offenders, not only in spotting and identifying the vehicles to be stolen but committing the thefts themselves. That puts them at risk. We're seeing that many of them are armed in the greater Toronto area, which puts officers and the public at risk. The penalties are just not a deterrence for these young offenders, who are making a substantial amount of money to engage in this criminal activity. There needs to be greater deterrence.

The Chair: Thank you.

Thank you, Mr. Shipley.

We'll move on to Mr. Gaheer, please.

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): Thank you, Chair.

Thank you to all of the witnesses for making time for this committee.

My questions are going to be for Mr. Carrique, but I wanted to touch on the comments made by Mr. Shipley regarding the length of sentencing. We know that Liberal Bill C-75 increased the maximum penalty on summary conviction for motor vehicle theft from 18 months to two years less a day. Conservatives voted against that bill. We know there is a mandatory minimum penalty of six months that applies to motor vehicle theft for repeat offenders. We know that people who are convicted of subsequent motor thefts are not eligible for house arrests or conditional sentencing orders, because they're subject to the six-month mandatory minimum penalty.

I want to touch on Mr. Shipley's comments regarding the length of sentencing. There was a New York Times article published in December of last year that I found very interesting. The article was called "Police Departments Nationwide Are Struggling to Solve Crimes". I'll just quote one line from that. It says:

Sentencing and judicial reform tend to make up the bulk of our policy responses to crime and policing, but this new data suggests that increasing the share of crimes that are solved—especially violent crimes—should be a major focus of policymakers nationwide.

Studies of crime and punishment have shown that a police force's ability to solve crimes is more effective in deterring crimes than the severity of punishment.

Can I get Mr. Carrique's comments on that quote?

Commr Thomas Carrique: It is a whole-of-system approach, as I referred to in my previous answer. We need to be able to solve the crimes, which means we need the appropriate resources and funding for police services to be able to conduct these investigations.

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. There's an opportunity for everybody here to contribute to improving the safety of Canada.

Mr. Iqwinder Gaheer: My comment was specifically on the relative weight of the deterrence. Do you agree the deterrence is heavier from the police's ability to solve the crimes versus the severity of the punishment itself?

Commr Thomas Carrique: They're equally weighted. If we're unable to solve the crime and lay a charge, there is no consequence. However, if we solve the crime, we lay the charge and there's no substantive penalty, we've wasted our time and effort, and the criminals are empowered to continue with their criminal activities.

Mr. Iqwinder Gaheer: I said at the beginning, when I listed the penalties that are in place, we already have mandatory minimum penalties.

My next question is for Mr. Brochet. We had Peel police testify here on Monday. I'm from the Peel region. If a car is stolen in Mississauga, and it ends up at the port of Montreal, it has obviously gone through several police jurisdictions.

How has it been working with different jurisdictions? How do interjurisdictional investigations work?

• (0950)

[*Translation*]

Mr. Pierre Brochet: Mr. Carrique could also answer that question, as far as putting works in place are concerned.

[*English*]

Commr Thomas Carrique: Thank you, Pierre.

I can absolutely speak to this, not only from an Ontario perspective but also from a national one. There is the provincial carjacking joint task force and the provincial auto theft team. We have over 20 municipal police services working collaboratively right across the province. In the GTA, all the GTA services are currently engaged in a task force dealing with carjackings, and we have an ongoing joint force operation with the Sûreté du Québec, the Montreal police and CBSA. There's an extensive amount of collaboration taking place.

The jurisdictional boundaries we may have seen in the past no longer exist, and there's standing collaboration.

Mr. Iqwinder Gaheer: Great.

Mr. Brochet, in your opening testimony you said you would restructure CBSA. Could you elaborate on that?

[*Translation*]

Mr. Pierre Brochet: In fact, the police directors of Quebec believe that the auto theft market must be dealt with. If it remains extremely profitable to steal vehicles and export them, it will be extremely difficult to crack down on it.

In light of this situation, we believe that one of the measures that should be taken is to significantly increase audits of what is going out of Canadian ports. For our part, obviously, we're more familiar with what's going on at the Port of Montreal. This will require changes to the operating structure of the CBSA. From what we understand, the CBSA is much more inclined to check what's coming into the country than what's leaving it. If you agree to go ahead and adopt a measure requiring a minimum percentage of containers to be checked at Canadian ports, for example, I humbly believe that it will require an overhaul of the CBSA. In order to meet the requirements of a new legislative provision of this kind, there will indeed have to be an increase in resources, but that will also potentially involve reviewing the way things are done at the CBSA.

[*English*]

Mr. Iqwinder Gaheer: It's my understanding that CBSA is already doing a certain level of checking. How would your approach differ from that? Would you just increase the number of containers that are searched?

[*Translation*]

Mr. Pierre Brochet: As we understand it, the CBSA verifies 100% of the containers it receives information on. In other words, when it has information that illegal goods could be in a certain container, it checks it. However, there is no systematic check of a certain number of containers leaving the country, or at least that was the case until very recently. That's a problem. That's not a criticism of CBSA; it's just that they do their business that way, based on certain priorities.

We believe that mandating a number of systematic inspections of containers leaving the country and giving the CBSA the ability to carry out this mandate would be a significant step forward in addressing not only car theft, but also illegal product trafficking as a whole.

[*English*]

The Chair: Thank you, Mr. Brochet.

Thank you, Mr. Gaheer.

Ms. Michaud, go ahead, please.

[*Translation*]

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

Thank you to the witnesses for being here. It's a pleasure to have you here.

I'm going to continue along the same lines, Mr. Brochet.

First of all, I want to thank you for the recommendations in your opening remarks. So far, I think you're the witness who has given us the most recommendations or solutions to this major issue.

You talked about the prospect of restructuring of the Canada Border Services Agency. I agree that the priority may have always been to check what's coming into the country rather than what's going out. To fix this crisis, this scourge of car theft, perhaps we need to change that way of doing things, at least in part.

You also talked about toughening the law. However, I'm particularly interested in reviewing security at the ports.

You talk about the need to stop organized crime from infiltrating the ports and to review the hiring process at the ports, how they select employees and the security clearance of those employees.

You're a police officer in Laval, so you must be very familiar with the situation at the Port of Montreal. Do you have any information to the effect that organized crime has fully infiltrated and is present at the Port of Montreal, and that's facilitating the export of stolen vehicles? Of course, I'm well aware of the fact that you can't comment on specific investigations. Be that as it may, the Port of Montreal needs a major boost. People don't dare say it, but we all know a little bit about it. According to the port authority, it's doing everything it can, it has security officers, but they can't open the sealed containers. That's part of the work of police officers, who must have a warrant to open them, for example.

What do you think needs to be done at the various Canadian ports, but specifically at the Port of Montreal, where obviously it seems easy to get a container in without anybody knowing what's in it? I'll come back to vehicle identification numbers later.

I'll let you explain to us further what solutions you think could be introduced at the ports.

• (0955)

Mr. Pierre Brochet: I can tell you what the Association des directeurs de police du Québec thinks about this. The recommendation applies to all Canadian ports, but let's take the Port of Montreal as an example. If thousands of cars can easily be exported overseas from the Port of Montreal, it's not hard to imagine just how many types of illegal trade are going on at the Port of Montreal.

Having said that, we believe we need to look far beyond auto theft. Canada's ports are strategic and critical infrastructure for the country. Illegal products of all kinds, including vehicles, are often exported or imported at Canadian ports. Organized crime has infiltrated Canadian ports many times in the past. Information emerges regularly about the presence of organized crime. Even if we introduce a series of measures, we mustn't forget that aspect. If there are criminals with ties to organized crime in the port, it will be hard to fight auto theft activity as well as other illegal export or import activity.

Ms. Kristina Michaud: Thank you.

I would now like to come back to a scheme that car thieves appear to use frequently, and that is tampering with the vehicle identification number when filling out the export declaration. The Journal

de Montréal investigative reporting team reviewed 74,000 vehicle export declarations from the Port of Montreal between January and mid-September 2023. Of those declarations, 4,125 are linked to VINs of vehicles that have been declared exported more than once. That's 5.5% of all vehicles that left the port. For example, a Volkswagen Touareg was exported five times to Togo according to those declarations. The Journal de Montréal investigation found many other instances of this.

According to the Canada Border Services Agency, its algorithm didn't detect the numbers that kept coming back and was therefore unable to sound the alarm. Sometimes a dot was inserted into the VIN or the number was slightly altered. Using an Excel file, the Journal de Montréal team was able to detect the numbers that kept coming back.

How is the Canada Border Services Agency unable to detect that? If a few tweaks were made to this mechanism, do you think it would make a difference?

Also, should police officers be given a responsibility in this regard? I'm thinking of sharing information with other provinces, especially, but also with the various stakeholders. There's a lot of finger pointing at the Canada Border Services Agency, and rightly so in this case, I think. That said, can police officers also take action with respect to vehicle identification numbers?

Mr. Pierre Brochet: They certainly can.

That said, there's no silver bullet for solving this problem. I'm not an expert and I don't work for the CBSA, but I assume that the agency is having trouble detecting falsified VINs. Personally, I can understand that.

Law enforcement has VIN falsification experts. Whether we can assist the CBSA or conduct our own investigations, we can do the necessary checks to confirm that a vehicle has been stolen. However, to do that, we need access to the vehicle, we have to locate it and we need the information required to launch an investigation. The expertise is there, but we have to find ways to locate those vehicles in order to conduct the checks. It really needs to be done in partnership.

• (1000)

[English]

The Chair: Thank you.

We'll move to Mr. Julian.

Go ahead, please.

[Translation]

Mr. Peter Julian: Thank you very much, Mr. Chair.

Thank you to the witnesses.

I'm going to start with Mr. Brochet.

You made some extremely important recommendations to the committee. For example, you mentioned that port security should be enhanced, that carriers must ensure the content of their cargo matches the manifest and that the CBSA should be made to conduct more inspections. This brings me to the CBSA cutbacks initiated by the Conservatives and continued by the Liberals. That has to change. You also recommended reinforcing legal standards for automakers and ensuring that law enforcement works together by forming federally funded integrated teams. Thank you for those recommendations.

In your opinion, what should the federal budget envelope be if we want to set up these integrated teams to counter the rise in auto theft?

Mr. Pierre Brochet: Yes, we believe very much in the partnership between the various Canadian police forces. Mr. Carrique talked about it earlier. The Sûreté du Québec and the Ontario Provincial Police are working together very closely on this.

It's hard to say what the funding should be, but it will certainly take a lot of funding.

When situations arise, police services are able to deal with them when there's a will to change things and investments are made. We've seen it before with gun violence in Quebec. When Quebec saw a significant rise in that type of violence, major investments were made and that helped reduce violence and the number of shootings in public places.

It would be hard to give you an exact figure in terms of funding. I think it warrants further study. In any event, it would certainly be a significant investment.

Mr. Peter Julian: The federal budget will be tabled soon, so we need to know whether we're talking on the order of \$50 million or \$100 million.

We know that these integrated teams could really improve the situation. They did in British Columbia, which has seen no increase in auto theft, unlike elsewhere in Canada.

If you could give us a figure in the coming days, we would see that as really important and useful information, especially since the budget will be tabled soon. I think all parties understand that action must be taken.

Thank you, Mr. Brochet.

[*English*]

I'm going to pass to Mr. Service now.

I am quite stunned by the numbers you've given us. To make sure I properly understand, you're talking about 10,000 to 20,000 automobiles in Ontario that potentially could be stolen and revinned because there is no process in place under the current government in Ontario.

Mr. Dan Service: That's correct, and that's not including the ones that are issued new VINs by the province. The province issues 20,000 a year.

Mr. Peter Julian: In terms of the provinces that have already put in place a VIN verification service, what would it take for our government to crack down on this? That's a major loophole.

Mr. Dan Service: I'm happy to answer that question, sir.

If I may, I would like to make one other statement before I answer it. We heard from police that 80% are going through the ports. We heard IBC say 60% and Équité say 50%. The reality is that, whatever the accurate number is, as soon as you choke off access to the ports, then revinning, duplicate VINs and cloning are going to increase in Canada.

As far as what it takes for Ontario to make a difference, simply put an assigned VIN program in place that's at no cost to government. They can identify the standards to which the work needs to be done. It's the same in Alberta and Saskatchewan. It could be up and running in a matter of months.

• (1005)

Mr. Peter Julian: Is it no cost to government because it's user-pay?

Mr. Dan Service: It's a consumer-pay model, yes.

Mr. Peter Julian: How much would the consumer be paying?

Mr. Dan Service: For a tandem-axle trailer—which of course is anywhere from \$10,000 to \$100,000 in cost, depending on what you have—or anything with a motor, it's \$500. For any single-axle trailer, it's \$150.

Mr. Peter Julian: What you would see with that is avoiding those potentially 20,000 stolen vehicles being laundered illegally.

Mr. Dan Service: Absolutely.

What happens is this: There are problematic VINs. Problematic VINs can be anything. They can be duplicates. They can have no history. Of course, if something is more than two, three or four years old, there should be some history as to who owned it previously when it comes up for sale again. They can be nonconforming. There's an algorithm that describes exactly when a VIN is properly applied or not. There's a check digit that is wrong if it's not a correct VIN. They can be illegible, or they can be missing.

There are a whole bunch of reasons why VINs can be problematic. However, in every one of those cases, the vehicle needs to be identified. Imagine a manufacturer issuing a VIN for a vehicle that they have a responsibility for and never looking at what it was. That's what's happening right now.

Mr. Peter Julian: It's stunning to me to know that there is legalized laundering of stolen vehicles taking place in Canada. I mean, we know about the chop shops, but it's quite stunning to me that a provincial government like the Ford government would not take action.

How many governments in Canada have a formal VIN verification process, of the 10 provinces?

The Chair: Answer quickly, Mr. Service.

Mr. Dan Service: Alberta and Saskatchewan do. British Columbia does a pretty good job, because they issue via their ICB locations. P.E.I. is very good. Their commercial vehicle inspectors issue VINs there.

Manitoba, Ontario and Quebec don't have one.

The Chair: I'm glad I let him respond, Mr. Julian.

Mr. Peter Julian: I was going to say that B.C. has a great government, though.

The Chair: We're into the final round. We only have about nine minutes left, so that's two and a half minutes for each person.

Mr. Lloyd, go ahead, please.

Mr. Dane Lloyd (Sturgeon River—Parkland, CPC): Thank you, Mr. Chair.

I'm going to start with Commissioner Carrique.

Thank you for your testimony. I know that my Liberal colleagues on the committee like citing what's happening in the United States, in American papers, but we're in Canada. I want to talk about what's happening in Canada today.

Recently, York Regional Police reported that a man walked out of a Newmarket court after being released on bail and immediately attempted a carjacking before stealing a truck and hitting several police vehicles.

Commissioner, is the status quo in our justice system, in terms of bail and sentencing, creating dangers for your police officers on the street?

Commr Thomas Carrique: Thank you for your question.

Certainly 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. There are great improvements with Bill C-48, and there's the five-year period to evaluate it. We're looking forward to seeing what improvements come as a result of that.

However, there's absolutely more we can do, as I've highlighted in my recommendations.

Mr. Dane Lloyd: Thank you, Commissioner.

I'm going to go to Mr. Service. I'm not sure if you're aware, but we know that vehicle parts and cloned VINs are being sourced from scrapyards.

Alberta had a policy that was basically forcing scrapyards to record who the sellers were and their information. It was ruled unconstitutional in November of last year because the court said that this was federal jurisdiction under Criminal Code jurisdiction.

Do you think the federal government needs to do more to ensure that our scrapyards are not becoming a source for stolen vehicle parts and stolen vehicle VINs?

Mr. Dan Service: With the advent of technology, the ability to sell parts from vehicles all over the world has become exceptionally easy. I think regulation around how those can be dispersed and what records you need to keep is critical. If they are not provided the level of regulation that VIN assignment and VIN issuance should have, then the process will certainly continue.

Mr. Dane Lloyd: It's great to see provinces taking the initiative, but it is discouraging when a court rules that it's federal jurisdiction in terms of keeping this information. Clearly, the federal government has a very important role to play and needs to play that role. Wouldn't you agree?

• (1010)

Mr. Dan Service: I would agree.

Thank you.

The Chair: Thank you, Mr. Lloyd.

We'll move on to Mr. McKinnon, please.

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

My questions are for Mr. Service. I'd like to follow up on the questions about VINs. My impression previously was that VINs were established by the manufacturer. You're telling us that's not the case and that, by and large, individual jurisdictions assign VINs.

Mr. Dan Service: It happens both ways. Manufacturers, if they apply, go to what's called a "WMI", a world manufacturer identifier, which are the first three digits of a 17-digit VIN. Those identify who the manufacturer is.

In cases where the province has to assign a VIN—I'll use Alberta as an example—they have a WMI that's issued by Transport Canada for any VINs they issue. It's for a variety of things. Perhaps it's a home-built trailer or a vehicle that is amalgamated from three other vehicles, and currently the VIN that's on the vehicle no longer accurately describes what it is. There are circumstances in every province where it is necessary for a VIN to be issued by the province itself.

Mr. Ron McKinnon: Okay.

In Canada, we have 13 jurisdictions provincially and territorially. Is there any interoperability between these systems for registering vehicles so that they exchange data? If they say that this vehicle comes from Nova Scotia, could we check to...?

Mr. Dan Service: I'm glad you asked that question. Absolutely. We do cross-Canada checks all the time. However, when someone takes a stolen vehicle from one province to another, they'll walk into a busy registry location. The person behind the counter will have to do 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. That's what's happening now. You see a lineup of 20 or 30 people at a registry office and a clerk who, without the training or experience to legitimately validate a vehicle that's in front of them, simply presses a button and says, "Okay, we're going to register now."

The reality, sir, is that—

Mr. Ron McKinnon: I'm going to interrupt you here because I only have 12 seconds left.

Is it a good idea, and is it possible, that these validations could be done internally within the software in each province, so with registered vehicles, it would automatically check—

Mr. Dan Service: That is the question I was going to answer. These vehicles cannot be validated without a physical inspection. It is not possible.

The Chair: Thank you.

Thank you, Mr. McKinnon.

Ms. Michaud.

[*Translation*]

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

Mr. Service, I'm going to ask you a question similar to the one I asked Mr. Brochet earlier about VINs.

Ill-intentioned exporters are apparently getting VINs of cars that are in accidents or sold in auctions online. Even if the same VINs come up repeatedly in export declarations, the Canada Border Services Agency isn't able to detect it.

To your knowledge, how could the agency improve its procedures for detecting fraudulent vehicle identification numbers? Mr. Brochet seemed to say that it's extremely difficult to do. What do you think the agency could do?

[*English*]

Mr. Dan Service: Certainly, there are people better qualified to speak to the CBSA practices and policies than I am.

I can simply say that, in all cases, VINs are unique unto themselves. There cannot be more than one that accurately represents a vehicle, so if you have a duplicate, one of them is false.

[*Translation*]

Ms. Kristina Michaud: How does one determine that a vehicle identification number is false?

[*English*]

Mr. Dan Service: You know from a physical examination. If you have two in two separate locations, you have to literally go and look at both of them to determine which one is the false one. Frankly, the people who are doing cloning and revinning are really good at it. You need an expert.

[*Translation*]

Ms. Kristina Michaud: I take it there's a need for cooperation.

The police say they must reasonably suspect that a stolen vehicle is in a certain container or they must have a vehicle theft operation

going on before they can go and identify the vehicles to see if the thieves have used falsified VINs.

So, if the Canada Border Services Agency, police officers and port authorities were specifically working together and sharing more information, do you feel that would already be a step in the right direction?

• (1015)

[*English*]

Mr. Dan Service: Absolutely. I think that information sharing, under the auspices of legitimacy and authority, is key to having an impact on this type of crime.

The Chair: Thank you.

Thank you, Ms. Michaud.

Mr. Julian.

Mr. Peter Julian: Thank you very much, Mr. Chair.

I'd like to go to you, Commissioner Carriquee.

We've heard a lot about financial crimes, the use of money laundering by these crime syndicates. Can you speak to the resources that are available to police forces across the country to crack down on the big fish, the crime syndicates that are able to money launder with impunity?

The fact that so many of these crimes go unpunished.... What are the kinds of resources and tools that are needed by our chiefs of police across the country, and police forces generally, to crack down on crime syndicates and the massive level of financial crimes?

Commr Thomas Carriquee: I am really glad that you asked that question. Thank you, sir.

There is definitely an investment needed to increase, nationally, our capacity to look at financial crimes. Auto theft is a great example of a money-laundering activity. As I've mentioned, these vehicles are sold, and then the proceeds from that are diverted into arms dealing and other very serious crimes as well.

Many jurisdictions have some capacity. In Ontario, there's the provincial asset forfeiture unit, which is embedded in every auto theft investigation, but nationally there's definitely a need and an opportunity to invest in increased capacity.

Mr. Peter Julian: This is very similar to the question I asked Mr. Brochet: Do you have a sense of the order of investment that would be required?

We're coming up to a budget this spring. This is a major issue, particularly in eastern Canada. What are the size and the scale of the resources that need to be invested so that a year from now we're looking at a different situation in terms of financial crimes and money laundering and also in terms of auto theft?

Commr Thomas Carrique: I can very easily get back to you on that in short order. There have been a number of proposals done through various police services to look at a national model. It would be very easy to follow up with you and this committee as to what resources would be required. I don't have that with me here today, but I'm happy to provide that as a follow-up item.

Mr. Peter Julian: I would really appreciate that, because our recommendations should be coming forward soon, hopefully, which would mean prior to a budget, so those figures would be very important. The former Conservative government was incredibly soft on financial crime. The current government has not taken action either. It's time that changed.

Thank you very much for your comments.

The Chair: Thank you, Mr. Julian.

Thank you to all of our witnesses who are here today.

Before we go any further, on Wednesday the clerk distributed the draft budget in the amount of \$39,700 for the study of the growing problem of car thefts in Canada. Are there any questions or comments? If not, is it the will of the committee to adopt it?

Some hon. members: Agreed.

The Chair: All right. Is the committee in agreement to adjourn the meeting?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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