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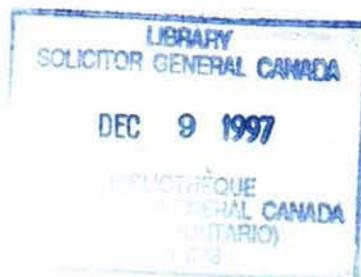
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Annual Statement on Organized Crime

The Hon. Andy Scott
Solicitor General
of Canada

House of Commons
November 27, 1997



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Mr. Speaker, I rise today to address an issue of great concern to the government of Canada and to all Canadians—organized crime. In this, the first of what will be annual statements to Parliament on organized crime, I want to give Parliamentarians and Canadians an understanding of the immense challenge we face. I also want to discuss the concrete measures this government and its partners are taking to combat organized crime.

Organized crime is big business and it is bad business. It is a national problem that threatens public safety and erodes the social well-being of Canadians.

Organized crime is also a global problem. The United Nations has recognized it as a priority for the next century and has called on its member-states to declare it public enemy number one.

Organized criminals and gangs prey on our society through a variety of destructive activities: drug trafficking, prostitution, forgery, weapons trafficking, auto theft, liquor or tobacco smuggling, and bank fraud.

The economic cost of organized crime in Canada alone is measured in the billions of dollars annually. These can be losses suffered by legitimate businesses, tax payments evaded, and high law enforcement expenditures, to name but three.

The Canadian Association of Chiefs of Police estimates the total amount of money made from illicit drug sales at \$10 billion annually. The smuggling of black market jewelry is estimated to be a \$400 million illicit business in Canada, leading to tax losses of another \$30 million. Untold illegal revenues are being made through the use of new technology colour copiers by counterfeiters.

Credit card fraud can run as high as \$80 million annually and one illegal lottery scheme alone, operated out of Canada between 1994 and 1995, may have cost elderly American victims \$100 million or more. The elderly in Canada are also at risk, and we are committed to protecting them.

But the economic impact of organized crime is only one measurement of the harm these activities inflict. Mr. Speaker, our communities pay dearly to finance organized crime kingpins.

One shipment of heroin landed successfully in Canada can lead to numerous deaths and human suffering in a city like Vancouver or Toronto. Children are hooked by schoolyard pushers. Muggings, robberies, auto-thefts and house-breakings increase as addicts scramble to finance their habits. Hard drug use drastically increases the chances of infection with HIV and other diseases. Families can suffer under domestic violence and child abuse.

Canadians are also seeing first-hand the problem of organized crime violence. In Quebec, for example, biker gangs have been tied to dozens of bombings and related violence.

Biker gangs are a very visible sign of organized crime, but other groups are buried deep, disguising themselves as legitimate enterprises or using today's technology to prey on their victims from afar.

Mr. Speaker, this government will not allow organized criminals to use their ill-gotten gains and threats of violence to intimidate our communities. Allow me to elaborate on what Canada is doing to deal with this huge crime challenge.

My Ministry has mounted a combined offensive against organized crime, working together with the departments of Justice, Revenue, Finance, Citizenship and Immigration, Foreign Affairs and others.

To increase the power and effectiveness of that offensive, we have joined forces with our provincial, territorial and international counterparts, and police forces across the country.

Mr. Speaker, this government has consulted closely with law enforcement, business and others affected by organized crime. We had a number of excellent suggestions come out of the National Forum on Organized Crime we convened last year—practical suggestions that would hit hard at organized crime. And Forum participants also recommended that the Solicitor General make an annual statement to the House of Commons to draw attention to the problem.

At that forum, Canada's police urged governments to give them the tools to do the job. And that is what we have done.

- We renewed the resources for the Anti-Smuggling Initiative. Early in the first mandate of this government, we took decisive action against organized tobacco, alcohol and firearms smuggling. We quickly and effectively curbed this smuggling, and re-established order in the marketplace. Just as important, we restored the sense of safety and security in affected border communities.
- We passed the Witness Protection Act to provide police with an effective means of protecting people who help police collect evidence against organized crime groups.
- We passed the Controlled Drugs and Substances Act, establishing a legislative base for police to conduct undercover, “reverse sting” operations.

- We passed the Criminal Law Improvement Act to provide police with the means to conduct “storefront operations”.
- We listened to police and passed tough, comprehensive anti-gang legislation. We acted on law enforcement’s call to define in our criminal law what constitutes a “criminal organization.” The law gives new powers for the police, prosecutors and the courts to deal with these newly defined criminal organizations.

The legislation also lets us seize any property used by criminal organizations and the courts can ultimately order the property forfeited.

Mr. Speaker, anti-gang legislation is being used right now. Arrests and seizures regularly make headlines. We are monitoring its implementation and I will provide a status report in next year’s statement on organized crime.

- And we are attacking organized crime through the existing proceeds of crime laws. The police have also told us that the most effective way to dismantle and disrupt criminal enterprises over the long term is to target the upper levels of criminal organizations and focus on the kingpins.

We have been able to mount a highly successful attack on the illegally obtained assets of criminals. The joint Integrated Proceeds of Crime Units, where the RCMP work together with provincial and local police, as well as customs officers and Justice Canada counsel, were so successful that we established ten more units, located across the country. In addition, Justice Canada has created a proceeds of crime prosecution team in each region to complement these expanded enforcement activities.

- And we are not finished. A key recommendation out of the organized crime forum was to continue to improve the ability of the police to investigate money laundering.

Therefore, the government will introduce legislation in this session to create new financial reporting requirements regarding suspicious transactions and the cross-border movement of currency. These measures will give the police more information on illegitimate financial activity, and put us in step with our international counterparts.

Mr. Speaker, the heart of our anti-organized crime strategy is bringing all concerned agencies together, from all involved jurisdictions, and maximizing the use of our resources, federal, provincial and municipal. Cooperation is the hallmark of our efforts.

Again, law enforcement has urged greater national coordination of efforts and policies so that organized crime faces a seamless net. We took that suggestion seriously and that is why we established a National Coordinating Committee of police and other officials, chaired by my Department, along with Regional counterparts in British Columbia, the Prairies and the Territories, Ontario, Quebec, and the Atlantic region.

As I said earlier, Mr. Speaker, the United Nations has expressed alarm at the rising threat of organized crime internationally. We recognize that global problems demand global solutions. We are working with the United States and other partners in Europe, the Americas and around the world in forums such as the United Nations, Interpol, and the Organization of American States. In early December, in Washington, I will attend the first ever meeting of G-8 Ministers on organized crime to further our work internationally.

Cooperation and information sharing only make sense when criminals can use borders to hide from police. That's why we have to work smarter and more effectively with our neighbours to the South. In September, I hosted the first ever Canada-United States Cross-Border Crime Forum here in Ottawa, attended by United States Attorney General Janet Reno.

Canadian and United States officials are working together to build on the cooperative relationship between our two countries. Ms. Reno and I believe this forum will pay great dividends in the future. Law enforcement of all jurisdictions need to be networked with each other so that criminals cannot slip through the cracks.

Mr. Speaker, as you can see from my remarks, the Canadian law enforcement community has been the cornerstone of our anti-organized crime efforts and will continue to be. I would in particular like to recognize the efforts and commitment of the police community in helping to keep the public informed about the organized crime problem, and providing us with their advice on how to address it.

In concluding this first report to Parliament on our efforts to combat organized crime in Canada, let me restate this government's commitment to provide national leadership in the fight against this menace and to keep Parliament informed of progress in this battle.

Thank you, Mr. Speaker.