

Criminal Intelligence Service Alberta

Annual Report

April 2003 - March 2004



Unrestricted

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Reporting Period April 2003 – March 2004

INTRODUCTION

CISA continues to evolve and position itself as an organization that is innovative and action orientated. This approach is made possible only through the dedication of the staff at the Bureau and the support received from all our partner agencies and the provincial government.

This annual report provides a general outline of the current activities of organized crime groups operating in Alberta as well as the progress we have made in disrupting and suppressing some of these groups. It goes without saying, that there is not much point in gathering information and intelligence on these groups only to have it sit on a shelf and gather dust. The model being followed by CISA and implemented by all police services ensures that the threat imposed by organized crime is clearly reported, prioritized and acted upon. During 2003, several investigations were brought to a successful conclusion. As well, new and ongoing challenges presented themselves.

Through a concerted, integrated approach to combating organized crime, in all of its forms, we can make a difference. Alberta law enforcement, in many cases, is leading the way in Canada with such initiatives as the Alberta Public Safety Network (APSNET), and the Integrated Response to Organized Crime (IROC). These and similar strategies, in and of themselves, are not the complete solution. We must have a strong dialogue with the community so that they have the confidence and commitment to undertake their crucial role as our partners in identifying and prosecuting organized crime figures and groups. CISA is ever mindful of this trust relationship and we take all opportunities to strengthen and forge new points of contact.

As previously stated, there have been sustained and new challenges from organized crime in the past year. Identity theft, expanded use of technology by crime groups, street gangs, and an emerging outlaw

motorcycle gang are examples of issues currently confronting Albertans. CISA accepts the reality that we will not completely eliminate this type of criminal enterprise, however, we are committed and confident that with continued support of our many partners, we will be able to make inroads into these criminal organizations, crippling some and dismantling others.

Inspector Ian Cameron
Director, CISA



EXECUTIVE SUMMARY

Criminal Intelligence Service Alberta (CISA) has completed the second year of the 2002/05 Business Plan. CISA, as a representative of the police services in Alberta, has been in a financial partnership with the Province of Alberta's Solicitor General to pursue effective strategies to prevent, detect, combat and control organized and serious crime in Alberta. Organized crime will not be completely eliminated in our lifetime but with the continued support and dedication of partnering members, we will be able to disrupt and dismantle many criminal organizations and possibly prevent new ones from forming.

CISA has been working with the Calgary, Edmonton, Lethbridge, and Medicine Hat Police Services to effectively manage confidential source information in a standardized manner.

The use of the Automated Criminal Intelligence Information System (ACIIS III) is expanding in the province and CISA will continue to promote its use. It is the only intelligence system that allows for intelligence to be shared by all of the police services in this province.

CISA participated in seven multi-agency and multi-disciplinary joint forces operations this past year. Activities involved in these operations ranged from drug trafficking crystal methamphetamine, cocaine, and marihuana as well as weapons trafficking, extortions, home invasions, prostitution, gambling and money laundering.

The delivery of specialized training to facilitate organized crime investigations continues. First Responders to Cyber Crime, Bill C-24 Training, Informant Handling Workshops, Drug Investigation Workshops, Advanced Mobile Surveillance and, Human Source Management were a number of courses delivered this past year. In addition to

those, a number of topic specific workshops were delivered at various locations in the province.

Seven operational initiatives were approved for financial assistance between April 1, 2003 and March 31, 2004. CISA has committed \$2,277,860 to those projects for specific investigational costs and the police services involved have committed another \$5,160,000 for salaries, benefits, operating expenses and some investigational costs.

The first phase of the CISA website is complete; it is a public site that contains information about what CISA is, who the members are, what responsibilities the Bureau has, what impact organized crime has on Albertans, and the site also contains interest stories about organized crime. The second phase is the private domain site, which is nearing completion and will be accessible only by law enforcement agencies. It will contain officer safety items, training opportunities, and general organized crime information.

CISA conducted a public opinion survey of Albertans on their perceptions of organized crime. The goal of the survey is to provide the CISA Bureau, its Executive, and Alberta Justice and Alberta Solicitor General with benchmark measures on the public's perception on the extent and severity of organized and serious crime in the province of Alberta.

In 2003, six applications to the Proceeds of Crime Law Enforcement Grant program were approved with a total budget of \$107,330. Five of the eight Alberta police services were the recipients of these funds and the projects were undertaken in a variety of communities. These funds have been instrumental in targeting groups or acquiring operational equipment and training that is not available through normal budget processes or under the Organized and Serious Crime Business Plan.

GOAL 1: To Provide Effective Collection, Analysis and Dissemination of Criminal Intelligence

During the past 15 months, CISA has been working with the Calgary, Edmonton, Lethbridge, and Medicine Hat Police Services to acquire the hardware, software and training to effectively manage confidential source information in a standardized manner. This initiative, Project LION, has been completed and allows the four municipal police services to collect, report and share confidential source information electronically between these services, as well as with the RCMP. In December 2003, a set of business rules was adopted by all five services, which will ensure consistency of use, as well as form the basis for trouble-shooting as time goes on. The timely sharing of confidential source information in specific cases can lead to more effective enforcement actions, and can also safeguard police services from utilizing information from a source, which has proven to be unreliable in the past.

The use of the Automated Criminal Intelligence Information System (ACIIS III) continues to expand in Alberta. Recently, the Camrose Police Service, the Fort McMurray RCMP, and the Rocky Mountain Integrated Border Enforcement Team were brought on-line with terminals. ACIIS applications are currently being processed for the Integrated Response to Organized Crime Unit and the Grande Prairie RCMP Detachment. CISA will continue to promote the use of ACIIS in Alberta, as it is the only intelligence system that allows for intelligence to be shared by all of the police services nationally.

The development and implementation of the Alberta Public Safety Network (APSNET) continues. A contract was recently awarded to The Templar Corporation, a Choice Point Company. APSNET will provide Alberta police services with seamless access to disparate and separate police records management systems and databases across the province. It is anticipated that it will take

approximately six months to implement the system and will involve the participation of all the police services. When the system becomes operational, a police officer from one service will be able to electronically search the records management systems of other Alberta police services with a one-time query. While CISA has been the sponsor for this program, it would not have been realized had it not been for the financial support of the Solicitor General and the assistance of procurement personnel at the City of Edmonton.

In the 2003 interim report, information was provided concerning an initiative to develop a standardized threat assessment process to be used in cases where organized crime threatens or intimidates one or more components of the justice system. This initiative continues to move forward; a protocol describing the levels of threat and associated responses has been approved by the CISA Executive Committee and will be included in the operational policy of the major police services in the province. A second protocol regarding how the police services will interact with the Security Information Management (SIM) Unit of the Alberta Solicitor General in these types of cases has also been approved. By the end of June 2004, training will be developed and delivered to the police service's threat and risk assessment coordinators, a member of the SIM Unit, and prosecutors from both the provincial crown offices and the federal Department of Justice. This training will ensure that all persons involved in the initiative will be fully informed and capable of completing their responsibilities when a threat surfaces. A program information bulletin has been developed and will be distributed to all stakeholders just prior to the commencement of the program this summer or fall.

To maintain compliance with the federal *Access to Information and Privacy Acts*, a review of all administrative files held by CISA was recently undertaken. While a number of files have been forwarded to Archives for retention, numerous other files have been destroyed in accordance with requirements in the Acts.

GOAL 2: To Develop Intelligence-Based Analytical Products and Participate in the Preparation of Provincial Threat Assessments on Organized Crime for the Benefit of Senior Police Managers and Various Levels of Government

Asian Organized Crime (AOC)

AOC groups are still identified as the most violent organized crime groups in Alberta; that reputation manifested by several related murders and serious assaults in Calgary and Edmonton within the last 15 months. AOC dominates the majority of street level cocaine trafficking in Alberta urban centres and their drug distribution networks continue to be second to none.

AOC groups are still identified as the most violent organized crime groups in Alberta

A significant rise in the number of indoor marihuana cultivation operations has been noted in the province, especially in southern Alberta. The majority of the southern Alberta grow operations, and a high number of grows that are encountered in northern Alberta, are Asian controlled.

Asian criminal youth and street gangs historically obtained some of their “funds” from activities such as thefts from vehicles, robberies, and extorting “protection money” from various businesses within the Asian community. The vast majority of criminal proceeds for virtually all organized crime groups are now derived from drug trafficking. Even the current “home invasion robberies” committed by AOC gangsters are generally attributable to ripping off drug trafficking proceeds or “grows” from another group or cell, or are incidents of enforced recovery of drug debts.

Drug trafficking has also provided numerous “spin-off” opportunities for upper echelons of AOC. With the proceeds of crime being derived from drug trafficking, they are able to broaden their portfolios using the proceeds to finance other activities such as loan-sharking, luxury vehicle exports, real estate/ financing frauds, and credit card frauds, etc.

Links are currently being established, solidified and maintained between Asian based organized criminals and the “speeder” culture. The Outlaw Motorcycle Gangs (OMG) and the “speeder groups” themselves were originally “credited” as responsible for methamphetamine distribution in Alberta. It appears Asian based criminal organizations are fast becoming involved in all facets of the drug processing and distribution network.

Asian based crime in Alberta tends to generally follow British Columbia’s lead. Edmonton and Calgary’s future will likely mirror Vancouver’s present situation with respect to marihuana crop cultivation. The burgeoning number of marihuana crops will continue to escalate and migrate eastward from B.C. into Alberta and beyond.



Asian based organized crime groups co-exist relatively peacefully at present in Edmonton. Since the wrap-up of a JFO in Calgary, serious violent occurrences have lessened between groups there. There have been indications of inter-group cooperation in criminal ventures such as drug trafficking.

Outlaw Motorcycle Gangs (OMG)

Three chapters of the Hells Angels (HA) continue to operate in Alberta: the Edmonton, Calgary and Alberta Nomads chapters. As reported in previous assessments, the Nomads have generally been regarded as the strongest of the three chapters, with Calgary and Edmonton experiencing greater instability of membership having been the targets of enforcement operations in recent years. Intelligence continues to indicate that all three chapters are subject to some degree of control and influence by west coast chapters.

The Hells Angels do not control the drug trade in Alberta but compete with other organized crime groups for the same markets with the same commodities. This has not, as yet, sparked any overt inter-gang conflicts between the Hells Angels and other criminal organizations, such as Asian groups. On the contrary, intelligence indicates there may be some level of cooperation, or at least “business” arrangements, between the Hells Angels and other criminal groups.

Support for the Hells Angels is growing in other Alberta cities, with full-patch members spending time in communities such as Fort McMurray, Grande Prairie, Lethbridge, and Medicine Hat. Substantial support is growing in some of these cities, which may offer more attractive, lucrative markets for the Hells Angels as they face increasing competition from other organized crime groups in Edmonton and Calgary. There have been suggestions that the HA may be expanding into these communities because the drug trade is easier to control in these smaller towns where there is less competition.

The Hells Angels’ presence in Medicine Hat surfaced two years ago when three local males began controlling the drug scene using intimidation and violence under the direction of an Edmonton HA member. With two of these males now incarcerated on murder convictions, the Hells Angels are maintaining only a visible presence there.

Intelligence personnel have been anticipating a Bandidos expansion to western Canada for some time. Members of the Bandidos Motorcycle Club were first observed in Alberta in 2002, with a larger contingent reportedly visiting Alberta in July of 2003. It is believed they have been trying to recruit support for an Alberta chapter for their club. Support for the Bandidos appears to have grown among a group of individuals in the Edmonton area who were frustrated by the Hells Angels dominance. In January 2004, two males were murdered in front of an Edmonton lounge and one of the victims was given a full Bandidos funeral the following week. This was the first occasion that individuals were seen to be wearing Bandidos colours in Edmonton, indicating some form of a presence in Alberta.

The potential emergence of either the Deaths Hand or the Bandidos as a viable club in the province of Alberta could lead to greater conflict with the Hells Angels. The disappearance of the Deaths Hand’s president could be an omen of violence if tensions escalate. The introduction of Iron Steed to this scene adds another dimension and might enable the Hells Angels to distance themselves somewhat from direct involvement.

Eastern European Organized Crime (EEOC)

Generally, EEOC in Alberta appears to follow the patterns of EEOC elsewhere in Canada. The groups are profit-motivated; adept at identifying and exploiting vulnerabilities of individuals, institutions, and/or regulations; well established in the legitimate business community, and well connected to other EEOC criminals. Typical activities of Alberta EEOC groups include drug trafficking, frauds of various types, vehicle scams, extortion, and money laundering. However, Eastern European groups have maintained a lower profile in Alberta than other organized crime groups. This lower profile has enabled these groups to avoid police scrutiny while establishing their operations and insulating themselves from direct investigation.

Alberta EEOC associates appear to travel frequently, both within western Canada and internationally. The degree of travel, combined with additional intelligence on their activities, suggests that these members have criminal associates outside of Alberta. One of the Calgary groups is known to be associated to a significant EEOC group in Vancouver and there are indications that another Calgary group is associated at a lower level to this same network.

Traditional Organized Crime (TOC)

Three Traditional Organized Crime groups have been identified in Alberta and all three are founded, at their core, on family ties. No single group dominates the scene, as the three groups appear to operate independently.

These Alberta TOC groups appear to follow a similar model to the larger, better known TOC groups from Montreal and Toronto. Their typical criminal activities involve drug trafficking, illegal gaming, fraud, theft, prostitution, and money laundering. Each family owns numerous registered companies, which provide both with a façade of legitimacy in the community as well as channels for laundering the proceeds of their criminal activities.

Like their central Canadian counterparts, the Alberta groups tend to keep a low profile to avoid attention from law enforcement agencies. This low profile enables them to infiltrate the legitimate business community and establish credibility within those communities. However, information suggests that some of these groups have associations to Outlaw Motorcycle Gang members and Eastern European organized criminals.

Jamaican Organized Crime (JOC)

In October 1999, a Joint Forces Operation (JFO) by the RCMP and Edmonton Police Service (EPS) known as Project KALCIUM identified criminal activities of four Edmonton groups primarily comprised of people of Jamaican descent. It became apparent that Calgary and Edmonton were being used as alternate air route terminals to smuggle drugs into the country for further distribution. By the end of 2002, the EPS had reported that alliances amongst the four identified groups had disintegrated, resulting in fighting which unfortunately produced five shootings (including one homicide) during that year.

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Membership within three of the JOC groups includes persons of Middle Eastern and South Asian descent as well as other ethnicities. Jamaican criminal groups are presently involved in illegal activities with a variety of cooperating multi-cultural groups. It is likely that JOC activities will continue unabated, with the same or higher percentage of involvement in the drug trade and involvement in a myriad of other criminal activities. There is no information to suggest that the flow of cocaine from Jamaica to Alberta has been curbed by past police enforcement initiatives.

Middle East Based Organized Crime

Three Middle Eastern based groups have been identified in Alberta and it is believed that their criminal activities still continue. There are few indications of Middle Eastern groups operating in smaller cities or towns in the province. Typical criminal activities of these groups include drug trafficking (primarily cocaine), extortion, weapons trafficking, intimidation, and money laundering. Past investigations have revealed easy access to weapons; a fully automatic AK47 machine gun was seized from a Lebanese group during one organized crime investigation. In addition, members of Middle Eastern criminal groups in the Edmonton area are suspected of either direct or indirect connections to at least two drug-related homicides or shootings over the past few years.

South Asian Based Organized Crime

Despite highly publicized violence between two factions of the South Asian community in Edmonton a few years ago, the scene now appears relatively quiet. Project DINGO, a JFO between the EPS and the RCMP, concluded in 2003, resulting in the arrest of key organized crime individuals.

It is expected that the current South Asian criminal groups will continue to operate in Alberta. While there is no current intelligence to indicate a return to the level of violence of a few years ago, law enforcement will remain mindful of the potential of these groups.

Aboriginal Organized Crime

Aboriginal Organized Crime is generally still at the street gang level. The predominant aboriginal street gangs in the province of Alberta continue to be the Alberta Warriors, the Indian Posse, and the Redd Alert, though additional gang affiliations have been identified and include the Manitoba Warriors, the Deuce, the West Side Natives, and the Native Syndicate.

At present, the Redd Alert appear to be experiencing the greatest expansion and their strategy seems to be becoming the dominant gang in Alberta. They remain associated to the Hells Angels and Asian based organized crime for purposes of drug distribution. Redd Alert has spread outwards toward Alberta First Nations communities from their already established areas of Edmonton and Calgary.

The Alberta Warriors are currently most active in Edmonton and are typically opportunistic as individuals. The Warriors are maintaining a relatively low profile at present, although there have been a few occasions where there was conflict with members of the Redd Alert.

The Indian Posse also have a strong presence, mostly in the Edmonton area, where individuals have links to a significant Asian based group to acquire their drug supply. Information indicates that the Indian Posse is selling drugs in Northern Alberta Treaty areas.

As with inter-gang problems, tension between gangs is presently very high in at least one First Nations community. A turf war between the Redd Alert and the Indian Posse is erupting into increased violence, including two homicides, as both sides are vying for control of the drug trade there. Edmonton is experiencing an increase in violence as the Indian Posse attempts to assert control in lucrative drug areas of the city. Conflict can be expected to arise anywhere in Alberta where market competition among groups will cause "friction".

Illegal Movement and Smuggling of Firearms

A recent file in northern Alberta successfully targeted a firearms trafficking network. During the investigation, a search of the targets' residence resulted in the RCMP seizing 51 illicit firearms, including 18 handguns and five machine guns. The RCMP's Edmonton Customs and Excise Unit traced a number of the seized guns back to the Alberta gun shop that was the subject of a previous investigation.

A joint US-Canada threat assessment on firearms and explosives found that, "Traffickers will continue to smuggle handguns into Canada, using past patterns and methods to supply criminal groups." However, illicit trafficking is not the only source of firearms for organized crime groups. Licensed gun shops and private citizens may be targeted for firearm thefts, where the intended purpose of the theft is to divert the guns to organized crime or the illicit market.

Sexual Exploitation of Children

Other than prostitution, almost all Alberta investigations involving the exploitation of persons under 18 appear to involve Internet communication; either pornography-related or occurrences wherein adults entice children to meet with them for a sexual purpose, as a result of chat-room conversations, etc.

The investigations in Alberta do not appear to overtly involve organized crime group members as suspects, although there has been intelligence received indicating that Asian and South Asian based crime groups were involved in the smuggling of persons into Calgary from both China and India. Some of the illegal immigrants are reportedly young females engaging in prostitution to “pay off their bills” incurred to get them to Canada, but currently there is no intelligence to indicate that any of the females were under the age of majority.

Some Alberta police services have been working towards setting up a Joint Forces Integrated Enforcement Unit similar to the Integrated Child Exploitation Unit (ICE) operational in Winnipeg, which has been fairly successful. Until this team becomes a reality, personnel are being allocated by individual police services to conduct investigations involving child exploitation as they arise and as resources are available.

The RCMP is also supporting a United Kingdom initiative wherein their National Crime Squad in Britain has set up Operation PIN for the purpose of disrupting the activities of, deterring, or identifying pedophiles that search the Internet for images of child sexual abuse. Users of “sting” sites are informed that the details of their searches have been recorded by police and are also offered help in the form of counseling.

Racism/Hate Activity

The scene appears relatively quiet throughout the province, although monitoring of the situation continues. A number of individuals in Alberta correctional institutions have been identified as white supremacists, but any direct affiliations to organized groups outside the institutions are unclear.

The EPS logged 30 hate crimes and 20 additional incidents motivated during 2003. Few of the crimes involved violence and more often involved threatening telephone calls, letters, mischief, or property damage. The Calgary Police Service (CPS) logged 120 hate crimes; however, these incidents were generally believed to be individual, isolated events rather than the result of an organized group or movement.

With a very low level of organized racist/hate activity currently in Alberta, there are no indications this level of activity will increase significantly over the next few years.

Subversive Activity

Available information indicates that anti-government activity likely continues at a low level, with a number of individuals continuing to hold and express anti-government views. Organized movements such as De-Tax and We The People, noted in Alberta in previous years, appear to have declined over the last year following some successful law enforcement and judicial efforts, as well as unfavorable media attention.

Local anti-government demonstrations tend to be prompted by world events. For example, rallies in Edmonton and Calgary in recent years include protests against the war in Iraq in 2003, and the American war on terrorism in Afghanistan the previous year. However, to date such events generally have been peaceful and did not involve violence toward persons or property. While future international incidents and military involvement could provoke more local demonstrations in Alberta, it is expected that future protests will follow the non-violent examples witnessed over the past few years.

Contraband Smuggling

In general, while seizure occurrences may indicate an increase or decrease of smuggling activity with respect to a particular commodity, the total amount of goods smuggled into Alberta should not be extrapolated from known seizures, as these figures do not account for the smuggled goods that were not intercepted. The commodities most seized from smugglers in order were drugs, tobacco, jewelry, weapons, and alcohol. In a twelve-month period ending December 1, 2003, narcotics comprised two thirds of the total number of illegal commodities seized.

Drug seizure occurrences generally consisted of small amounts (i.e. personal use quantities), although there were several seizures involving "significant" large amounts. Almost half of the narcotics seized involved the seizure of steroids. A significant recent development is the number of narcotic seizures involving ephedrine. Occurrences of ephedrine seizures were apparently non-existent prior to the recent statistical twelve-month period, but over 20% of the documented narcotics seizures now involve ephedrine. The seizures would tend to reflect a rapid escalation in the smuggling of the methamphetamine pre-cursor, considering it is not known what proportion of smuggled narcotics are subjected to interdiction. Drug intelligence from virtually every source does tend to bear out the resurgence of methamphetamine to the drug culture throughout Alberta. Increased numbers of seizures and quantities relating to ephedrine is expected.

Technological Crime

The proliferation of computers has provided a milieu, and the Internet has provided a medium for a number of “new-age crimes” as well as new avenues for committing “old crimes”. One can consider that the Internet is providing a forum for criminals around the world to participate in the victimization of Albertans. In tandem, it also allows Alberta criminals to broaden their horizons and expand their “sphere of influence” by giving them the opportunity to victimize people other than Albertans.

A few Alberta investigations have involved the Internet and possession or distribution of child pornography. While there probably is involvement of organized crime groups in the creation and distribution of the pornography elsewhere, no identifiable criminal groups have been identified within Alberta at this time. To date, prosecutions have been limited to individuals obtaining, possessing, or redistributing child pornography.

Currently, there are only limited resources earmarked for “cyber crime” and Internet investigations and the effect has been fairly serious. For example, limited manpower dedicated to the Technological Crimes Unit has caused the EPS to be five to six months behind in investigations, such that they are almost restricted to analyses of the contents of seized computers. Technological personnel are generally unable to initiate investigations due to the workload. Most technological units are relegated to a support role, assisting other investigators in their computer related crime investigations.

Emerging Organized or Serious Crime Trends

An economic model of organized crime suggests that criminal organizations will diversify their activities and commodities to take advantage of various markets. This diversification can be seen among some of Alberta’s organized crime groups. While Asian groups and dial-a-dopers previously trafficked primarily in cocaine and marijuana, there is increasing evidence of that some Asian groups appear to be trying to enter the rapidly growing market for crystal methamphetamine in Alberta. There is also evidence of organized crime groups moving into “white collar” crime areas such as mortgage and investment frauds.

The established descriptors for classifying criminal organizations do not fit well for some organized crime groups. For example, Asian criminal groups in Alberta include many non-Asian members. A white male, in fact, led one “Asian” sub-group in Calgary. Many Alberta criminal groups are now multi-ethnic, no longer drawing their membership exclusively from one ethnic community or common geographic background. In addition to the multi-ethnic groups, there are newly identified groups that do not fit any established national or provincial priority descriptors. As more multi-ethnic and “non-traditional” groups emerge, it may be necessary to revisit the established descriptors that are currently used to categorize criminal organizations.

The potential emergence of either the Deaths Hand or the Bandidos as a viable club in the province of Alberta could lead to greater conflict with the Hells Angels. The disappearance of the Deaths Hand’s president, and the murder of two Bandido members or associates in front of an Edmonton lounge, could result in a variety of outcomes.

GOAL 3: Participate in Multi-Agency and Multi-Disciplinary Joint Forces Operational Enforcement Strategies for Targeting Organized and Serious Crime in Alberta Through the Prudent Allocation of Resources

Project KACHOU

In February 2004, a decision was made by the Federal Department of Justice to enter a stay of proceedings on all remaining outstanding charges in this case. There were a number of reasons cited for discontinuing this case, but the main issues were the huge volumes of evidence creating disclosure issues, the delays in getting to the stage of presenting evidence, and the significant cost of the case to date. While charges against 21 of the primary accused were stayed, during the past four years that this matter has been before the courts, over 24 accused persons have been convicted and five persons have been deported. Sentences for the convicted accused have ranged from fines to prison terms of up to seven years. Additionally, considerable quantities of drugs were seized and destroyed and in excess of \$265,000 in illegal proceeds of crime have been forfeited to the Crown.

Project KOLD

This investigation targeted an Asian based organized crime group that intelligence indicated was trafficking significant quantities of cocaine in Edmonton and points north as far as Yellowknife, NWT. Subsequent investigation resulted in the arrest of four primary subjects of this group being charged with numerous drug trafficking, conspiracy, and illegal proceeds of crime offences. During the course of the investigation, five pounds of marihuana, one kilogram of cocaine, one car, \$77,000 in cash, and a shotgun were seized. All accused are currently before the courts.

Project KLAN

This case was first highlighted in the September semi-annual report. An organized crime group operating west of Edmonton was allegedly producing large quantities of crystal methamphetamine. During the arrest phase of the project, significant quantities of methamphetamine were seized, as well as almost \$500,000 in stolen property was recovered. The accused persons in this case are still before the courts.

Project KOGER

This project was first reported in the 2002/03 annual report when the investigation aspect of the project had just been completed and the accused were arrested. It was alleged that an organized crime group was involved in commercially growing marihuana for resale. The accused have now been processed through the courts and sentences have been handed out as follows:

- Fines in the amount of \$2,300, \$2,875, and \$3,450
- Two persons received 10 year firearms prohibition and one received a lifetime prohibition
- One person received an 18-month conditional sentence order
- \$30,000 in proceeds of crime forfeited to the Crown

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Project SYNERGY

During 2002 and early into 2003, opposing Asian based organized crime groups were allegedly responsible for over 15 separate violent incidents involving the use of guns, knives and other weapons. Three of these incidents resulted in the murder of one of the participants. As well as the violence that was occurring, intelligence indicated that these groups were involved in drug and weapons trafficking, extortions, home invasions, prostitution, high-end gambling and money laundering.

CPS partnered with the RCMP in a long-term joint forces operation targeting numerous subjects of these groups. At the conclusion of the investigational phase, 114 accused were arrested and charged with a total of 288 Criminal Code and 166 CDSA offences. Three million three hundred thirty-eight thousand dollars (\$3,383,000) worth of drugs, \$391,000 of stolen property, \$205,000 in cash, 14 handguns, one machine gun, four rifles, and other weapons were seized.

While many of the accused are still before the courts, some have already plead guilty and received sentences ranging from 60 days to seven years in jail. In addition to the recovered stolen property, \$43,000 in cash has been forfeited to the Crown. Other accused are awaiting trials while others are negotiating guilty pleas.

The most important aspect stemming from this successful investigation is that the drive-by shootings, stabbings and assaults that were occurring in the public have been significantly reduced.

Project KEYSTONE

This joint forces undercover team comprised of RCMP and EPS members completed another successful year in the northern part of Alberta. The team continues to target the street level drug traffickers who are working for the larger organized crime groups. These investigations result in a significant number of arrests and seizures of drugs. Just as importantly, they generate a good deal of intelligence about the criminal activities of the organized groups they work for. During the past year, over 750 accused were charged with drugs, weapons and proceeds of crime charges. Marihuana, cocaine, crystal methamphetamine, heroin and a number of other types of prescription drugs were seized during these investigations, as well as approximately \$27,000 in cash. Over 25 handguns and long guns were seized by this team, as well as one M-1 assault rifle. In excess of 15 kg of illegal drugs were seized with a street value of approximately \$300,000.

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Project GREEN TEAM



The RCMP and the Edmonton Police Service joint forces marihuana grow team's workload has doubled over what it was last year. The following table indicates the increases in seizures in one year and it is evident that Asian based organized crimes' involvement in these seizures is rising sharply.

Seizure Type	2002	2003	Total
# of Marihuana Plants	12,000	28,200	40,200
\$ Value of Plants	12,000,000	28,200,000	40,200,000
Processed Marihuana—pounds	70	126	196
\$ Value of Grow Equipment	326,500	620,750	947,250
Cash—\$	94,200	60,500	154,700
# of Weapons	15	34	49
# of Charges	302	204	506

What stands out from the above table is that the seizures of plants and processed marihuana is twice as high in 2003 than 2002, but the number of charges have gone down. This appears to indicate that the grow operations have become larger commercial operations run by organized crime groups.

Southern Alberta Marihuana Investigation Team (SAMIT)



The number of large commercial-type marihuana grow operations in Calgary and the surrounding areas increased significantly in 2001 and 2002. In the early part of 2003, CPS and the RCMP formed a joint forces marihuana grow investigation team and CISA is supporting that team. The team uses a multi-dimensional approach which includes dismantling marihuana grow operations but it also includes intelligence gathering concerning the criminal organizations that are financing the grows, where the finished product is going and what is happening with the proceeds of crime.

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Between September 2003 and March 1, 2004, SAMIT has executed 98 search warrants, seized \$46,400,000 worth of marihuana and charged 66 individuals with 190 offences.

In 2003, CPS opened 415 marihuana grow operations files. In the first two months of 2004, 230 grow files have already been recorded, which is an indication of the proliferation of new grows in the area. SAMIT estimates that 90 percent of all of the grow operations in southern Alberta are controlled by organized crime groups, with the majority of those being run by Asian based groups.

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Project KLOUD

CPS and the RCMP Auto Theft Sections joined forces to target a group of individuals allegedly involved in commercial auto theft and fraud. This was a long-term investigation with connections to Ontario, Quebec, and the United States. The investigation focused on the inspection and repairing of write-off vehicles, switching of vehicle identification numbers and the use of stolen vehicles or parts. At the conclusion of the investigational phase of this file, five individuals have been arrested and charged with over 100 counts of fraud, forgery, or uttering forged documents. The investigative team has identified in excess of 500 vehicles whose status is highly questionable and will have to be followed up relative to improper inspections, safety of the vehicle or use of stolen parts.

Best Practices

Since CISA began providing operational funding support in 1999, we have also taken an active role in operational debriefings. Our goal is to develop a living best practices document, based on the feedback from these sessions. This document reviews findings about specific programs, which enables us to formulate generalizations about effectiveness. It involves synthesizing findings from different JFO projects and the “lessons learned” from each project. This material could then be utilized to assist future investigations by identifying things that worked well, and not so well, or should be considered in the future. In the last year, we completed operational debriefings for Projects KLIU and PHOENIX. A number of best practices were identified from these debriefings and our CISA police service members have been provided that information for future use.

GOAL 4: To Provide Professional Development for Alberta Law Enforcement Personnel in Order to Comprehend and Respond to the Criminal Activities of Organized Crime Groups and Serious Criminal Predators

Many of the courses offered by CISA deal with establishing standards across the province for training organized crime investigators. Over the past year, CISA provided its membership with intelligence and enforcement specific training in several areas.

CISA offered the *First Responders to Cyber Crime* two-day workshop for the first time this past May. In an effort to allow more CISA members to attend, the workshops were held in both Edmonton and Calgary. A total of 314 candidates attended the workshop, which focused on assisting investigators at crime scenes and during investigations where electronic evidence may be found.

Amendments were recently made to the *Criminal Code* (Bill C-24) which give police officers limited protection from criminal liability for specific, otherwise, illegal acts. In order for officers to be designated, they must attend a two-day course designed by Justice Canada and the RCMP in Ottawa. During the past year, 51 candidates were trained in the *Bill C-24 Legislation* course that CISA provided. Provincial prosecutors, federal prosecutors, and police officers provided instruction on the legal and practical understanding of Bill C-24. Alberta Justice set up a committee to monitor C-24 issues and training within the province, of which the CISA Training Coordinator is a member.

CISA's *Informant Handling Workshops* have been well received in the past, and as a result, a two-day workshop in Red Deer was offered in May. One hundred thirty-one candidates from law enforcement agencies across the province attended the workshop.

Four two-day courses regarding *i2 Analyst's Notebook Training* were offered in Edmonton and Calgary in May. A total of 32 crime analysts were trained in upgrading from Version 5 to Version 6 of the program. The *i2 Analyst's Notebook* is the standard analytical software used by police agencies in the province. In the fall of 2003, CISA worked with Trinus Technologies to offer two five-day courses on *i2 Analysts Notebook* in Edmonton and Calgary. Sixteen crime analysts from across the province received this necessary training.

In June, CISA offered a two-day *Drug Investigation Workshop* in Red Deer. The workshop was designed for anyone who may be involved in arrests, searches, and seizures of evidence during drug investigations including drug investigators, surveillance, tactical, forensic, and front-line members. The workshop focused on marijuana grow operations and clandestine methamphetamine labs. One hundred fifty candidates heard presentations on a number of related topics and participated in round table discussions.

CISA partnered with the RCMP and CPS to host the International *Clandestine Laboratory Investigators Association Annual Training Conference* in Calgary from August 11-15, 2003. Three hundred twenty-four candidates from across the United States and Canada attended the conference, as did trade show vendors, the organizing committee, and volunteers. The conference included several breakout sessions in laboratories at the University of Calgary, confined space training at the Calgary Fire Department, and certification, supervisory and related sessions at the Westin Hotel.

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In early September, CISA assisted EPS in hosting the four-day *Western Canada Officer Safety Conference*. One hundred forty delegates attended sessions on a number of officer safety topics and related sessions on terrorism and clandestine laboratories.

A CISA *Gang Workshop* was held in Red Deer in September 2003. The three-day course brought in subject matter experts in organized crime groups and street gangs from Edmonton, Calgary and Vancouver. Two hundred twenty candidates from across the province attended the workshop.

CISA worked with instructors from the *Advanced Mobile Surveillance Course* to assist in standardizing methods and techniques across the province. The course was held in October 2003, with instructors from CPS, EPS, and the RCMP delivering instruction to 42 candidates. Several issues were resolved over the past year and a standardized lesson plan for the three-week course was developed, as well as an updated and detailed Course Training Standard.

One of the most requested courses from our Training Needs Assessments has been the *Interception of Private Communications Course*. In February 2004, the first course was held in Calgary and 100 candidates and syndicate leaders attended. The course brought together 50 prosecutors from the Federal Department of Justice and Alberta Justice along with 50 police investigators from Alberta. The five-day course was split into two components with the first three days of instruction being provided from Vancouver instructors, B.C. prosecutors and RCMP instructors. Ron Reimer, senior counsel with the Department of Justice in Edmonton, instructed the last two days. The course was co-facilitated with CPS and was very well received by the candidates.

Bringing instructors from B.C. also worked as a "train-the-trainer" session for Alberta prosecutors and police for future courses.

Thirty candidates attended the CISA *Human Source Management Course* in Edmonton. The course was formerly known as the CISA *Source Agent Workshop*. During the past year, CISA has worked with the Ottawa RCMP in changing the *Source Agent Workshop* into a course with testing and a Course Training Standard. As a result of the collaboration, RCMP candidates attending the CISA *Human Source Management Course* will receive credit nationally with the RCMP.

The following table summarizes the courses and workshops that were offered throughout the past year under the direction of the CISA Training Coordinator, along with two major conferences that CISA assisted with.

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<u>Course/Workshop Name</u>	Number of Students	Duration (In Days)	Student Training Days
First Responders to Cyber Crime	314	3	942
Bill C-24 Training	51	2	102
Informant Handling Workshop	150	2	300
i2 Analyst's Notebook Upgrade	32	2	64
Drug Investigator Workshop	131	2	262
Gang Workshop	220	3	660
Advanced Mobile Surveillance	42	15	630
i2 Analyst's Notebook Course	16	5	80
Human Source Management Course	<u>30</u>	7	<u>210</u>
Total	986		3250
 <u>Additional Workshops</u>			
Clandestine Laboratory Investigator's Annual Conference	324	5	1620
Western Canada Officer Safety Conference	<u>120</u>	4	<u>480</u>
Total	444		2100

The total number of student training days increased 62 percent this past year from 2,000 days to 3,250 days. The G8 Summit in the spring of 2002 lowered the amount of training that was taken that year. After the G8 Summit concluded, training levels resumed in 2003 and substantially increased as a result of CISA hiring a Training Assistant.

The CISA Training Coordinator is the chairman of a sub-committee that provides training in the area of Major Case Management. A formal committee formed to develop standards in this area and training should begin later in 2004.

CISA will be conducting a Training Needs Assessment survey this year. CISA will examine the results of the survey along with candidate course evaluations over the next year to assist in developing new and innovative training initiatives in this unique area of organized crime.

GOAL 5: To Provide Enhanced Use of Technology to Combat the Evolution of Technologically Based Organized Crime

CISA continues to use technology to combat organized crime in a number of areas. The first phase of the CISA website is complete; it is a public site that contains information about what CISA is, who the members are, what responsibilities the Bureau has, what impact organized crime has on Albertans, and the site also contains interest stories about organized crime. Within the first six months of operation, there were over 12,000 visits to the site. The second phase is the private domain site, which is nearing completion and will be accessible only by law enforcement agencies. It will contain officer safety items, training opportunities, and general organized crime information.

In an effort to educate investigators in the methods used to combat technologically based organized crime, CISA offered a two-day workshop, *First Responders to Cyber Crime*, in both Edmonton and Calgary. It was designed for anyone who may encounter electronic evidence of any type at a crime scene, subsequent to an arrest, or during a search. Senior police computer forensic experts presented a number of topics including; First Response to Crime Scenes/Arrest, Internet - The Dark Side, Identifying Targets (Open Source), Officer Safety at Electronic Crime Scenes, Computer Forensics, Internet Undercover Operations, Encryption and Steganography (the hiding of a secret message within an ordinary message), and Legal Aspects (Case Studies and Search Warrants).

GOAL 6: To Establish and Enhance Partnerships With All Stakeholders to Reduce and Control Organized Crime and to be Accountable to All CISA Partners

Seven operational initiatives were approved for financial assistance between April 1, 2003 and March 31, 2004. CISA has committed \$2,277,860 to those projects for specific investigational costs and the police services involved have committed another \$5,160,000 for salaries, benefits, operating expenses, and some investigational costs. Goal three describes the results of some of those projects completed in the past year, but the majority of the initiatives are still ongoing.

Best practices identified during operational debriefings over the past four or five years are being utilized to their full advantage by CISA members. Intelligence that is gathered by field investigators is being submitted to the analysts within the police services. The analysts working with the intelligence investigators then include the intelligence in collection plans, which are submitted for the annual Sleipnir Threat Assessment. The joint forces threat assessment team meets to review all of the collection plan information and provide an assessment to the Executive Committee with recommendations for further probing or enforcement. In the past year, three successful projects were completed against groups that were identified through this process.

The Insurance Bureau of Canada is the newest member to CISA. There are now eight Level One members and 21 Level Two members in the Bureau.

RCMP 'K' Division recently provided CISA with a complete financial statement for activities during the past fiscal year. The following information has been taken from that financial statement and portrays actual income and disbursements.

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Carry Forward from March 31, 2003	\$3,443,935.46	
2003/04 CISA Annual Funding	\$2,400,000.00	
Proceeds of Crime Grants	\$ 0	
Alberta Public Safety Network Grant (APSNET)	\$1,000,000.00	
Other Income	\$ 744.00	

Total Funds for 2003/04		\$6,844,679.46
2003/04 Admin. & Training Expenses	\$1,108,392.70	
2003/04 Operational Initiatives Expenses	\$1,682,332.38	
2003/04 Proceeds Of Crime Expenses	\$ 30,401.92	
2003/04 APSNET Expenses	\$ 2,665.07	

Total Expenditures for 2003/04		\$2,823,792.08
2003/04 Unspent Funds for Carry Forward to 2004/05		\$4,020,887.38

Of the carry forward identified, financial commitments have been made by the Executive Committee as follows:

APSNET Roll-out Completion by December 31, 2004:	\$ 997,000.00	
Nine Ongoing Organized Crime Projects:	\$3,072,000.00	
2004/05 Threat Assessment (POC LEG):	\$ 8,000.00	

Total Commitment Against Carry Forward:		\$4,077,000.00

While the current financial commitment slightly exceeds the carry forward, there are usually some residual funds from operational projects. Additionally, as of April 1, 2004, CISA will receive \$2.4 million for the last year of the current 2002/05 Organized and Serious Crime Business Plan.

GOAL 7: To Develop a Communications Strategy that Assists in Delivering an Accurate Message of the Scope and Impact of Organized Crime in Our Communities and to Assist in the Building of a Preventative Culture

During May and June of 2003, CISA conducted a public opinion survey with 1,200 Albertans on their perception of organized crime. The goal of the Provincial Public Opinion Survey is to provide the CISA Bureau, its Executive, and Alberta Justice and Alberta Solicitor General with benchmark measures on the public's perception on the extent and severity of organized and serious crime in the province of Alberta. A summary of the results from the 2003 Public Opinion Survey on Organized Crime is attached to this document as Appendix 'A'.

CISA's website currently consists of a public domain and a private domain that is being developed. The public domain is accessible by anyone and has been online since the fall of 2002. The private side will be operational in the summer of 2004. It will be accessible only by law enforcement agencies and will contain items such as officer safety items, training opportunities, and general organized crime information.

CISA will ensure the website provides current information on organized crime to the public, will develop a secure component of the site for law enforcement, and explore other methods that would lend to an effective communications program.

It is important that as policy makers and elected officials in Alberta make decisions regarding the peace and security of our citizens, that they have a clear understanding of the negative impact that organized crime is

having on the people of this province. The Director of CISA has developed a presentation suitable for municipal and provincial government officials that outlines this impact. This information has been provided to police commissions and can be given to a variety of public or private sector groups.

GOAL 8: To Facilitate and Manage the Proceeds of Crime Law Enforcement Grant Program on Behalf of the Ministry of the Solicitor General

During 2003, nine applications for Proceeds Of Crime Law Enforcement Grants were received from five of the eight Alberta police services. Of those, six applications were approved for a total of \$107,330; the other three applications could not be processed, as funds were not available.

Three of the grants were for street level operations; one targeting a stolen property crime ring and two projects targeting drug traffickers. Two grants were for specialized training to organized crime investigators, and the last grant was for specialized equipment needed for stolen auto investigations. These grants are instrumental in helping police services deal with lower level crime groups that can have a significant detrimental affect, especially in smaller communities. For example, one grant for \$29,860 was given to the Taber RCMP and the Taber Police Service to investigate a group of individuals who were allegedly committing residential and commercial property offences for proceeds to buy drugs. With the grant, a special operation could be undertaken which resulted in the arrest of eight individuals charged with 42 *Criminal Code* charges and one *Controlled Drugs and Substances Act* offence. That group was effectively disrupted.

Since 1998, the first year that the province of Alberta received a share of forfeited proceeds of crime funds from the federal government, the Solicitor General has provided \$2,000,000 to Alberta police services through CISA for a variety of operational initiatives. Every police service in the province has benefited from these funds. The Proceeds of Crime Law Enforcement Grant Program has become so popular that the requests always exceed the funds available each year.

CONCLUSION

CISA, with the input of all our partner agencies, will continue to collect intelligence on criminal activity and provide police executives and operational units with updated strategic and tactical-based information for use in their investigational and planning functions. Reporting best practices, providing training opportunities, participating in a province wide threat assessment, and promoting the sharing of information amongst partner agencies, form the solid foundation for the fight against organized crime.

CISA will continue to make a coordinated effort with our partner agencies and the provincial government to disrupt and dismantle organized crime in Alberta. The effective management of knowledge will place law enforcement and the community in a position to attain this goal. It is through clear communication and the sharing of intelligence that enables the Bureau to positively affect the impact that organized crime groups have on the citizens of Alberta.

Appendix 'A'

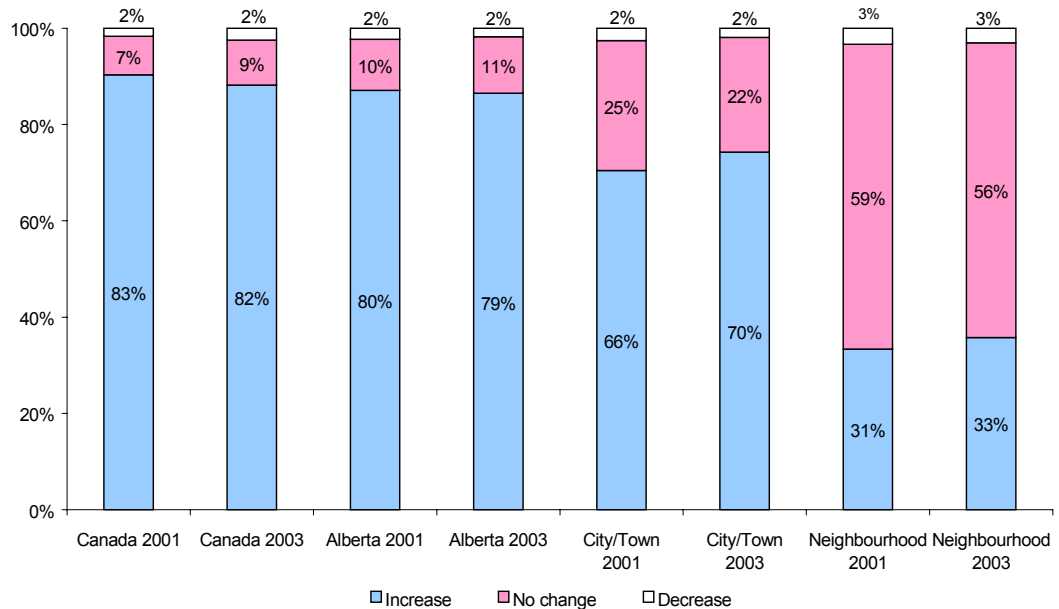
Highlights of the Provincial Public Opinion Survey on Organized Crime

The goal of the Provincial Public Opinion Survey is to provide the CISA Bureau, its Executive, Alberta Justice, and Alberta Solicitor General with benchmark measures on the public's perception on the extent and severity of organized and serious crime in the province of Alberta. The following is a summary of results from the 2003 survey.

- Organized crime is most frequently viewed as being involved in drug related activities – namely trafficking and importing. Outlaw Motorcycle Gangs and Asian based groups are perceived to be the most active examples of organized crime operating in the province of Alberta. Bringing illegal immigrants into Canada and anti-government terrorism were seen as definite examples of organized crime, but by a smaller percentage of individuals.
- According to the survey results, crimes most often associated to white collar or corporate crimes (credit card fraud, cheating on the stock market, illegally disposing of dangerous waste) were less likely to be identified as definite examples of organized crime. Other criminal activities that were least likely to be seen as examples of organized crime included homicide, armed robbery, break enter and theft, intimidation, and assault. Anti-government activism, while not necessarily viewed as an example of organized crime, is perceived to be the most serious criminal activity of those identified.
- While running an illegal gambling operation was ranked the third highest as being an example of organized crime, it was perceived to be one of the least serious criminal activities identified. Similarly, while assault, resulting in physical or emotional injury, was ranked as one of the lowest examples of organized crime activity, it ranked number six in terms of serious types of crime.
- The majority of respondents believe there was an increase in the amount of organized crime in recent years. In general, the closer to “home” the question of organized crime activity comes, the higher the probability that people see “no change” in organized crime activity. This finding supports the idea that people believe that organized crime is something that does not impact them personally.
- There was a slight increase from 2001 in the overall perception of Albertans as to the relative increase in organized crime occurring within their city of residence or their neighbourhoods. However, when the results are broken out between respondents' residential regions, subtle differences and changes over the past two years emerge.

Appendix 'A'

Graph 1: Perceived Change in Organized Crime



- In 2001 and 2003, there was a significant difference in the perceived level of increase in organized crime seen at the city and neighbourhood levels between Calgary and Edmonton. Consistently higher scores in Edmonton are most likely due to the increased level of violence in the city over the past five years. Respondents from smaller northern cities, smaller southern cities, rural north and rural south believed there to be a larger increase in organized crime in Alberta than the other regions.
- From the public's point of view there is not much variation between organized crime groups in the province as compared to the rest of the country.
- The young and the elderly were identified as the most vulnerable to being victimized by organized crime. Other groups believed to be particularly vulnerable included people with disabilities and low-income individuals.
- The perceived abilities of police agencies to effectively deal with organized crime is influenced, in part, by the media reports of incidents and the public's interpretation of them. Respondents believed that getting more police officers on the streets, getting the courts to give out tougher sentences and increasing training for police officers were the most effective ways to deal with organized crime. The passing of more legislation was seen as the least effective strategy. Respondents did not view social or rehabilitation programs to be as effective when applied to organized crime as when applied to crime in general.
- The results tend to suggest that while Albertans differentiate certain organized crime activities from serious crime activities, people primarily associate importing and trafficking of drugs to organized crime. The public believes that organized crime is increasing at the national, provincial and municipal levels far more than at the neighbourhood level. Respondents do not necessarily attribute neighbourhood crime with organized crime.

Appendix 'A'

- While “Organized Crime” is seen to have increased significantly over the years, both in terms of media reporting on crime and political attention, the term is generally not well understood and its impact is not appreciated. This distortion could quite conceivably give organized crime groups an advantage.
- As the third provincial survey on organized and serious crime, these findings will assist CISA, as well as individual police agencies, in gauging public perception about and support for organized crime related initiatives.