



## *Strategic Intelligence Assessment*

# Drug Situation in Canada - 2004

*Date: September 22, 2005*



**CID Mandate:** To provide a national program for the management of criminal information and intelligence which will permit the RCMP to detect and prevent crime having an organized, serious or national security dimension in Canada, or internationally as it affects Canada.

**Credit:** This product was produced by the Major and Organized Crime Intelligence Branch (M&OCIB)

**Criminal Intelligence Directorate**

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## Foreword

This report outlines illicit drug trafficking activity in Canada for 2004. The information presented here is based on intelligence from investigations and seizures conducted by the Royal Canadian Mounted Police, the Canada Border Security Agency and various Canadian enforcement agencies and departments involved in drug enforcement.

The marihuana and synthetic drugs segments of this report were expanded to reflect recent law enforcement concerns over the increasing supply and demand of these two illicit drugs in Canada.

There are often allegations of national and international terrorist groups funding terrorist operations through drug production, importation or trafficking in Canada. This is commonly referred to as narco-terrorism. While, in 2004, the RCMP examined the possibilities of terrorist links in all drug case investigations, there were no distinct links between drug production, importation or trafficking, and terrorist groups in Canada or abroad. There were also no clear links between any drug importation groups and terrorist organizations in any of the RCMP investigations in 2004.

It is important to note that tracking the ultimate destination of proceeds of crime is a challenge no matter what the nature of the investigation. For this reason, we cannot fully discount the possibility that some portion of drug trafficking proceeds generated in Canada supports terrorist activities.

Finally, there are many references in this report to the Canadian Addiction Survey. This survey is a collaborative initiative of addiction research centres across Canada that was undertaken in December 2003 and published in November 2004.<sup>1</sup>

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<sup>1</sup>The Canadian Addiction Survey sample included 13,909 Canadians aged 15 and older who were interviewed by telephone between December 16, 2003 and April 19, 2004. For more information on the survey please visit <http://www.ccsa.ca/pdf/ccsa-004804-2004.pdf> (English) or <http://www.ccsa.ca/pdf/ccsa-004805-2004.pdf> (French)

## **Key Findings**

The following information summarizes this report's most pertinent intelligence based on both the geographic importance and the significance of the drug threat to the Canadian public:

### **Production of Synthetic Drugs on the Rise in Canada**

- Synthetic drug manufacturing, ecstasy and methamphetamine in particular, has reached significant proportions.
- The rising popularity of methamphetamine consumption is of concern.

### **Cocaine**

- Demand for cocaine in Canada remains strong and stable.
- Large-scale importations of the drug continue.
- Major operations concluded in 2004 brought to light relationships between Canadian organized crime elements and Colombian cartels and conspiracies to import multi-hundred kilogram shipments of cocaine to Canada on a regular basis.

### **Marihuana**

- Dismantling of residential marihuana grow operations continues to tax all drug enforcement resources across Canada.
- Marihuana seizure totals indicate the problem is particularly serious in British Columbia, Ontario and Quebec.
- The marihuana trade generates millions of dollars in proceeds that are infiltrating the Canadian economy.

### **Afghanistan and South American Heroin**

- Afghanistan continues to be the world's largest producer of opium, the precursor of heroin. In 2004, Afghanistan produced an estimated 4,200 metric tonnes of heroin. This is a 17 percent increase from 2003.
- In 2004, 68 kg of heroin were seized in Canada and an additional 20 kg abroad en route to Canada. The majority, 51.6 kg, of the seized drugs originated in Southwest Asian countries such as Afghanistan and Pakistan. Despite the seizure data, investigators still believe that Southeast Asia remains a major source of heroin for the Canadian market with Latin American heroin increasing its market share.

### **Canada as a drug source for Asia**

- Moderate size shipments of drugs, including marihuana, methamphetamine and Ecstasy, originating in Canada, have been seized in Japan. Smaller seizures originating in Canada were also conducted in Taiwan and Korea.

# Cocaine

## **Introduction**

In 2004, approximately 3,416 kg of cocaine were seized in Canadian-related interceptions. These interceptions amounted to 2,068 kg here in Canada and an additional 1,265 kg seized abroad en route to the Canadian market.

## **Recent Trends**

### Demand

According to the *Canadian Addiction Survey*, cocaine is the third most widely-used illicit drug in Canada, after marihuana and hallucinogens. Based on survey data, rates of lifetime use of powdered and crack cocaine in Canada jumped from 3.8 percent in 1994 to 10.6 percent in 2004. The percentage of respondents reporting use in the past year climbed from 0.7 percent in 1994 to 1.9 percent in 2004.

### Transit countries

The Caribbean islands of St. Lucia, St. Martin, Trinidad, Haiti, Jamaica and Antigua are the most common transit points for cocaine en route to Canada. Of the total amount of cocaine seized here in Canada and seized abroad destined for Canada, 805 kg passed through these countries.

The United States is another major transit point for cocaine shipments destined for Canada. Of total amount seized in 2004, an estimated 700 kg of Canada-bound cocaine transited or was to transit the United States. In most cases, the drugs were to be transported to Canada by land. On the West Coast, the amount of cocaine seized at the land border entering British Columbia almost doubled in 2004. There were, however, fewer actual seizures indicating an increase in the size of shipments.

### Major seizures

In August 2004, approximately 750 kg of cocaine destined for the Canadian market were seized by U.S. authorities on a small sailboat off the coast of Puerto Rico. The investigation led to almost 30 arrests, including that of the alleged ringleader. This network was also involved in trafficking hashish and growing marihuana.

In July 2004, 542 kg of cocaine were seized in Nova Scotia. The smugglers brought the drugs into Canada on a small sailboat and unloaded in Nova Scotia. There was some indication that the smugglers planned to transport the drugs to Montreal. The group in question had apparently delivered approximately 1,400 kg of cocaine to Canada earlier in the year.

A few 150 kg seizures were also made, including one shipment found in the United States in a Canada-bound marine container, one hidden under a ship in Porto Bolivar, Colombia, and one discovered in British Columbia in a vehicle coming from the United States.

### Smuggling methods

Traffickers of large cocaine shipments intercepted in 2004 were, for the most part, using small, privately-owned sailboats to smuggle the drugs into Canada. In general, traffickers try to unload their shipments in isolated areas along the Canadian coast in order to avoid inspection at ports of entry. The traffickers transport the drugs, usually overland, to large urban centres.

Air transport remains a method of choice for shipments containing less than 10 kg of cocaine. In 2004, approximately 335 kg of cocaine were seized, in both Canada and abroad, from air travellers who either had carried the drugs in their luggage, hidden them on their person or swallowed them.

**Trafficking organizations**

Colombian brokers serve as intermediaries between Canadian organizations and Colombian producers. Canadian-based independent organized groups are the major smugglers of large cocaine shipments into Canada. These independent groups oversee transportation of the drugs to Canada, then sell the shipments to other crime groups including outlaw motorcycle gangs and traditional organized crime elements, who then ensure nation-wide distribution.

<b>Cocaine Seized in Canada and en Route to Canada</b>										
<b>(Weight in kg)</b>										
	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Canada	1,544	3,110	2,090	2,604	1,116	1,851	1,783	1,886	1,229	2,068
Abroad	1,837	2,877	191	1,041	196	521	2,768	2,460	2,511	1,265

# Heroin

## Introduction

Interdiction rates have remained low over the last few years, with 46 kg seized in 2002 and 60 kg seized in 2003. Despite these figures, availability and purity of heroin have not declined and prices remained stable. There has also been little change in the supply and demand for heroin in Canada. In 2004, 68 kg of heroin were seized in Canada and an additional 20 kg abroad en route to Canada. Of the overall 88 kg, 51.6 kg originated from Southwest Asia (Afghanistan and Pakistan), 21.7 kg from Latin American countries, 4.5 kg from Southeast Asia (Myanmar, Laos and Thailand) and 10 kg were of unknown origin.

Groups traditionally involved in heroin trafficking have expanded their activities to other substances, including marihuana, Ecstasy and methamphetamine. The huge profit margin generated by these other drugs could explain this expansion.

## Recent Trends

### Southwest Asian Heroin

The United Nations Office on Drugs and Crime believes that Afghanistan is the source of 90 percent of the heroin in Europe. Drugs leave Afghanistan for the international market through three main routes, north into Tajikistan and through Russia, west through Iran and south into Pakistan and India.

Though Southwest Asian heroin represented the greater portion of the heroin seizures in 2004, the Ontario and Quebec markets have traditionally been a mix of Southeast Asian heroin and Southwest Asian heroin, with a smaller portion originating in South America.

Southwest Asian trafficking groups have always been active in Canada and have on occasion been connected to large seizures of Southwest Asian heroin—75 kg in 1996 and 106 kg in 1998. In the early to mid 1990's, groups from this region surfaced frequently in heroin investigations particularly in Toronto and Montreal. In 2004, Southwest Asian groups were the focus of most heroin importation investigations in Canada.

### Southeast Asian Heroin

In spite of the decline in seizures of heroin originating from South East Asia since 2002, investigators believe that South East Asian heroin still dominates the markets on the West coast of Canada. This situation could be explained in part by changing enforcement priorities.

### Latin American Heroin

Since 2002, Latin America has been identified as one of the main sources of heroin seized in or en route to Canada. Latin American trafficking groups continue to explore the Canadian market as an outlet for their product.

<b>Heroin Seized in Canada and en Route to Canada</b> (Weights in kg)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Canada	128	83	95	105	88	168	74	33	35	68
Abroad	61	80	56	129	54	9	20	13	25	20

# Opium

## Introduction

Global opium production has fluctuated slightly over the last five years. According to UNODC, Afghanistan is the largest producer of opium in the world (see appendix B). In 2004, Afghanistan produced 4.2 metric tonnes of opium which represented 87 percent of worldwide production of this narcotic, an increase compared to 3.6 MT in 2003 and 3.4 MT in 2002.

## Recent trends

Opium seizures in Canada have been rising steadily, indicating a greater flow of this substance on the Canadian market.

In 2004, a total of 84 kg of opium were seized at Canadian ports of entry. Quantities ranged from 136 grams to over 48 kg. The opium was concealed mostly in luggage, picture frames, and courier parcels. The opium originated in Afghanistan, Pakistan, Iran and India. Routing usually involves a transit through a European country or the U.S.

On November 5, 2004, the largest seizure of opium for the year occurred at the port of Halifax, Nova Scotia. Canadian Border Services Agency officers located 48 kg in one-kilogram packages concealed within 2 wood panel doors in a marine container shipment of furniture arriving from Iran.

<b>Opium Seized in Canada and en Route to Canada</b>								
<b>(Weights in kg)</b>								
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Canada</b>	28	71	46	37	27	43	60	84
<b>Abroad</b>	32	1	11	42	20	9	5	13



# Cannabis Derivatives

## Marihuana

### Introduction

The problem of marihuana grow operations and trafficking is increasing across Canada. For many Canadian police forces, marihuana grow investigations represent more than half of their drug enforcement case load. Marihuana seizure totals (see Appendix A) indicate that the problem is particularly serious in British Columbia, Ontario and Quebec.

### Recent trends

Reports indicate the demand for cannabis is on the rise. According to the Canadian Addiction Survey<sup>2</sup>, the lifetime use of cannabis increased from 23.3 percent in 1989 to 28.2 percent in 1994. The latest figures for 2004 indicate a dramatic increase of 44.5 percent. The survey further details that increased consumption of cannabis within a single year has jumped from 6.5 percent in 1989 to 14.1 percent in 2004.

Most crime groups are involved in the marihuana drug trade. Some groups deal solely in marihuana while others will also traffic a variety of substances. Others limit their involvement to certain aspects of the marihuana industry, such as brokering or transporting shipments, or laundering marihuana proceeds. Intelligence reveals that many operations often involve several criminal groups of different ethnic origin working together to ensure the success of the conspiracy. These collaborations are a result of relatively recent trend toward the breakdown of ethnic barriers in the organized crime world.

### Canada

As marihuana cultivation is a clandestine activity conducted in both indoor and outdoor settings, there is no scientific methodology to calculate the annual production of marihuana across Canada. To conceptualize the scope of the problem, the RCMP arrives at rough estimates<sup>3</sup> by using available data such as the average annual plant seizures for the last five years and the average yield of 200 grams per plant.

Based on data gathered from the years 2000 to 2004 from reporting Canadian law enforcement agencies, the national annual marihuana seizure average is approximately 1,300,000 marihuana plants. This translates into an annual production estimate ranging from between 1,070 metric tonnes of marihuana to 2,676 metric tonnes of marihuana.

Multi-thousand plant operations are not the norm in Canada but are not an uncommon occurrence. The most significant and publicized case was the discovery of a 20,000 plant grow operation set up in a former commercial brewery located near Barrie, Ontario on January 24, 2004. In addition to the

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<sup>2</sup>The Canadian Addiction Survey sample included 13,909 Canadians aged 15 and older who were interviewed by telephone between December 16, 2003 and April 19, 2004. For more information on the survey please visit <http://www.ccsa.ca/pdf/ccsa-004804-2004.pdf> (Eng) or <http://www.ccsa.ca/pdf/ccsa-004805-2004.pdf> (Fra)

<sup>3</sup> The following formula explains the rationale for this total:  
 $1,102,198 (2000) + 1,367,321 (2001) + 1,272,738 (2002) + 1,400,026 (2003) + 1,548,303 (2004) = 6,690,586 \text{ PLANTS};$   
 $\div 5 \text{ years} = 1,338,117; \times 200 \text{ grams} = 267,623 \text{ kg} \times 4 (25 \text{ percent seizure ratio}) = 1,070 \text{ metric tonnes or } \times 10 (10 \text{ percent seizure ratio}) = 2,676 \text{ metric tonnes),}$

large grow rooms and nurseries and the necessary growing equipment, this installation included quarters to accommodate 50 people.

In Surrey, BC, in November 2004, police, responding to a public complaint about a possible grow operation in a commercial building, found a significant marihuana nursery with approximately 22,000 seedlings. In July 2004, a government of Canada inspector, conducting routine checks pertaining to the chicken virus in the Lower Mainland District in BC, advised police that he had discovered a grow operation in a barn. Police found 6,708 plants on site.

Intelligence developed during the investigation into a conspiracy to import 500 kg of cocaine in Nova Scotia in July 2004, led to the discovery of twelve grow houses in ten different localities in the province of Quebec.

In August, follow-up investigations of subjects connected to the importation attempt of 1772 kg of MDP2P (a precursor to manufacture Ecstasy) from China led to various seizures in the Vancouver area: 12 kilos of cocaine, 71 kilos of Ecstasy and 118 kilos of marihuana. In this case, an additional 443 kilos of marihuana were also intercepted in Toronto having been sent by rail from British Columbia.

The increase of marihuana grow operations in British Columbia continues to be of great concern. Interdictions on the highways and at bus, train, and domestic airport terminals indicate that British Columbia is a source of marihuana for the Prairie provinces and other eastbound destinations such as Ontario, Quebec and the Atlantic provinces.

Tractor-trailers represent only 12 percent of the vehicles involved in seizures between May 2003 and October 2004 in Alberta and Saskatchewan, however, they accounted for 65 percent of the total quantity of marihuana seized.

A research team from the University College of the Fraser Valley in Abbotsford, B.C. recently conducted a comprehensive study of marihuana cultivation in B.C. from 1997 to 2003<sup>4</sup>. Though this study deals only with the conditions in British Columbia, many findings are likely applicable for the rest of Canada. The following is a sampling of the findings, including a few that point to some of the societal concerns regarding marihuana grow operations:

- The average number of plants per grow operation has increased from 149 in 1997 to 236 in 2003.
- The average harvest per marihuana grow operation tripled from 2.4 kilos in 1997 to 7.2 kilos in 2003.
- The number of hydroponic equipment retailers in B.C. has increased by 50 percent, from 101 in 2000 to 149 in 2003.
- Approximately one in five grow operations involved the theft of electricity. It is estimated that growers stole more than \$3,200,000 from BC Hydro in 2003.
- The probability of fire in a house with a grow operation is 24 times greater.

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<sup>4</sup>*Marihuana Growing Operations in British Columbia Revisited* released in March 2005. For further information please visit [http://www.ucfv.ca/pages/Special/Marihuana\\_Grow\\_Ops\\_in\\_BC\\_Study.pdf](http://www.ucfv.ca/pages/Special/Marihuana_Grow_Ops_in_BC_Study.pdf)

### Cross-border movement of marihuana

The 2005 U.S. National Drug Intelligence Centre (NDIC) report<sup>5</sup> estimates anywhere from 12,000 to 25,000 metric tonnes of marijuana, including domestic and foreign, were available in the United States in 2002. According to the NDIC report, marihuana production in the U.S. could range anywhere from 6,000 to 19,000 metric tonnes. Despite an abundance of domestic and Mexican marihuana on the American market, smuggling of Canadian marihuana to the United States continues to be a significant problem for enforcement agencies in both the U.S. and Canada. In 2004, U.S. Customs and Border Protection, often in conjunction with Canadian components of Integrated Border Enforcement Teams, seized approximately 19,160 kg of marihuana destined for the U.S.

Smugglers resort to every conceivable means of land, air and water transport to move their contraband across the border. Increased vigilance against marihuana smuggling along the British Columbia-Washington border has resulted in marihuana being transported further eastward before being smuggled across the border into the United States. This activity is occurring throughout Alberta and Saskatchewan and further east in Manitoba and Ontario. Although Ontario rivals British Columbia for marihuana production, it is sometimes targeted by organized crime groups for shipments of B.C. marihuana. This marihuana is destined for both the provincial markets and the U.S.

<b>U.S. Customs Marihuana Seizure</b>		
<b>(Data provided by US Customs in February 2005)</b>		
<u>Year</u>	<u>Originating from Mexico</u>	<u>Originating from Canada</u>
2000	327,603 kg	2,235 kg
2001	361,845 kg	2,972 kg
2002	359,516 kg	9,888 kg
2003	406,203 kg	15,954 kg
2004	583,712 kg	19,160 kg

### Foreign Supply

In spite of the plentiful supply of domestic marihuana, importation conspiracies continue. In 2004, Canada Border Services Agents seized 1,202 kg of foreign marihuana at Canadian ports of entry. Most of the seizures were effected at airports, where the drugs were concealed on commercial flights arriving from Jamaica and Mexico.

In February 2004, U.S. Customs and Border Protection at the Texas border intercepted a Canadian arriving from Mexico en route to Canada. They discovered 436 kg of marihuana concealed within the structure of the suspect's recreational trailer.

### Violence

**While, in general, organized crime groups operate and co-exist peaceably, acts of violence associated to the marihuana trade, such as homicide, kidnaping, assault and arson, have increased with the expansion of this criminal activity.**

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<sup>5</sup> U.S. National Drug Threat Assessment 2005,  
(Reference for the NDIC report <http://www.usdoj.gov/ndic/pubs11/12620/>)

An example of how this type of violence puts the Canadian public at risk can be seen in a case out of Richmond B.C., where over a three and half month period, members of organized crime groups conducted 10 home invasions. They believed these addresses housed marihuana grow operations, however, only 6 were actual marihuana grow operations. For the most part, these types of violent incident do tend to be related to failed drug transactions and/or money owed, as opposed to perceived areas of “turf.”

Money Laundering and Marihuana

The cross-border movement of marihuana to the U.S. has brought about an abundance of U.S. currency in Canada. Currency exchange businesses wittingly or unwittingly convert these proceeds into Canadian funds. Currency exchange is also conducted in a black market environment.

Several remittance offices specialize in laundering marihuana proceeds. Marihuana traffickers also resort to traditional means of laundering such as casinos, monetary instrument purchases or electronic funds transfers on the international market.

<b><u>Marihuana Seized in Canada</u></b>										
	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Bulk (kg)	5,500	17,234	50,624	29,598	23,829	21,703	28,746	40,888	21,519	33,777
Plants	295,999	675,863	689,239	1,025,808	954,781	1,102,198	1,367,321	1,272,738	1,400,026	1,548,303

<b><u>Marihuana Seized Abroad en Route to Canada</u></b>									
<b>(Weights in kg)</b>									
<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
4,318	278	394	2,552	5,765	195	3,020	364	755	436

## Hashish (Cannabis Resin)

### Introduction

In 2004, there was a noticeable drop in hashish seizures in Canada to 484 kg from 10,903 kg in 2003. It should be noted, however, that in 2003, there was one single seizure of 10,717 kilograms that accounted for almost that entire seizure total for that year. In May 2004, Pakistani authorities in Peshawar intercepted 3,300 kg of hashish in a shipment of tiles destined for Canada.

As indicated in the *2003 Drug Situation in Canada*, the decrease in seizure levels since 2001 can be attributable to a number of factors. Popularity of hashish is waning in favor of marihuana and importers are reacting accordingly. Enhanced port security measures worldwide are also limiting the export of contraband such as hashish. Despite the preceding conditions, there are still on-going conspiracies to import to Canada multi-tonne shipments of hashish by marine container, by ship and by air cargo.

<b>Hashish Seized in Canada and en Route to Canada</b> (Weights in kg)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Canada	21504	25155	6118	15924	6477	21973	6677	735	10903	484
Abroad	6	29466	6954	752	1155	19948	253	2807	24	3300

## Hash Oil (Liquid Cannabis Resin)

### Supply and demand

Demand for liquid cannabis resin also known as cannabis oil, weed oil, marihuana oil and hashish oil, is limited to Central and Atlantic Canada. Certain groups and entrepreneurs have specialized in importing hash oil. Traffickers also manufacture hash oil in Canada. Police frequently encounter marihuana oil extraction equipment when conducting searches or raids on marihuana grow operations.

### Trends

In 2004, approximately 500 kg of hash oil was intercepted in Canada; the majority (469 kg) of the seizures were made at Pearson International Airport on-board flights arriving from Jamaica. The principal means of smuggling this drug into Canada are by air passenger flow, air cargo and commercial courier parcels. Often times, they will import other drugs such as marihuana and hashish, in the same shipment.

The largest seizure of 2004 occurred in August when 240 kg of hashish oil, along with 4 kg of marihuana were found in an air cargo shipment from Montego Bay, Jamaica. Another air cargo shipment was seized by Customs officers at Pearson International Airport in December 2004. The shipment contained 46 kg of hash oil and 736 kg of marihuana, declared as produce from Jamaica. On December 19, authorities arrested a couple returning from Jamaica for concealing 22.7 kg of hashish oil in 10 packages within their luggage.

<b>Hash Oil Seized in Canada and en Route to Canada</b> (Weights in kg)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Canada	663	805	824	852	434	1240	397	1107	288	496
Abroad	1065	4	168	0	1643	61	7	810	485	0

## Synthetic Drugs

## Introduction

The misuse and trafficking of synthetic drugs have reached unprecedented levels. Over the last decade, the illicit synthetic drug trade in Canada has undergone a major transformation and it continues to reveal new developments each successive year.

Pivotal changes are primarily attributed to the increased involvement of major organized crime networks in synthetic drug importation, trafficking and domestic production. Close to 60 clandestine laboratories were seized in 2004. The focus on MDMA/Ecstasy still remains, while a surge in methamphetamine production and trafficking has presented major enforcement challenges in recent years. Emerging synthetic drugs of concern continue to include Gamma hydroxy butyrate (GHB), ketamine and other diverted pharmaceutical and chemical products.

## MDMA/Ecstasy

### Recent Trends

In 2004, the equivalent of approximately 15 million dosage units were seized by Canadian authorities. The fact that significant quantities of MDMA as well as methamphetamine are being seized from domestic laboratories clearly indicates the spread of larger and more sophisticated operations run by organized crime.

### Trafficking Activity

From 1999 to mid-2002, importations of MDMA from Europe consisted mainly of large shipments of tablets until the shift to powder was observed. In 2003, hundred kilo shipments of powder MDMA were arriving from Europe into Canada.

In 2004, importations of MDMA decreased as traffickers began to produce this synthetic drug on a large scale within Canada. In December 2004, York Regional Police dismantled an Ecstasy laboratory operation comprising three sites and seized approximately 929 kg of pure MDMA (equivalent to 9.29 million dosage units). An Asian organized crime network was directly linked to these lab sites.

<b>Ecstasy seized in Canada (equivalence in dosage units)</b>					
<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
400 000	2 069 709	1 871 627	1 783 620	5 822 293	15 000 000

Seventeen clandestine Ecstasy (MDMA, MDA)<sup>6</sup> laboratories were dismantled in British Columbia (B.C.), Alberta, Ontario and Quebec during 2004, a significant increase from 2003. At least three were labs producing more than one illicit drug product. These labs are also known as polydrug labs. Of the three, one was producing MDA and MDMA, the second was producing MDA and methamphetamine; and the third was producing methamphetamine and MDMA. In Ontario, all four MDMA lab incidents were directly connected to Asian organized crime.

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<sup>6</sup>MDMA is the actual chemical substance which is known by the street name "Ecstasy". For purposes of analysis, MDA which is a close analogue of MDMA, is grouped in the same category.

<b>Clandestine MDMA Laboratories Seized in Canada</b>					
<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
9	6	8	11	12	17

In spite of the surge in domestic manufacturing, shipments of MDMA powder and tablets continue to be intercepted at Canadian ports of entry, notably Montreal, Toronto and Vancouver.

In January 2004, in Halifax, Nova Scotia, 110 kg of powder MDMA was discovered inside a shipment of cork wine stoppers arriving by marine container from Portugal via Spain. This shipment was destined for an Asian organized crime group based in Toronto.

Asian organized crime groups were also active in cross-border trafficking of moderate to large quantities of MDMA between Canada and the United States. More recently these groups have been active in importing precursor chemicals for the production of MDMA directly from source countries such as China. In July, 1,778 kg of MDP-2-P was intercepted in the Port of Vancouver concealed in a container arriving from China. This amount of precursors could have been sufficient to manufacture over 1,400 kg of pure MDMA which represents a potential of 14 million tablets.

Independent regional-based groups were also involved in domestic MDMA/MDA production and cross-border Ecstasy trafficking. Groups from the Dominican Republic continued to be linked to Ecstasy importations from Europe, often using false-sided luggage to smuggle the drugs into the country.

### **Consumption Trends**

While Ecstasy availability remains high, consumption rates appear to be less stable and reliable. The Ontario Student Drug Use Survey shows that after an escalating pattern in Ecstasy use since the early 1990s (including an exponential increase from 0.6 percent in 1999 to 6 percent in 2001), a decrease occurred from 6 percent in 2001 to 4 percent in 2003.

The 2003 survey also reveals that youth are perceiving greater risks in consuming MDMA. It shows that more youth are disapproving of the use of this drug as compared to the survey results of 2001. In the 2004 Canadian Addiction Survey (CAS), 4.1 percent of respondents indicated having used Ecstasy during their lifetime and 1.1 percent during the past twelve months.

Notwithstanding the survey results, intelligence continues to show that the consumption of Ecstasy and other drugs, such as methamphetamine, MDA, ketamine and GHB, continues to be popular with “ravers.” This popularity has also spread to far broader user groups, including youth attending clubs, private parties, high schools, colleges and universities. This is corroborated by the increased number of seizures of Ecstasy and other club drugs from youth environments. It is also supported by anecdotal evidence from drug addiction and street workers who report frequent use of these substances among the youth populations that they encounter.

## Methamphetamine

### Recent trends

Perhaps the most significant shift in illicit synthetic drug activity over the last year has been the continuing rise in methamphetamine trafficking and availability. In contrast to the Ecstasy trade, the bulk of methamphetamine available in Canada is derived from domestic clandestine laboratories.

### Trafficking Activity

Forty clandestine methamphetamine laboratories were seized across the country in 2004. The greatest number of laboratory seizures were reported in the B.C. region, followed by Alberta and Ontario, Manitoba, Quebec and Saskatchewan. Over the last several years, Alberta also has emerged as a methamphetamine hot spot and has experienced a surge in clandestine lab activity, coupled with associated rises in other crimes such as theft, assault, and break and enter. The gradual expansion of methamphetamine production from the Pacific region eastward continues to be a law enforcement concern.

There is a greater number of labs that manufacture methamphetamine in excess of 5 kg per synthesis cycle, referred to as super labs. The level of sophistication of the lab set-ups as well as the number of organized crime groups in this activity have increased.

The traditional involvement of regional independent entrepreneurs and users—popularly referred to as speeders—and, to a lesser extent, outlaw motorcycle gangs (OMGs) continues to hold true today. There is mounting evidence of independent and Asian organized crime networks and increased OMG involvement in methamphetamine production, trafficking and distribution in Western Canada and Quebec.

Approximately 95 percent of the methamphetamine sold on the main-stream illicit market originates from multi-kilogram operations. By contrast, most of the methamphetamine labs seized in Ontario over the last two years were small labs operated by individuals in rural areas in the southern part of the province.

In Quebec, methamphetamine traffickers are distinctive in that they are manufacturing and marketing most of the product in tablet form. The trend from powder methamphetamine to tablet form is consistent with the growing demand by users in the rave/club scene environments.

<b>Clandestine Methamphetamine Laboratories Seized in Canada</b>					
<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
14	24	13	25	37	40



### Consumption Trends

Increased methamphetamine trafficking and availability is reflected by a strong rise in methamphetamine use, notably in areas with the highest laboratory seizure rates.

Methamphetamine availability and use has increased in the province of Quebec. Health Canada and the RCMP jointly prepared a report on the analysis of designer drugs seized in that region between October 2002 and April 2004. The results revealed that from 356 drug samples—seized mostly from rave parties—methamphetamine was the most frequently found substance.

The B.C. Coroners Service reported that 33 people died with methamphetamine in their systems in that region in 2004. This is compared to 15 during the previous year (*The Province*, April 18, 2005).

The methamphetamine situation in Western Canada has prompted community-wide concern. In November 2004, the Western Canadian Summit on Methamphetamine took place in Vancouver, BC to assess currently available data regarding public health, production, enforcement, prevention, public policy and treatment issues associated with methamphetamine.

An important anecdotal finding from the Summit was that the prevalence of methamphetamine use is reflected in a “significant and steady expansion in hospital admissions, police contacts, and in the number of clients seeking treatment in community treatment centres.” A further finding indicates that methamphetamine use still remains relatively low in the general population but appears to be increasing among specific user groups, including street youth, gay men and youth participating in the rave and club scenes.

# Khat

## Introduction

Khat (*Catha Edulis*) is grown primarily in Ethiopia and Yemen. Users chew or infuse the leaves of the khat shrub as a stimulant. The drug is smuggled into Canada from various countries, but mainly from the United Kingdom where khat is not a prohibited substance. Under Schedule IV of the Controlled Drug and Substances Act (CDSA), Khat is designated a “controlled substance” in Canada and as such it is a criminal offence to import, export or traffic Khat.

## Recent Trends

Khat seizures declined in 2004 to 13.5 tonnes from 22 tonnes the year before. In 2004, 8.3 tonnes of the khat seized were from shipments that departed from the U.K. A further 2.3 tonnes arrived from the Netherlands. The balance was smuggled into Canada from Germany, Italy, Nigeria, Ethiopia, Kenya, and India.

Toronto Pearson International Airport was the main point of entry with 9.8 tonnes being seized, followed by Montreal Trudeau International Airport with 551 kg and Ottawa-Macdonald Cartier Airport with 351 kg.

<b><u>Khat Seized in Canada</u></b> <b>(Weights in kg)</b>						
<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
6,644	5,368	8,645	10,995	17,700	22,390	13,515

## **Canadian Sourced Drugs in Asia**

### **Introduction**

Prior to 2003, there were no significant seizures in Japan of any drug type originating in Canada. Based on overall national drug seizures in Japan for 2004, Canada now appears as a source country for a number of different illicit drugs.

### **Recent Trends**

According to Japanese authorities, in 2004, Canada was the source country for 12.5 percent (50,000 tablets) of MDMA, 11 percent (44 kg) of the methamphetamine and 10 percent (60 kg) of the marihuana seized in Japan .

This smuggling activity puts Canada second, after China, as a source country of methamphetamine for Japan. Canada also ranks third after France and the Netherlands as a source country for MDMA.

Because of the large amount of marihuana from Canada in 2004 and the fact that the couriers are Canadian and Japanese, Japanese authorities believe criminal syndicates are involved. They believe these syndicates, primarily dealing in marihuana in Canada, have established a connection with similar syndicates in Japan, and have created a supply and demand relationship.

In 2004, there were also 6 documented cases of small amounts of Canadian marihuana imported into Taiwan via commercial courier post. There is also intelligence indicating that a Canadian citizen has orchestrated a number of small shipments of methamphetamine, cocaine and MDMA from Canada to Korea, Australia and other Asian countries.

Though none of the activity detected in Asia can be considered as large scale conspiracies, Canadian authorities are cooperating with all countries concerned to stem the flow of drugs departing from Canada.

## Appendix A

### Marihuana seizures by province and territory in 2004

The following table is a breakdown of the marihuana seizures conducted in 2004 by the RCMP, Ontario Provincial Police, Sûreté du Québec, Metropolitan Toronto Police Service, Montreal City Police, Laval Police Departments and Canada Border Security Agency (Customs).<sup>7</sup>

Province		Marihuana plants	Bulk marihuana (grams)
Newfoundland		5,770	124,149
Prince Edward Island		841	8,097
Nova Scotia		3,962	316,461
New Brunswick		38,295	267,391
Quebec	RCMP - C Div.	129,327	569,357
	MCPD	40,433	531,680
	SQ	548,193	10671,700
	Laval	43,884	168,280
Ontario	RCMP - A Div.	0	1,417
	RCMP - O Div.	25,797	2204,076
	OPP	230,686	2629,600
	Toronto Metro	0	8926,980
Manitoba		3,841	758,084
Saskatchewan		5,044	762,235
Alberta		13,799	424,238
British Columbia		458,257	5347,802
Yukon		9	708
North-West Territories		165	26,457
Nunavut		0	38,654
<b>Total</b>		<b>1,548,303</b>	<b>33,777,366</b>

<sup>7</sup>Of the total 33,777,366 grams seized in Canada, approximately 1,202,758 grams are of foreign origin and were seized by CBSA at a port of entry into Canada

	1999	2000	2001	2002	2003	2004
<b>Afghanistan</b>	4,565	3,276	185	3,400	3,600	4,200
<b>Pakistan</b>	9	8	5	5	52	40
<b>Laos</b>	124	167	134	112	120	43
<b>Myanmar</b>	895	1,087	1,097	828	810	370
<b>Thailand</b>	8	6	6	9	0	0
<b>Colombia</b>	88	88	80	76	76	73
<b>Mexico</b>	43	21	71	47	84	n.a.
<b>Others*</b>	32	38	18	14	24	40
<b>TOTAL</b>	<b>5,764</b>	<b>4,691</b>	<b>1,596</b>	<b>4,491</b>	<b>4,765</b>	<b>4,850</b>
<b>Potential heroin production (In metric tonnes)</b>	<b>576</b>	<b>469</b>	<b>160</b>	<b>449</b>	<b>477</b>	<b>565</b>

Source: UNODC World Drug Report August 2005 :  
[http://www.unodc.org/pdf/WDR\\_2005/volume\\_1\\_chap1\\_opium.pdf](http://www.unodc.org/pdf/WDR_2005/volume_1_chap1_opium.pdf)

\* Others includes countries such as Russia, Ukraine, Central Asia, Caucasus region, Egypt, Peru, Viet Nam