



CRIMINAL INTELLIGENCE  
SERVICE CANADA



# PUBLIC REPORT ON ORGANIZED CRIME



2023

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# DIRECTOR GENERAL'S FOREWORD

I am pleased to present the *2023 Public Report on Organized Crime in Canada (PROC)*.

CISC, as the voice of the Canadian criminal intelligence community, strives to present a national threat picture of the Canadian criminal landscape and the activities of the organized crime groups (OCGs) that operate within it. The PROC represents a truly integrated cooperative effort within the Canadian criminal intelligence community to inform on serious and organized crime threats impacting Canadians and consequent national strategies to address the threat.

Serious and organized crime remains one of the preeminent threats to Canada's security, contributing to thousands of deaths annually from overdoses due to illicit drugs, as well as firearms and gang violence. OCGs are not bound by geographic location or ethnic origins. Criminal organizations are mostly diverse and involved in multiple markets, making it increasingly important to assess organized crime by its impact through cooperative transnational networks, and consequently not to address the threat in isolation.

While most intelligence produced by CISC is shared only with law enforcement agencies, CISC is increasingly releasing information to the public in order to raise awareness about the nature and extent of organized crime threats in Canada. This perspective helps ensure that law enforcement, government, and the general Canadian public have a consistent view of organized crime, and contributes to building and maintaining the partnerships that are instrumental to our ability to combat this threat.

In addition to an overview of the organized crime landscape, the PROC has been structured to highlight the impact of organized crime activities and key actors in the infiltration of the private and public spheres, gun and gang violence, and Canada's overdose crisis. It also provides an overview of the eight national High-Level Threats and their networks.

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The PROC combines law enforcement reporting, open source reporting, and intelligence from domestic and international government agencies to assess significant organized crime threats to Canada. CISC is founded on intelligence sharing and works collaboratively with its provincial bureaus and with many federal, provincial, and municipal law enforcement agencies. I am grateful to our colleagues in partner agencies, whose contributions allow for the wholesome exchange of vital information and intelligence, which is the cornerstone of producing pertinent and timely national assessments.

I hope that the 2023 PROC is of use and serves to enhance the understanding of organized crime and its impacts on Canadians.

– *Ken Lamontagne*  
A/Director General, CISC

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# INTEGRATED THREAT ASSESSMENT

## ITA PROCESS

Delegates from Central Bureau and each provincial bureau work collaboratively to enhance Canadian law enforcement's picture of the threat posed by organized crime through the implementation of a common threat measurement tool to assess organized crime groups (OCGs) across the country. A common set of definitions and business rules facilitates the scoring of the threat posed by OCGs operating in each region.

Threat scoring is based on information and intelligence within the last 2 years ranked against 9 ITA Threat Measurement Criteria. Although older information and intelligence can provide context to a group's capabilities, they are not used to assess the current threat level.

## 9 Threat Measurement Criteria

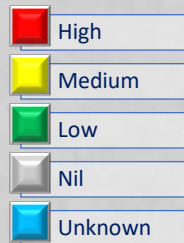


## Impact Assessment

In addition to threat, the 2023 PROC addresses the impact of 4 priority criminal spheres in relation to elements of current concern, including (where relevant) organized crime's involvement and influence on public sector infiltration, use of violence, private sector involvement, and overdoses and overdose deaths. These issues will continue to be evaluated over the coming year.

## OCG Threat Levels

The threat level of each assessed OCG is determined by combining the weights for the 9 criteria, conducting a comparative review of each group's ranking, and analyzing the threat they present. Each criterion is classified as high, medium, low, nil, or unknown.



As a general rule, OCGs that have been identified as higher-level threat groups use violence as an integral part of their strategy, are involved in public sector infiltration, have access to multiple businesses, are criminally associated to other OCGs, and have a broad geographic scope.

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

# HLT

## Key Facilitators & Networks

The ITA process includes a common definition to identify potential Key Facilitators, focusing on a person responsible for coordinating the work of a criminal network, or who plays an important role within it, whose disruption may compromise the criminal activities of multiple groups in this network. This definition allows for regional and thematic differences, and is subject to analytical judgement. These Key Facilitators and the roles they play within the various networks are included throughout the report.



# ORGANIZED CRIME OVERVIEW

## National OCG Landscape

This year, the CISC network has assessed and assigned a threat rating to **638** OCGs:

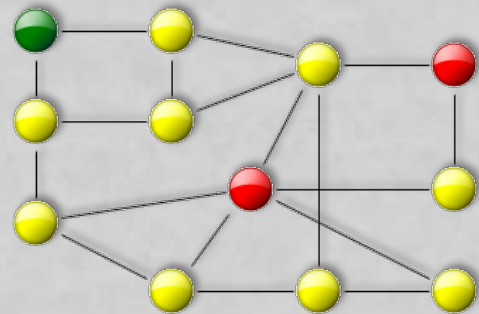
- **8** are assessed as national HLTs;
- **123** are assessed as medium-level threats; and
- **507** OCGs are assessed as low-level threats.

**205** OCGs (**32 %**) are newly-reported in 2023; another **35** OCGs have been previously reported but are assessed for the first time in the past **5+** years.

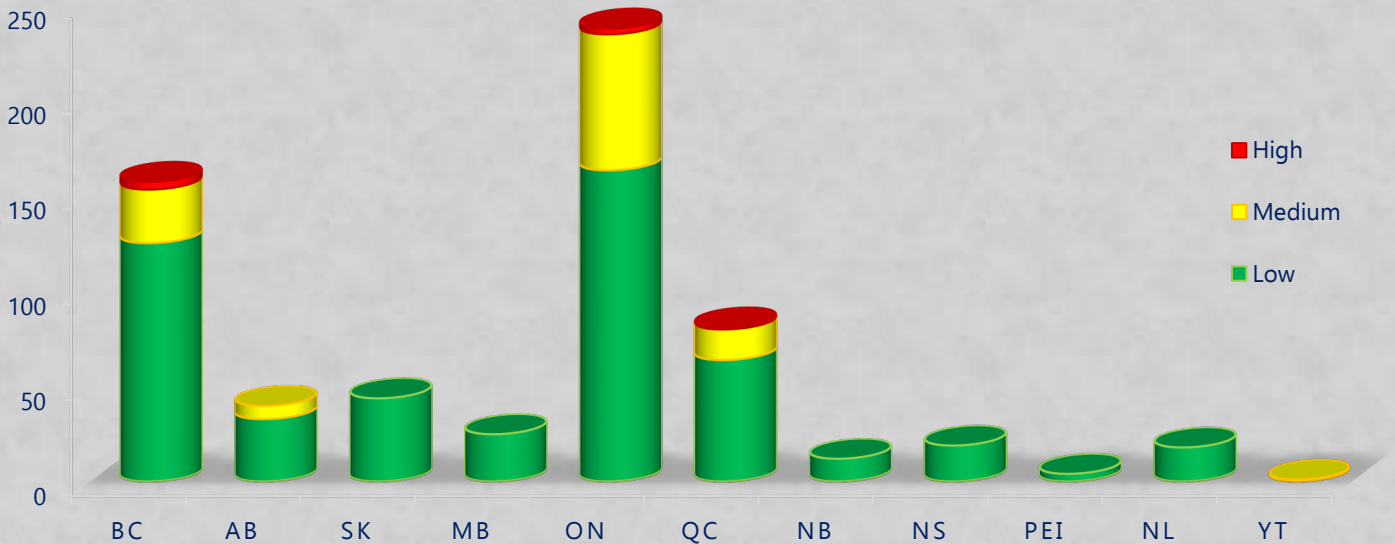
Although the number of OCGs reported via the ITA process has remained relatively consistent over the years (barring a significant decrease in reporting in 2021 attributed to pandemic-related collection challenges), the identification of new groups and lack of recent information on previously-identified groups consists of a large and increasing reporting gap, as more than **3500+** OCGs are currently known or believed to be operating in Canada.

## Network Expansion

The structure and membership of OCGs are becoming less vital to the operations of organized crime due to greater connectivity with national and international networks and associates. **77 %** of groups have reported collaborative links to others, either directly or via common associates. As in prior years, the **3** most interconnected criminal networks include outlaw motorcycle gangs (OMGs), mafia groups, and street gangs.



**84** OCGs assessed in 2023 maintain collaborative criminal associations with **5** or more other groups. Of these, **24** have an international scope and **22** have an interprovincial scope. The combination of broad established networks and geographic scope of criminal activity enhances the threat that OCGs present in the national and international landscape. Many of these and other OCGs are also involved in diverse criminal enterprises, building extra revenue streams and redundancies in their operations.

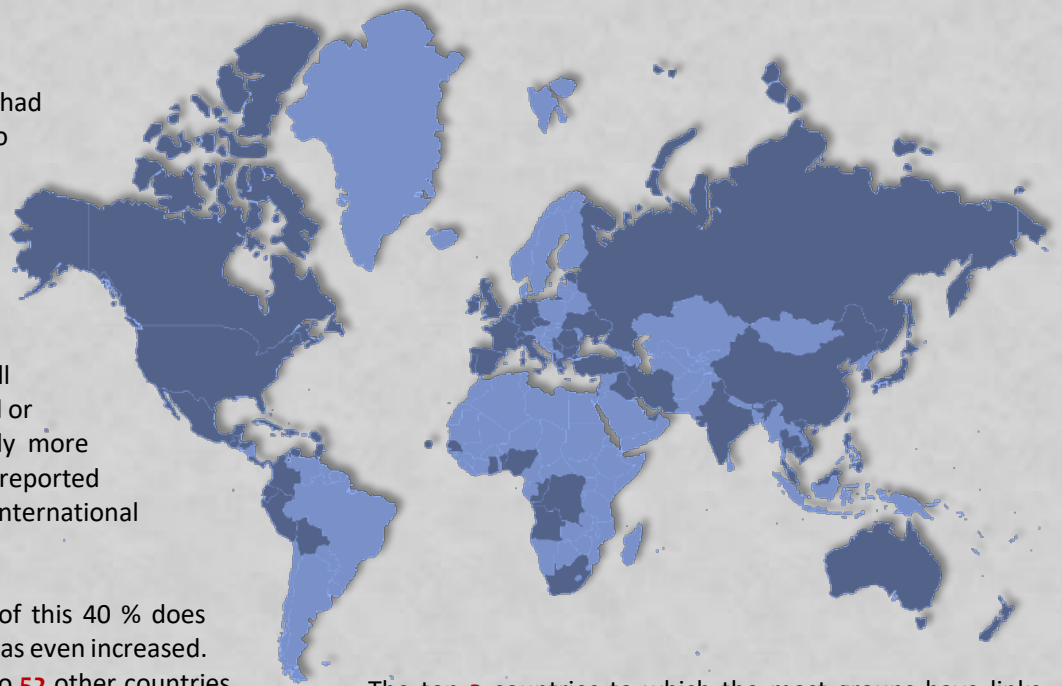


## Operational Expansion

The impact that the pandemic has had on some groups' abilities to maintain their range of operations appears to be persisting, as the proportion of groups with international links has continued to decrease between 2020 and present. Whereas more than half of all groups previously had international or interprovincial scopes, only slightly more than **40 %** of groups are currently reported to maintain their national and international movement and connections.

However, the geographical reach of this 40 % does appear to have bounced back and has even increased. OCGs were reported to be linked to **52** other countries in 2022. This year, their reach extends into **72** countries – an increase of **38 %**.

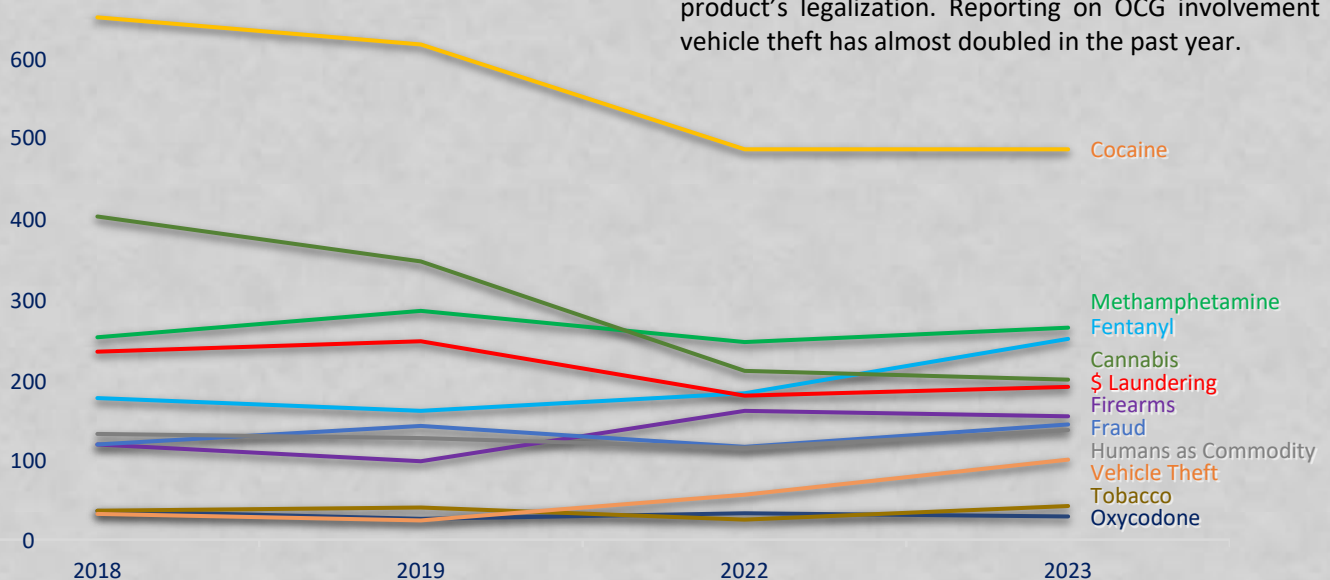
All of these countries include those to which Canadian organized crime members have expanded their operations or maintain criminal links, including travel that is believed to be intended to solidify their criminal networks. This finding indicates that those groups with international links are continuing to broaden their connections and associations, and are establishing or strengthening their networks in every corner of the world. It also reinforces the need for a multi-jurisdictional and multi-pronged response – not only within Canada, but with international partners as well – to curb their criminal activities.



The top **3** countries to which the most groups have links have remained consistent and include the United States, Mexico, and Colombia – all of which are generally source and transit countries for illicit drugs, such as methamphetamine, fentanyl, heroin, and cocaine. The United States is also the primary source for firearms smuggled into Canada.

## Criminal Enterprise Expansion

OCGs continue to diversify in order to increase profits. Cocaine continues to be the illicit market in which most OCGs are involved. Fentanyl activities continue to expand; reported OCG involvement in this market has increased by more than **35 %** since 2019. Reporting on OCG involvement in cannabis has continued to decrease, likely as a result of shifting law enforcement priorities in the wake of this product's legalization. Reporting on OCG involvement in vehicle theft has almost doubled in the past year.



# NATIONAL HIGH-LEVEL THREATS

The national HLTs are all highly capable, they are involved in multiple criminal activities, and they have redundancies built into their operations to withstand market disruptions or fluctuations. They exploit their networks and connections, both domestic and international, to maximize profits and extend their influence. They include:

## *A Central Canada-based group whose scope*

extends to various countries in North America, Central America, and Europe. It is involved in cocaine, firearms, bookmaking, vehicle theft, money laundering, arson, and intimidation. It has an extensive network that is likely being used to facilitate its trafficking and import / export activities.

- ✓ Public sector
- ✓ Violence
- ✓ Private sector
- ✓ Overdoses

## *A Western Canada-based group whose scope*

extends to various countries in North America, Central America, South America, Europe, and Asia. It is involved in fentanyl, cocaine, oxycodone, money laundering, homicide, intimidation, and extortion. It is a prominent player in the gang conflicts.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence

## *A Central Canada-based group whose scope*

extends to various countries in North America and the Caribbean. It is involved in fentanyl, methamphetamine, cocaine, oxycodone, firearms, vehicle theft, money laundering, human trafficking, kidnapping, home invasion, intimidation and extortion. It uses street gang members to conduct criminal activity on its behalf and to insulate executives from direct involvement in street-level activity.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence

## *A Western Canada-based group whose scope*

extends to various countries in North America, the Caribbean, South America, Europe, and Africa. It is primarily involved in cocaine and money laundering. Members own a variety of private businesses, including those with import and export licenses, to facilitate importations.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence

## *A Central Canada-based group whose scope*

extends to various countries in North America, Central America, the Caribbean, South America, and Europe. It is involved in fentanyl, methamphetamine, cocaine, heroin, cannabis, tobacco, firearms, gaming, money laundering, homicide, and extortion. It maintains strong associations to mafia groups in southern Ontario, the Greater Montreal Area, and New York.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence

## *A Central Canada-based group whose scope*

extends to various countries in North America, the Caribbean, South America, Europe, and Africa. It is involved in multiple drug markets, weapons, gaming, fraud, money laundering, and extortion. It maintains connections to various OMGs in Canada, the Caribbean, and Europe.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence

## *A Western Canada-based group whose scope*

extends to various countries in North America, Central America, South America, Europe, and Asia. It is involved in fentanyl, methamphetamine, cocaine, heroin, ketamine, MDMA, money laundering, and homicide. It is responsible for public violence that extends across Canada and internationally, including shootings, murders, assaults, and threats.

- ✓ Public sector
- ✓ Violence
- ✓ Private sector
- ✓ Overdoses

## *A Western Canada-based group whose scope*

extends to various countries in North America, South America, Europe, and Asia. It is involved in fentanyl, methamphetamine, cocaine, MDMA, firearms, money laundering, homicide, and intimidation. Despite the incarceration of several key members, it continues to operate at a high level, indicating that its operational redundancies are firmly in place.

- ✓ Private sector
- ✓ Overdoses
- ✓ Violence



# GUNS & GANGS

## Firearms-Related Crime

Violence and firearm-related crime is generally on the rise in Canada, with OCGs contributing to this increase through their ongoing propensity for violence. Public and overt displays of violence by OCGs pose a significant risk to the public, given the often reckless and impulsive nature by which they are committed.

71 %

of assessed OCGs engage in violence, with activities ranging from intimidation and assaults, to shootings and homicides.

43 %

of OCGs use violence as an offensive tactic, an integral part of strategy, or use weapons to further their criminal activities.

36 %

of OCGs possess / use firearms (likely under-reported, given their propensity to use firearms to commit violent acts).

46 %

of all firearms-related homicides in 2021 were reportedly related to OCGs and gang rivalries.

74 %

of OCG-related homicides in 2021 involved firearms – a proportion nearly twice as high as that of overall firearms-related homicides that year (38 %).

## *Street gangs are present*

in most areas of the country, posing a significant threat to public safety within their respective communities and collectively representing a national-level issue. **122** street gangs are assessed in 2023, representing over one fifth of the **500+** street gangs believed to be currently operating in Canada. **28** street gangs are assessed at or above a national medium-level threat. The transition of groups that were previously reported to be low-level threats to higher levels increases the likelihood of heightened threats to public safety. As street gangs increasingly expand their capabilities, networks, and scopes, the risk of interprovincial – and international – violence is heightened, due to the intrinsically violent nature of these groups and their propensity for indiscriminate acts of violence. With frequent involvement in overt and public violent crimes, including shootings, homicides, kidnappings, and assaults, street gangs continue to demonstrate a ready access and propensity to use firearms, including large amounts of ammunition and high-capacity magazines, with no regard for public safety.

Motivating factors for street gang-related violence most frequently include gang rivalries, competition over drug lines and territory, internal conflict, interpersonal disputes, and monetary opportunities. Street gangs are also often used as proxies to commit acts of violence, such as homicides, shootings, arsons, and assaults, on behalf of other OCGs, such as OMGs and mafia groups.

## *OMGs continue to pose*

a threat to the public through the use of overt violence, firearms possession and trafficking, human trafficking, and the direction of violence. Violence has been extensive and public, including homicides, shootings, assaults, and arsons. OMG-related violence largely stems from territorial control and competition over the drug trade. Recent violence related to prominent OMG members in Quebec has the potential to expand interprovincially, given their nexus to New Brunswick and Ontario.

OMGs also use the ‘power of the patch’ to intimidate other criminal groups and individuals, including to maintain position in the drug trade and for control within certain industry sectors. Some OMGs’ reach even extends into prisons, wherein members on the outside direct assaults of inmates who are not in good standing with the club.

## *The mafia criminal sphere*

has been marked by several violent events in recent years. Police services have served duties to warn against important figures, some of whom have since been the targets of assassination attempts and murders. Given recent conflicts between some mafia members in Quebec, as well as between members of OMGs and street gangs, an upsurge in gun violence may occur in 2023.

Although many prominent mafia members tend to insulate themselves from direct violence by employing proxies – in particular members of street gangs – to commit violent acts on their behalf, some groups are directly involved in violent activities.

## OC-RELATED VIOLENT HOTSPOTS

### BC Gang Conflict

Formerly known as the Lower Mainland Gang Conflict (LMDGC), violence has expanded province-wide and into other provinces, including Alberta and Ontario. Groups involved in this conflict frequently engage in overt acts of violence with a disregard for public safety. Out-of-province gang members, particularly from Alberta and Ontario, are being recruited to commit violence in the Lower Mainland. BCGC-related violence is likely to increasingly occur outside of the province, as OCGs involved in the conflict expand the scope of their criminal operations, and as their members move outside of the region to escape law enforcement prosecution and/or being targeted by rivals.

### Calgary

**126** shootings were reported in Calgary in 2022 – a single-year increase of **33 %**. More than half of the homicides in the city were firearms-related, and more than one third were OCG-related. Violence has increased between Alberta-based groups aligned with the BCGC-related conflict, primarily in Calgary and Edmonton.

### Greater Toronto Area

Street gang involvement is suspected to be a factor in many Toronto shooting and firearm discharge incidents, with many occurring within areas known to be associated to street gang activity. Street gangs based in Toronto and the GTA are also increasingly engaging in violence outside of their base urban settings. This has particularly been the case in recent years with street gangs based in the GTA expanding their operations into Northern Ontario, which has resulted in increased violence in the region.

### Ottawa

Homicides, shootings, robberies, abductions, and assaults have been linked to street gang activity in the Ottawa area. Gang members in the region are more frequently being recruited or joining as youth, sometimes as young as **14** or **15** years old. Recently-emerged younger groups are responsible for a large portion of violence, including shootings and homicides, often precipitated by online disputes and the production of rap music videos, in which members promote the lifestyle and taunt rival gangs / members.

### Greater Montreal Region

Gang rivalries have resulted in an increasing number of shootings and homicides in the area in recent years. One conflict between two gangs continues to be prolific and has resulted in numerous of shootings and homicides. Members have also recently been linked to violent occurrences in Vancouver. Street gang members are often contracted to commit violent acts on behalf of other groups, including those from out-of-province, looking to insulate themselves from street-level violence and law enforcement scrutiny.

## FIREARMS TRENDS, AT A GLANCE

The illicit firearms market in Canada is primarily supplied through **4** key methods: theft, straw purchasing, smuggling, and illicit manufacturing. While it varies by extent and region, OCGs in Canada are believed to employ all of these methods to procure firearms.

Handguns remain the most common type of firearm used in firearm-related violent crime in Canada, particularly in major urban areas. Long guns, such as rifles and shotguns, are more commonly present in firearm-related violent crime in rural areas.

Tracing statistics indicate that **50+** % of illicit handguns in Canada are illegally sourced from the United States; more are likely being imported but have not yet been recovered. Long guns, in contrast, are predominantly sourced domestically through means such as theft and straw purchasing.

In 2023, **14** OCGs are assessed to be involved in firearm smuggling, the majority of which are based in Ontario. In addition to acquiring firearms for their own use, OCGs will also traffic firearms for profit; **16 %** of OCGs are assessed to be involved in firearms trafficking.

Privately manufactured firearms (PMFs), including 3D-printed firearms, are increasingly being seized in several jurisdictions. OCGs may increasingly become involved in manufacturing firearms in the future, as the relative ease with which PMFs can be produced and acquired will decrease OCGs' reliance on importations and will render tracing efforts redundant.

Despite new firearm-related regulations and restrictions, OCGs continue to demonstrate their ready access to firearms and inclination to use them. Continued monitoring is essential to identifying and disrupting the flow of illicit firearms to OCGs and preventing further violence.



# DRUGS & OVERDOSES

OCGs continue to diversify within the illicit drug market and are increasingly involved in poly-substance trafficking. As one of the most profitable and historically stable criminal markets, sustained demand for illicit drugs provides OCGs with lucrative profits, where proceeds of crime further enable the financing of other forms of criminality.

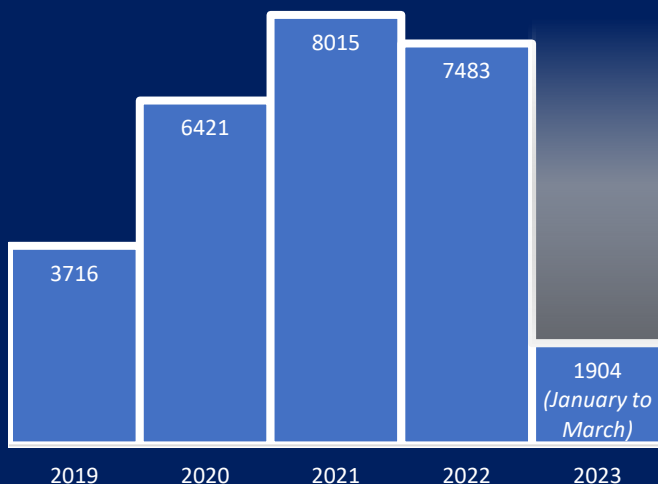
**84 %** of assessed OCGs are involved in some aspect of the Canadian illicit drug trade, primarily in distribution roles. Of these, approximately one quarter are involved in one or more of the main markets contributing to the overdose crisis (i.e. fentanyl, methamphetamine, and cocaine).

Since the establishment of national strategies to combat the use of synthetic drugs, reporting on OCG involvement in all **3** markets has increased by **120 %**, from **55** groups in 2019 to **122** in 2023. Diversification is now the norm. Moreover, as the demand for these products increases, organized crime exploitation and involvement will likely continue to increase concurrently. As a result, the overdose crisis in Canada is expected to continue and, potentially, worsen, although an associated increase in overdose deaths may be mitigated by improved medical response measures. Groups involved in supplying product are assessed to present the greatest harm within these criminal markets.

Prior to 2021, OCGs involved in all 3 markets were not reported to be involved in manufacturing or import of these drugs; their supply was likely outsourced. Several networks have since begun to diversify their sources of supply, expanding activities to include both the manufacture and import of cocaine, methamphetamine, and/or fentanyl. Groups involved in manufacturing methamphetamine, for example, appear to also be importing Mexican-sourced product. The fentanyl market, for its part, which currently relies on the importation of precursor chemicals to facilitate domestic manufacturing, may experience a similar shift in the near future.

Street gangs represent a quarter of the groups trafficking in cocaine, fentanyl, and methamphetamine. Though the number of reported gangs has increased, their involvement in the 3 markets has remained proportionate since at least 2020, an indicator that the size of the Canadian illicit drug market continues to expand. Notably, street gang involvement in the fentanyl market has more than doubled in the past **5** years, and **23 %** are now involved in all 3 markets.

## *Opioid Toxicity-Related Overdose Deaths, 2019-2023*



Source: Public Health Agency of Canada (as of 2023-09-28)

OCGs are a driving force behind the overdose crisis in Canada due to their involvement in supplying the illicit drug markets most commonly linked to overdose deaths: fentanyl, methamphetamine, and cocaine.

Nationally, these markets do not appear to be tangibly impacted by law enforcement intervention. Despite interdictions of hundreds of kgs of illicit drugs, representing hundreds of millions of dollars in criminal proceeds, OCGs are often only temporarily disrupted or disabled, likely facilitated by the fluid nature of their networks allowing for operational compartmentalization and redundancies.

In addition to effectively sustaining market supply in Canada, Canadian OCGs are operating as significant actors for the source and transit of drugs to other countries. As a result, international cooperation between Canadian law enforcement and foreign partners will remain essential in combatting the flow of illicit drugs to and from Canada for the foreseeable future.



While street gangs most often act as retail distributors, some are believed to operate broad interprovincial fentanyl distribution networks. An expanding illicit drug market, combined with increased involvement by street gangs whose networks continue to broaden, is likely to result in an increase in overdoses and overdose deaths beyond metropolitan city boundaries.

Although street gangs likely have a greater influence in retail distribution at the local level in large urban centers, they are increasingly trafficking beyond metropolitan boundaries. The activities of OCGs and, in particular, of street gangs, extend beyond drug trafficking, with violent acts and the use of firearms an endemic trait of how they operate.

Mafia groups, while much more limited in number, are also highly involved in the illicit drug trade. Several key facilitators are involved in large-scale importations from source and transit countries, including, for example, coordinating cocaine shipments from Colombia, and via the United States and Mexico.

Prominent OMG chapters continue to use their support clubs, high profile criminal connections, and associates to traffic, and possibly import, cocaine, methamphetamine, and fentanyl. In certain regions, they have maintained a longstanding control of the majority of the drug market.

The illicit drug market still forms one of the – if not the most – profitable criminal endeavours for Canadian-based OCGs. Despite the introduction of harm reduction measures and targeted law enforcement efforts, there is no indication that this trend is likely to change in the near future.

Increasing organized crime involvement in fentanyl, methamphetamine, and cocaine, as well as expansion of OCGs' networks domestically and internationally into supply roles, will continue to not only sustain market demand, but will likely continue to perpetuate Canada's overdose crisis for the foreseeable future.

## *Key Suppliers*

Three OCGs and three individuals are assessed as key suppliers in the illicit fentanyl market. There is notable collaboration between these individuals and key threat groups, working together to fulfil various roles within the supply chain, and operating across multiple jurisdictions within Canada. Based in Western Canada, they all have the means and capability to expand their operations and networks into more areas in Central and Eastern Canada, and likely abroad. With their ability to access unregulated precursors and chemicals, concealing or diverting substances through private businesses, and establishing increased trafficking routes and/or networks, these groups and individuals are providing a steady supply of illicit fentanyl across the country.

Two OCGs are assessed as key suppliers in the methamphetamine market, responsible for coordinating the import of Mexican-sourced product, importing precursor chemicals from China for use in the domestic manufacture of methamphetamine, and exporting finished product to international markets, including the US, Europe, Asia, and Oceania.

One OCG and one individual are assessed as key suppliers in the cocaine market, using private businesses with import and export licenses to launder their proceeds of crime as well as a method to conceal importations into Canada, and supplying drug networks in various areas of the country.



# PUBLIC SECTOR INFILTRATION

Fewer than **10%** of OCGs are assessed to have access or links to the public sector to further their criminal activities, or to have attempted to corrupt or infiltrate public sector agencies or departments. Some sectors that are more attractive to corruption attempts by OCGs include law enforcement and other government agencies, border services, correctional services, agencies responsible for public logistics (e.g., transportation), and finance and legal services.

Access to agents possessing strategic positions within the public service can also facilitate criminal activities, including corrupted police officers who may be susceptible to using their positions to facilitate a group's criminal activities in exchange for bribes, prison staff who allow for individuals to maintain their criminal activities while incarcerated, and employees at international ports who facilitate the importation and/or exportation of illicit goods.

*The mafia sphere is known* for its ability to corrupt subjects in the political world and in private companies. One prominent mafia group has been able to develop political and financial influence at the local, provincial, and federal levels via its associations with important and influential subjects outside its immediate network, as well as its embedment in several sectors within the legal economy. Historically, mafia groups are reported to have been involved in corruption and collusion within the construction sector, as well having the ability to secure contracts at airports and at the borders.

*OMGs use corruption and bribery* schemes to facilitate their criminal activities. Some chapters' links to military biker clubs can also provide recruits with specialized knowledge of encrypted communication, weapons, explosives, and technology. They may have international connections through work abroad, and can also provide access to communities on bases across Canada that may be vulnerable to drug trafficking and recruitment. Moreover, forging links with politicians can be used to help facilitate personal activities and can also be used to expand their networks, to insulate themselves from law enforcement, or to facilitate counterintelligence efforts.

OCGs interested in exploiting regulatory differences in different jurisdictions can also be attracted to areas, such as First Nations territories, for various criminal ventures. Moreover, the proximity of some First Nations communities to the American border can also facilitate their exploitation by OCGs for the cross-border movement of illicit commodities.

*Asia-linked OCGs are* believed to have access to individuals in positions of political power, as well as to corrupt employees to facilitate the transportation of illicit drugs and large sums of money across Canada. These groups are in a position to facilitate transport services to other OCGs, as well, as some groups reportedly have access to corrupt employees at international airports to facilitate the transit of illicit commodities.

## *Corruption in Context*

Members of the mafia, of OMGs, and of Asia-linked and Latin America-linked OCGs are among those identified to have the greatest ability to infiltrate Canada's political and economic sectors.

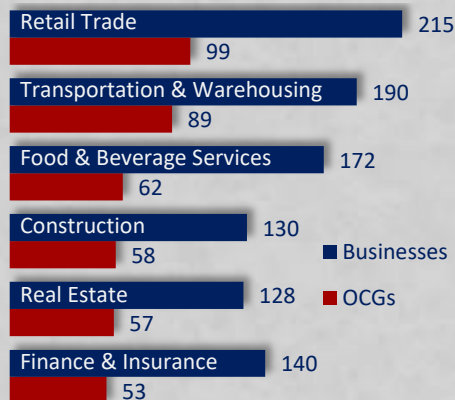
Public sectors primarily targeted by Canadian OCGs' infiltration efforts include border crossings / ports of entry and First Nations territories, as well as corruption of foreign agencies, global instability, and interest in the development of new energies that could be susceptible to infiltration or corruption.



# PRIVATE SECTOR INVOLVEMENT

**50%** of assessed OCGs are reported to exploit private sector businesses to facilitate criminal activities. Fraud, bribery, extortion, tax evasion, money laundering, and cyber crimes are the most common financial motives. Supply chain manipulation and the movement of illicit commodities and contraband can enhance criminal activities that result in the need to further exploit private sectors for financial resolves.

OCGs are associated to **1880** businesses via ownership, employment, or exploitation. While reporting on OCGs' involvement in food and beverage services has remained relatively steady, there has been a marked increase in reporting on OCG involvement in real estate (**8 %**), transportation and warehousing (**7 %**), retail trade (**7 %**), finance and insurance (**6 %**), and construction (**4 %**).



The mafia and OMGs, in particular, are involved in multiple sectors, including enterprise management, accommodation and food services, retail trade, real estate and rental land leasing services, and professional, scientific, and technical services.

OCGs are attracted to small businesses because of their diversity and capacity to generate high volumes of cash, which make available the means to commingle legitimate and illegitimate monies. These types of businesses are ideally suited to launder proceeds of crime because they are a cash-based commerce. They can also be used as meeting places to conduct illicit business deals.

OCGs are believed to be involved in industries that are linked to environmental interests and natural resources, and are exploiting some of these at the expense of the local ecology. This type of business can be exploited for significant profit by circumventing certain costly laws inherent to the process, such as soil dumping, by disposing contaminated soil on a property that is not approved for it, or on a property without the owner's knowledge or permission.

**58** OCGs are involved in construction, landscaping, or excavation companies. These OCGs could be looking to exploit government investments associated to construction projects. Guaranteed investments by governments could also attract new OCGs within private sectors associated to construction or supply chain. The construction industry is suspected to be among the most susceptible to corruption by OCGs. Supply chain manipulation, bribery, and racketeering are leading to an increased cost to taxpayers. Within Canada, and particularly Quebec, the construction industry has been linked to corruption, with mafia groups being most influential in this province. Based on government investments and lucrative construction initiatives, there is potential for an increase in the number of industry-related businesses associated to mafia and other OCGs.

## Emerging Sectors

Canada's **\$20.9** billion 5-year investment tax credit plan in developing a clean economy has the potential for enhanced exploitation by OCGs. Record investments into long-term projects that include the support of smart renewable energy and carbon reduction, clean energy in Indigenous, rural, and remote communities, and new federal funding commitments on project initiatives linked to changing climate conditions are also ripe for infiltration by OCGs.

Canada is seeing major investments from large automobile companies in support of electric vehicle manufacturing. At least **10** major electric vehicle-related commitments totaling more than **\$16** billion have been made in the past two years, as federal and provincial governments work to attract investments in the sector. These initiatives are likely to attract OCG interest and infiltration.

Billions of dollars are being invested in the federal government's reconciliation initiatives with Indigenous Peoples in Canada, which include housing restoration, health care, education, family services, economic development, and community partnerships. This type of guaranteed long-term investment is likely to interest OCGs that are already associated to related industries, such as construction, and lead to supply chain manipulation and criminal activities such as fraud, corruption, and money laundering.



# FUTURE THREATS

Strategically-relevant issues that are currently affecting Canadian OCGs and may, in the near future, influence the overall Canadian criminal marketplace.

*The illicit drug market* is likely to remain the most prevalent criminal market activity among OCGs for the foreseeable future, with most groups continuing to be involved in poly-market criminal activity.

Many groups and associated individuals were historically primarily involved in a limited number of criminal activities, with operations contained within a small geographic scope. In 2023, more than **95 %** of assessed OCGs are involved in more than one criminal market, with illicit drugs remaining the most prevalent.

Some OCGs are believed to play a significant role in supplying illicit drug markets, such as cocaine, methamphetamine, and fentanyl, no single group is assessed to have a monopoly on any of these markets, nor are any assessed to be so significant that their disruption would broadly affect these markets on a national level.

The coordination of successful federal, provincial, and municipal law enforcement efforts has led to the seizure of drugs and illicit proceeds totalling hundreds of millions of dollars annually and have temporarily disrupted illicit drug supply chains in some regions. Nevertheless, national-level availability and demand persist for even the most harmful illicit drugs.

OCG involvement in supplying the domestic illicit drug market has remained relatively consistent. However, the full impact of recently-introduced harm reduction measures, such as the legalization of recreational cannabis and the decriminalization of possession amounts of illicit drugs in some jurisdictions, has yet to be fully assessed and/or realized.

As the demand for illicit drugs in Canada and abroad remains prevalent, the illicit drug market is expected to continue to represent significant profit potential and, as such, will retain the involvement of OCGs in supplying these markets for the foreseeable future.

*Control / ownership of private businesses* by OCGs leaves them well placed not only to launder money, but also to capitalize on less traditional high-value activities, including attempts to exploit future investments in large-scale infrastructure projects and climate change-related initiatives, among others.

**10,000+** businesses have been reported as being associated in some capacity to Canadian-based organized criminals since CISC began collecting such data in 2013. Given that organized criminal involvement in the legitimate private sector is believed to be in large part for the obfuscation of sources for illicit funds, differentiating the percentage of a business' revenue that is illicit as opposed to that which is generated via legitimate business operations remains difficult, and the full extent and volume of the movement of illicit proceeds through ownership and control over private businesses by OCGs is difficult to quantify.

In 2023, OCGs are reported to be associated to **1800+** businesses in various sectors, ranging from the service industry (food and beverage), to that of mining and resource extraction. Reporting suggests that recent efforts by Canadian-based organized crime to attain high-value government contracts through fraud, obfuscation, or other schemes have been minimal. Nevertheless, higher-level OCGs will likely attempt to use their ownership or control over private sector enterprises to attain lucrative federal, provincial, and municipal government contracts related, either directly or indirectly, to high-value initiatives, including large-scale infrastructure projects, increasingly valuable Canadian natural resource development (e.g., mining / mineral extraction, fishing / wildlife markets, etc.), as well as those related to initiatives to combat climate change and promote green energy.



OCGs are expected to continue to broaden their *operational scopes* for the foreseeable future, suggesting the increasing importance of interjurisdictional cooperation and intelligence sharing among Canadian and international law enforcement agencies to effectively combat the threat posed by organized crime.

Reporting over the last 5 years suggests that the vast majority of Canadian-based OCGs assessed by CISC continue to operate beyond one locality. In 2023, approximately 83 % of all reported and assessed groups maintain an intra-provincial or broader criminal scope. As groups continue to expand their scope of operations, including international involvement, the continued success of law enforcement activities will require increasing provincial and interprovincial cooperation, including the timely and effective sharing of information and intelligence. The identification and coordinated targeting of multi-jurisdictional networks of Canadian-based OCGs, as well as individuals that are key players in their provincial, inter-provincial, and international operations, will remain critical to efforts to disrupt their criminal activities.

*Climate change* represents some degree of transformation in most – if not all – parts of the world, and OCGs remain well placed to adapt to its impacts within Canada, at least in the short term.

The impacts of climate change are being felt across the world, with various governments and businesses planning for a future that prioritizes pollution reduction and adapts to the effects of climate change. Natural Resources Canada’s 2021 *Canada in a Changing Climate: National Issues Report* provides perspective on how climate change is affecting different facets of Canadian society, including its communities, environment, and economy, as well as how the country is adapting to reduce risks. Among the report’s findings is that Canada is believed to be warming, on average, at almost twice the magnitude of global warming, that widespread effects of warming are already evident in many parts of Canada, and that a warmer climate will intensify some weather extremes in the future.

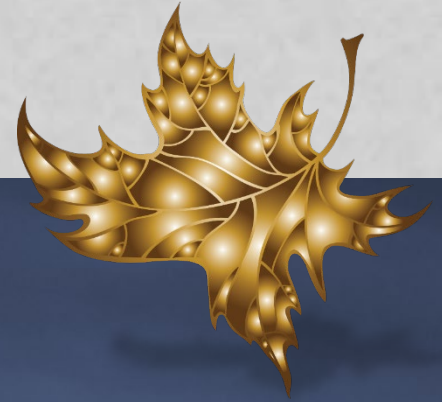
While climate change is expected to continue to have at least some degree of impact on much of Canadian society, including that of illicit markets, the current activities of OCGs within the most common illicit markets, and their historically-demonstrated ability to adapt to major societal changes (such as the global COVID-19 pandemic), suggest that they are likely already well insulated against at least some current and future climate change-related impacts.

As a result of shifting demand in recent years, many Canadian-based drug trafficking groups have become increasingly involved in synthetic drugs trafficking and production, with those manufactured in Canada largely produced in an indoor environment and, subsequently, less vulnerable to the immediate meteorological effects of climate change. In a similar fashion, even those OCGs involved in the largescale domestic production of natural products, such as cannabis, often now do so in an indoor and more controlled environment. Additionally, despite the possibility that a warming climate may make certain parts of Canada more favourable for outdoor crops production, including illicit crops not usually common to Canada, such as coca or opium, the continuing operations of already established international producers make the immediate likelihood of any significant increase in the local production of these products low.

One expected future climate-related impact remains the possibility of substantial and more frequent supply chain disruptions, specifically in areas of the world more susceptible to climate-related events. The operations of some OCGs involved in activities that require importing products, like cocaine and synthetic drug precursors, may be temporarily affected by climate-related supply chain disruptions in the future.

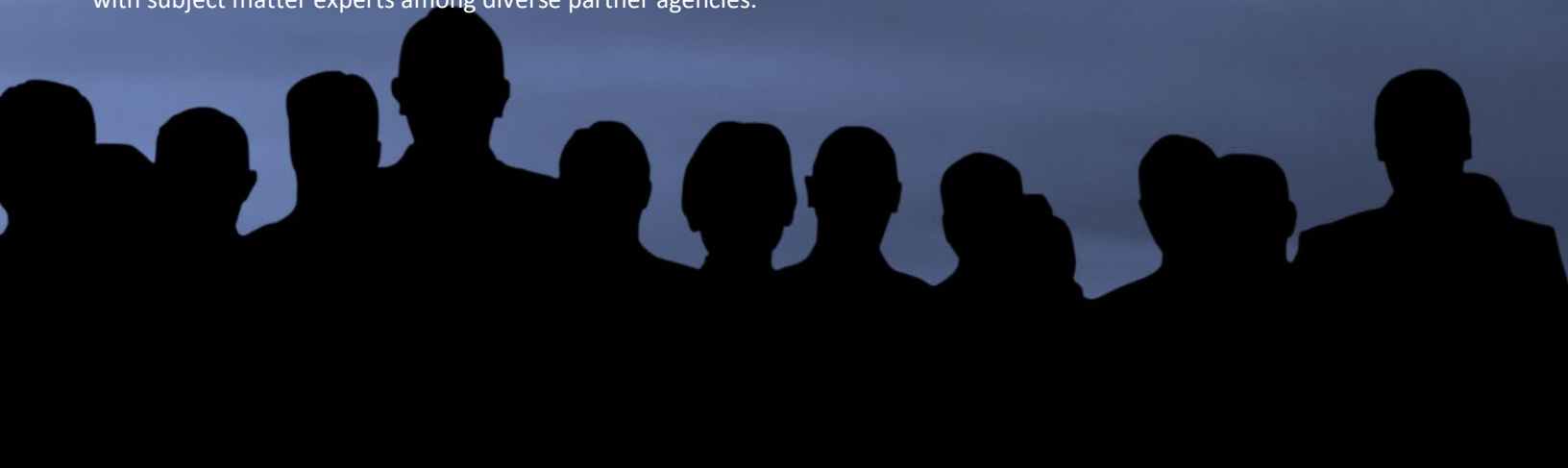


# ACKNOWLEDGEMENTS



Many thanks to our partners for their ongoing support, and to all contributors who have worked tirelessly to ensure the successful production of this year's PROC.

The ongoing contributions by CISC partner agencies are integral to the production of the PROC. This foundation of intelligence sharing and working collaboratively in partnership is essential. In addition to the Provincial Threat Assessments, Central Bureau has leveraged over a half dozen national working groups to supplement its collection process, as well as consultations with subject matter experts among diverse partner agencies.



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