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Chair

Mr. Ed Fast

Standing Committee on Justice and Human Rights

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● (0840)

[*English*]

The Chair (Mr. Ed Fast (Abbotsford, CPC)): I call this meeting to order.

This is the meeting of the Standing Committee on Justice and Human Rights. This is our 42nd meeting, and today is October 23, 2009. Pursuant to Standing Order 108(2), we're studying the state of organized crime.

To those who are here as witnesses, first of all, welcome to all of you.

You may know that we've been conducting this study since the spring of this year. We've been in Vancouver and we've heard witnesses in Ottawa, and we're looking forward to hearing the unique perspective that you bring to the table on this issue from the east coast.

Without further ado, we'll begin.

Who is speaking on behalf of the Halifax Regional Police? Chief Beazley?

Chief Frank A. Beazley (Chief of Police, Halifax Regional Police): Yes.

The Chair: Excellent. You know that each organization has 10 minutes to present and then we open the floor to questions from our members.

Thank you.

Chief Frank A. Beazley: Thank you very much.

Good morning, Mr. Chair and members of the panel.

My name is Frank Beazley, and I'm chief of the Halifax Regional Police. The Halifax regional municipality is a region of approximately 385,000 people, who represent about 42% of the population of Nova Scotia. It is home to an international seaport, an international airport, and Canada's armed forces, including the east coast navy.

Organized crime, in its many forms, is not new to HRM. We deal with organized crime groups we describe as being both structured and unstructured, involving organized drug trafficking groups, interprovincial prostitution rings, drug importation groups, and the phenomenon over the last couple of years of street gangs. At the heart of these groups is criminal activity and the profits these activities bring to their membership. Within HRM, these groups deal in most drugs: cannabis, ecstasy, cocaine, and crack cocaine, being the drugs of choice in this area.

Members of these groups have become sophisticated in their criminal operations in many ways. They utilize the latest in technology to communicate with each other, with things like throw-away cellphones, text messaging, speaking over the Internet, and social media sites. It has been very difficult for mid-sized police agencies such as the Halifax Regional Police to keep pace with the changing technology. Many of these groups hide their illicit moneys through the establishment of companies such as pizza shops, numbered companies, and owned real estate, just to name a few. Investigating these groups does require specialized training. Further, these types of investigations are usually very long in nature and very expensive.

What has alarmed the citizens of HRM has been the increasing violence that comes with these groups and the street gangs. In 2004, a report from Statistics Canada indicated that per capita, HRM was the most violent city in Canada. Crimes such as drive-by shootings and gang-related homicides have contributed to the fear of crime within our communities.

As a police agency, we've changed our approach to fighting crime, particularly violent crime. We continue to support and participate in integrated police intelligence units, proceeds of crime units, and integrated enforcement units. To address the violence at the street level, we have formed street teams of police officers who work flexible hours and carry out surveillance on known crime groups and active street members. Our teams are focused in their activities by crime analysis reports that are shared with all members of patrol and the street teams. We have instituted a monitoring program of all known offenders in the community who are presently before the courts and released on conditions. We also have community response officers assigned to our policing divisions who deal full time with crime and quality of life issues. These officers specialize in solving community problems by working with citizens' groups and government and non-government agencies.

In 2009, HRM created a public safety officer position to deal with crime and its root causes and to develop crime prevention strategies. This position was founded after a very extensive report entitled, “Violence and Public Safety in the Halifax Regional Municipality”. This report was authored to address mainly violent crime issues throughout the region.

One of the approaches the report recommended was the establishment of a tripartite forum on justice, which would bring together municipal, provincial, and federal representatives to consider violence and public safety issues and strategies to deal with them. At this time we are at the early stages of forming this committee. In 2006, a committee known as Safer and Stronger Communities was formed by the Halifax Regional Police, the Nova Scotia Department of Justice, and the Nova Scotia Department of Community Services, to address issues in high-crime neighbourhoods. We are working on expanding this committee to bring in representation from the federal government.

We are also in the second year of a program known as the youth advocate program, which is a partnership between the federal government and HRM. The purpose of this program is to work with youths who are at risk of becoming street gang members. We currently have approximately 25 young people in the program, with a waiting list for more to attend.

It is our belief that organized crime and its violent activities have to be addressed in a number of strategic ways. Focused, proactive policing is necessary, but if we concentrate on policing alone and do not address the contributing factors to crime, we will never make any significant inroads to preventing crime in the first place.

HRM's approach is to deal with these issues in a planned, deliberate approach, with partners coming from all levels of government and the community itself. Having said that, new laws that are tough on crime are welcome. I would like to see proposed bills that deal with issues such as lawful access passed. Rules around disclosure, I believe, have to be revisited as well.

Organized crime files have become so large and complicated that it is very difficult to proceed through the justice system in a reasonable timeframe. Affidavits for part VI investigations, or affidavits for information such as banking or tax information pre-charge, for proceeds-of-crime files are in the hundreds of pages.

Also, a federally funded national witness protection program would be of great assistance to the policing community. The cost of witness protection is prohibitive for many small and medium-sized police agencies.

In closing, it is my belief that to address organized crime and crime in general requires partnerships from all orders of government working together towards a common goal of achieving safe communities. I believe the federal government should take a leading role, by passing new laws, strengthening existing laws, and funding programs that will assist the provincial and municipal governments to address the many issues that contribute to crime.

I have brought with me this morning Sharon Martin from our youth advocate program. It's been a very effective program working with young people in high-crime areas. And I've brought Superintendent Don Spicer, who's now the HRM public safety officer. They're also available for questions.

Those are my opening remarks, Mr. Chair.

● (0845)

The Chair: Thank you very much.

We'll move on to Superintendent Brian Brennan of the Royal Canadian Mounted Police.

Supt Brian Brennan (Officer in Charge, Federal Policing Branch, H Division, Royal Canadian Mounted Police): Good morning, and thank you for inviting us here to speak today about organized crime and its impact on our community. I appear before you today as a superintendent in charge of the RCMP federal policing program here in Nova Scotia.

The federal policing program is focused on the highest level of organized crime, which has the most significant impact on everyone's safety. As such, significant disruptions of organized crime groups continue to be made through integrated, intelligence-led investigations and to result in a considerable impact in the reduction of crime and the enhancement of safety throughout the province. Although Atlantic Canada is not experiencing the extent of organized crime and gang activity that central and western Canada are, our large coastline, small population, and relative proximity to international borders make Atlantic Canada an attractive gateway for organized crime.

An example of this was furnished in September 2008. The RCMP interdicted a vessel in Spanish Ship Bay, Nova Scotia, containing approximately 750 kilograms of cannabis resin. It was determined that a well-known organized crime group operating within Hamilton, Ontario, was transporting the drugs from the Caribbean. This case is currently before the courts.

Using an intelligence-led integrated approach with our policing and law enforcement partners, the RCMP in Nova Scotia is focused on reducing the threat and impact of organized crime throughout the province. The impact of organized crime is reduced by the coordinated efforts of municipal, provincial, federal, and international police and by all levels of government, by the community, and by industry. In Nova Scotia, we are using this approach to share intelligence. The integrated steering committee, consisting of RCMP senior management, municipal chiefs, and criminal intelligence services in Nova Scotia, uses information gathered by the H Division criminal analysis section and CISNS to coordinate and set provincial priorities in relation to organized crime groups or individuals.

Further, the organized crime tactical assessment committee, consisting of RCMP and municipal police resources, meets bi-weekly to provide ongoing monitoring of the priorities and to identify organized crime groups as outlined by the steering committee. The provincial threat assessment, which assesses the potential threat of organized and serious crime in a province, is now an integrated process between CISNS and the RCMP H Division criminal analysis section.

Nationally, the newly created Office of the Chief Criminal Intelligence Executive is effectively aligned with the Criminal Intelligence Services Canada central bureau and the RCMP criminal intelligence and national program support and development within the policing support services of the RCMP.

Our law enforcement community has made significant progress, operating by the principle of integrated, intelligence-led policing. Examples of this include the development of the integrated provincial and national threat assessment, the Canadian law enforcement strategy to combat organized crime of the Canadian Association of Chiefs of Police, the development and implementation of the CISC Sentinel strategic early warning methodology, watch lists and assessments, and the creation of the Council on Public Safety, renamed as the Canadian Integrated Response to Organized Crime, commonly referred to as CIROC.

The OCCIE has been structured to ensure that the independent yet complementary mandates of CISC and RCMP criminal intelligence are respected, while at the same time deriving significant benefit by having a common program support and development component. Thus, the new organizational structure of the OCCIE will ensure that despite the fact of limited budgets and resources, the alignment of a common service will permit the dedication of maximum resources and funding to critical projects, such as the development of the new Canadian criminal intelligence information system, the Canadian intelligence model, and ongoing enhancement of key intelligence products and services. This includes the integrated threat assessments, Sentinel strategic early warning assessments, and targeted organized crime group and criminal market assessments.

The OCCIE creates a truly aligned criminal intelligence community at all levels of policing across Canada, thereby making maximum use of limited human, material, and financial resources. These are all aimed at ensuring that our municipal, provincial, and federal law enforcement agencies are equipped with the best and most timely intelligence possible to ensure safety in all regions of Canada. The realization of this vision will be recognized as a global best practice in integrated, intelligence-led policing.

● (0850)

In the fight against organized crime and serious crime in Canada, the criminal intelligence community relies heavily on computer systems to collect, collate, analyze, and disseminate criminal information or intelligence. One of the key responsibilities of CISC, leveraging the resources of the RCMP chief information officer sector, is the ongoing support of the automated criminal intelligence information system, known as ACIIS. ACIIS is the Canadian law enforcement community's national database for criminal information and intelligence on organized and serious crime, the only such repository in Canada.

Through ACIIS, law enforcement agencies at all levels collaborate in the collection, analysis, and sharing of criminal intelligence across the country. The information contained in ACIIS is used to support national law enforcement efforts to reduce harm caused by organized crime. The volume of intelligence information that the criminal intelligence community needs to manage has grown significantly as a result of Internet usage and of multi-media digital technologies such as voice, image, and video. As well, the evolution of organized crime requires that law enforcement agencies have more sophisticated automated systems to support the collection, analysis, and sharing of criminal intelligence information.

CSIS and the RCMP have been assessing the current information management technology needs of the criminal intelligence community and creating a vision for the future of ACIIS. The availability of new technologies can significantly increase the efficiency and effectiveness of analysts, investigators, and intelligence officers. Under the sponsorship of CSIS and the RCMP, five workshops have been held with respect to the development of a new national criminal intelligence system to facilitate the sharing of intelligence.

From these workshops a new vision of ACIIS was formulated, along with a set of expected outcomes. The new ACIIS will be an integrated set of applications or tools utilizing a single, shared national databank. It will operate on a desktop computer for use by all intelligence services across Canada.

There is an urgent need to replace the ACIIS with a modern system capable of meeting the business and technological demands of the criminal intelligence community in Canada. A business case for the development of the next-generation national criminal intelligence information system was forwarded to members of the ACIIS governance and CISC supervisory groups on July 23, 2009. The business case has been developed by Fujitsu Consulting in collaboration with representatives of CSIS' central bureau and CSIS' partner agencies, including the RCMP.

To give an overview of the Atlantic region, organized crime is growing increasingly complex and is consequently creating very time-consuming and resource-demanding investigations. New trends in technology, such as smartphones, pay-as-you-go services, and devices with password protection and encryption, create a challenge for law enforcement. If a suspect is in possession of a phone that contains valuable voice or text data but the password is protected, legally there is no requirement for the suspect to provide law enforcement with the password. Further, with one phone call to a service provider or by entering a series of numbers, the suspect can easily wipe the device of all information.

Our current interception laws and regulations have not kept pace with changing technologies. More than 75% of part VI applications are now cellphone-based. Every intercept is proving that text messaging is becoming a primary source of communication. However, law enforcement cannot confirm the author of a text message, creating an additional barrier in completing timely investigations. Because of disposable phones and number portability, the costs associated with intercepts are drastically increasing. An example is that when a part VI application is made, telephone numbers and service providers are given as part of the application. If a target ports the number to a different service provider or changes devices, a new part VI application must be made. This is proving to be time-consuming for law enforcement. There is nothing compelling the original service provider to notify law enforcement if a number is ported to another service provider, and there is no single database coordinating number portability.

Legislative changes are required to bring our processes more in line with the new technologies, and consequently technological resources are required to keep pace with the growing list of tools utilized by organized crime. The private member's bill, Bill C-47, would enable telecommunication service providers to make legal access available to Canadian law enforcement and criminal intelligence services.

Although modern technology is posing many challenges for law enforcement, the RCMP has a dedicated Atlantic region tech crime unit focused on searching, seizing, and analyzing digital evidence from computers, cellphones, and electronic devices. This unit must constantly stay one step ahead of new technologies. This is often achieved by partnering with private industry experts. Recently the unit partnered with the University of New Brunswick to eliminate malicious botnets. A botnet is a new technology that allows a large network of computers to be controlled from a single source. There have been instances where organized crime has used these networks to extort money from website owners from around the world. Although there have been no websites in Atlantic Canada attacked by botnets that we are aware of, there have been many examples of computers here being controlled by botnets and used as part of an attack. This partnership is looking at new ways to eliminate network attacks.

● (0855)

Modern technology has enabled organized crime to rapidly expand their illegal drug trade network, which continues to be the driving force fuelling organized crime within the Atlantic region. Of the 109 organized crime groups profiled in provincial threat assessments prepared by the criminal intelligence service for each Atlantic province, 99 are involved in the illicit drug trade, and in Nova Scotia organized crime accounts for 90% of the drug trade. Most organized crime groups traffic in a variety of commodities, the most common in Nova Scotia being marijuana, cocaine, crack, ecstasy, prescription pills, and contraband tobacco.

We know that Quebec, Ontario, and British Columbia are the primary source provinces within Canada. Further, hash and hash oil are often imported from Peru, Colombia, and the Middle East.

Due to the vast coastline of our province, illicit drugs and contraband cigarettes come through our ports as a gateway to reach other provinces. A recent example of a significant seizure at our ports was in conjunction with the Canada Border Services Agency. Together, CBSA and the RCMP national ports enforcement team discovered and seized approximately 28 kilograms of heroin from within a container of boxes of towels destined to an address in Toronto. It is believed to be the largest heroin seizure in Atlantic Canadian history. It led to a coordinated investigation that culminated in the arrest of four individuals from the greater Toronto area. This was a very significant seizure of heroin, as heroin seizures are almost unheard of within the Atlantic region.

A recent trend we are experiencing within the Atlantic region is the trafficking of substances that were believed to be MDMA—commonly known as ecstasy—that actually contained only a small amount of MDMA. Ecstasy is growing rapidly in popularity amongst teens and university-age students. Organized crime markets this product to youth by creating a brightly coloured tablet with popular logos and brand names stamped into the tablets to attract a younger generation and to differentiate various organized crime groups. Traffickers within Nova Scotia purchase ecstasy, or a substance sold as ecstasy, from larger organized crime groups within central and western Canada.

In 2007 a sample of tablets from seizures was analyzed, and it was determined that only one in four tablets were pure ecstasy.

● (0900)

The Chair: Superintendent, you're well past your 10 minutes. You're actually at 13 minutes, so could you just wind up? We do have copies of your remarks, so they will form part of the public record anyway.

Supt Brian Brennan: Enforcement alone is not enough to reduce the effects of organized crime. Law enforcement needs to broaden its focus in seeking modern ways to educate our communities on the everyday impacts of organized crime, from faulty counterfeit goods affecting public health and safety, to drug-related street violence, to higher insurance premiums or auto insurance from vehicle thefts and falsified claims. Organized crime reaches into every facet of our lives and is entrenched in our communities.

Government, industry, and community leaders need to become acutely aware that when citizens purchase illegal cigarettes from a local distributor or buy a counterfeit purse from a convenience store, it links back to funding large organized crime groups. Law enforcement agencies need to partner with government, private industry, and community groups to deliver the scope and impact of organized crime in our communities. In communicating what measures we are taking to increase safety, thereby raising awareness, we are helping to protect citizens from becoming potential victims.

Thank you, Mr. Chair, members of the committee, for allowing me to present to you this morning.

The Chair: Thank you.

We'll go to Mr. David Aggett, representing the Canada Border Services Agency.

Mr. David Aggett (Director, Enforcement and Intelligence, Canada Border Services Agency): Mr. Chairman and honourable members of the committee, thank you very much for inviting Canada Border Services Agency to participate in today's hearing.

The Atlantic region of the Canada Border Services Agency is responsible for securing Atlantic Canada's borders at our ports of entry, which consist of 18 land border crossings, 26 airports, 11 commercial vessel reporting stations, three ferry terminals, and seven cruise ship offices.

Of the 750 CBSA employees in the region, 430 of those are Border Services officers. Each year, nearly 500,000 air passengers, over 650,000 shipping containers, over three million passenger vehicles, and nearly 250,000 commercial trucks arrive in Atlantic Canada through our ports. Of these, CBSA conducts nearly 300,000 examinations each year. On average, CBSA in the Atlantic region takes nearly 8,000 enforcement actions each year.

In the Atlantic region in the last 20 years, CBSA has seized something in the order of $3.2 billion worth of drugs; in the last 18 months alone, somewhere in the order of $176 million worth of drugs. The majority of these drug seizures in the past two years have involved hashish from Asia and Africa and cocaine from South America. Other drugs seized to a lesser degree include heroin, hash oil, and marijuana.

Although the majority of drug shipments transit through Halifax en route to larger centres such as Montreal or Toronto, intelligence indicates that there are organized groups in the Halifax area that assist in facilitating the movement of container shipments of drugs for organized crime in larger centres. One of CBSA's challenges in identifying suspect containers is the use of legitimate companies by organized crime to conceal their drug shipments.

In the Atlantic region, we continue to have success in identifying shipments of stolen vehicles. In 2008, the Canada Border Services Agency and the RCMP ran a six-month project in Halifax and Montreal resulting in the seizure of 258 stolen vehicles.

The enforcement mandate of the Canada Border Services Agency is delivered through the efforts of four different groups of officers. The vast majority of our officers who work at our ports of entry, managed through a network of four district offices, through the four Atlantic provinces, each with a district director, are the Border Services officers. That is the face of CBSA. When you come back from your Christmas shopping across the border and you encounter a uniformed officer, those are Border Services officers. These officers who do all the inspections of arriving goods, conveyances, and people at our ports are the front-line protection of our borders.

Complementing the port staff are three other groups of officers, all reporting to the regional enforcement and intelligence division, which is my division. Within the enforcement and intelligence division are three sections: criminal investigations, inland enforcement, and intelligence. In addition to the core unit in Halifax, each of these functions is also located in offices in St. John's, Newfoundland, in Saint John, Fredericton, and in Moncton, New Brunswick.

Our criminal investigators are responsible, simplistically speaking, for investigating for the purposes of prosecuting activities that result in goods or people circumventing our controls at the border. In the Atlantic region, our investigators are prosecuting for a number of offences, including handgun and firearms smuggling, child pornography, and currency violations. Our CBSA investigators conduct criminal investigations into suspected cases of evasion or fraud with respect to over 80 federal acts that relate to border legislation.

Our inland enforcement officers locate and remove foreign nationals who enter Canada illegally, or individuals, including permanent residents, whose admissibility status changes after they have entered Canada. Over 50% of the people removed from the Atlantic region have been deemed inadmissible because they've been involved in criminal activity somewhere in Canada or overseas. A recent case involved a group of Irish travellers working and travelling illegally across Canada.

Finally, our intelligence officers and analysts are responsible for anticipating illegal activity that has not yet occurred and for providing actionable intelligence to all program areas so that our interdiction efforts are more effective and our officers' safety is protected. Many of the indicators used by BSOs, the Border Services officers, to identify suspicious behaviour were developed within the intelligence program. More directly related to your deliberations here today is the fact that our intelligence program is most frequently and directly involved in gathering analysis and sharing of information related to organized crime.

● (0905)

As you know, within the federal family the Royal Canadian Mounted Police are responsible for coordinating efforts toward curbing organized crime and investigating offences committed by organized criminals. CBSA's responsibility for our borders places us in direct contact with the cross-border components of organized criminal activity. The CBSA is ideally positioned to provide intelligence support on organized criminal activities having a border nexus to our law enforcement partners. Consequently, the CBSA, in the day-to-day execution of its duties, encounters people and information that are of value to not only our specific mandate but to others in our fight against organized crime.

It has long been recognized that the timely and full sharing of information and intelligence among law enforcement agencies is essential to our gaining insights into criminal organizations and their operations. For this reason, CBSA has historically been an active participant in the myriad of standing and ad hoc initiatives aimed at addressing threats presented by organized crime. I would like at this time to provide a brief outline of our involvement with partner agencies in these initiatives.

CBSA presently has intelligence officers embedded within the national port enforcement team based in Halifax. This unit consists of members of the RCMP, CBSA, and Halifax Regional Police. It is responsible for investigating organized crime and national security issues at marine ports. We also have an intelligence officer embedded in the integrated border enforcement team based in Woodstock, New Brunswick. We also participate in the IBET in Yarmouth, Nova Scotia. These teams are composed of members of the RCMP, CBSA, U.S. Coast Guard, U.S. Customs and Border Protection, and U.S. Immigration and Customs Enforcement.

CBSA also has intelligence officers embedded within integrated intelligence units located in Saint John, Moncton, and Fredericton, New Brunswick, and we participate in units in Bathurst and Edmundston, New Brunswick. These units consist of members of the RCMP, CBSA, and local police forces.

CBSA has been an active member of the Atlantic provincial bureau of the Criminal Intelligence Service of Canada for nearly two decades. CBSA staff currently hold chair positions on the executive committees of the CIS in Nova Scotia and New Brunswick.

Finally, CBSA has several intelligence officers and analysts embedded in the Maritime Security Operations Centre located at CFB Halifax. This unit is a sister to the MSOC in British Columbia and consists of members from the RCMP, Department of National Defence, Transport Canada, Fisheries and Oceans, the Canadian Coast Guard, and CBSA. Most recently you will have heard about the MSOC in British Columbia being involved with the vessel arriving with the Sri Lankans.

I would be very happy to answer any questions.

Thank you very much.

The Chair: Thank you as well.

We'll open the floor to questions, beginning with Ms. Jennings. She's here representing the Liberal Party of Canada.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Thank you, Mr. Chair.

Thank you all for being here and for responding at such short notice to the invitation from the committee through our chair.

We had hearings in Montreal yesterday. There have been hearings in other parts of Canada. I did not participate in those because I was not on the justice committee at that point. But a common theme is coming through that in this 21st century, third millennium, there are real technological challenges, and legislation needs to be updated.

Superintendent Brennan, you mentioned lawful access, for instance. We've also heard about the disclosure rules, and how the way the system operates now creates a real burden, once charges have actually been laid, in managing all of that disclosure.

● (0910)

[*Translation*]

In French, we say “divulgation de la preuve“.

[*English*]

Disclosure laws can make the actual criminal trial process very lengthy and very burdensome.

The government has in fact tabled legislation on this issue, the Modernization of Investigative Techniques Act, which I and my party are very pleased about. When we were in government, we tabled that legislation, but it did not have an opportunity to be adopted, so we're very grateful and happy that the government of the day has finally tabled it. I'm assuming that all of you who are involved in law enforcement see it as a positive development and as something that will help you.

On the disclosure rules, we had a suggestion yesterday from the Quebec bar association, which is the equivalent of your law societies, that the government may wish to amend the Criminal Code and the procedures to allow for a judge to be assigned even before a trial begins. It would be from the time that someone is actually charged with a criminal act that relates to gangsterism or organized crime. The judge would manage and render decisions as to disclosure. That would speed up the process so that when a trial actually began, most of the rulings would already have been made. I'd like to hear if you've heard of that as an idea and, if you have, what your thoughts are.

I have two other questions. With regard to the modernization of ACIIS, you said that the business case was presented or was finalized July 23, 2009. Do you have an idea of how much that would cost and how long it would take to actually implement, if the moneys were forthcoming?

Finally, in relation to the youth advocate program Chief Beazley talked about, I'd like to know about the funding. What is the budget and where are the sources of funding? It sounds as though it's working well, even though it's fairly recent. Are there similar programs elsewhere in Canada that you're aware of?

I'll let the chair decide who starts.

The Chair: Chief, why don't you start?

Chief Frank A. Beazley: Okay. In relation to disclosure, I think it's a good idea. I've heard about this before. I've attended meetings at which it's been discussed. A judge would be appointed to deal with all the technical issues and all the arguments and whether proper disclosure has been made. If there were any points of law, the judge could deal with them and render decisions on them. If we had something like that, I think it certainly would speed up the process, because once we're in the court, we're dealing with the evidence and the facts. I believe we'd be supportive of something like that.

I can't discuss ACIIS or costs. I'm not aware of those. Maybe if Sharon doesn't mind and if it's okay with the chair, Sharon could talk a bit about her program and funding arrangements.

Ms. Sharon Martin (Coordinator, Youth Advocate program, Halifax Regional Police Drug Unit): With respect to the funding, it's a cost-shared program, so 50% of the funding comes from the federal government and the rest of the funding comes from HRM. It's a $4 million project over four years, and half of that comes from the municipality and our partners. It comes in the form of value-in-kind contributions, staff time, resources, and that sort of thing from our various partners supporting the program.

In terms of other programs, I know there are other federally funded programs across the country. I think there are 19, but they are all very different in terms of the communities in which they're operating. Our program is unique to Halifax's culture and traditions, and the program is designed for that, but I know there's some stuff going on in every province.

● (0915)

Hon. Marlene Jennings: Do you know which federal program is providing that 50% share?

Ms. Sharon Martin: It's the national crime prevention fund.

Hon. Marlene Jennings: Thank you.

Supt Brian Brennan: Is there still some time?

Hon. Marlene Jennings: Would you like to comment, Superintendent Brennan?

Supt Brian Brennan: In terms of your question in regard to having a judge specifically for disclosure, I think all law enforcement agencies would be very supportive of that idea. Although disclosure takes place after the main part of the investigation, front-line policing resources are tied up to move through it. If a judge were to sit specifically for disclosure and expedite that process, it would mean more front-line officers would be available to go back to take on other investigations and those types of things, so there would definitely be a benefit.

In terms of the cost of the new ACIIS and the timeline, unfortunately I don't have that information available to me today, but I can make it available to the committee. The other question was answered by Halifax Regional Police.

Hon. Marlene Jennings: I'm fine.

The Chair: We'll move on to Monsieur Ménard. You have seven minutes.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Good morning.

I too thank you for the speed with which you responded to our invitation.

Once again, I must tell you that I would like to be able to spend a week with you in order to have a truly adequate understanding of the problems of organized crime. We are however forced to limit ourselves. I would ask that you provide short answers, if possible, in order to be able to touch on as many issues as possible.

Coming from large cities, we know that organized crime at present essentially involves the Hells Angels, the mafia and street gangs.

Is it the same in the regions? Could you provide us with an order of magnitude? Do the Hells Angels or the mafia indeed have ramifications in the regions?

[*English*]

Chief Frank A. Beazley: In the Halifax regional municipality, for over 20 years we did have a chapter of the Hells Angels. I believe it finally closed down around 2000 or 2001. After numerous investigations over a period of years, the chapter folded. There are still remnants of motorcycle gang activity. There are influences from Quebec. There are influences from Toronto. To my knowledge, there's only one patch-wearing member of the Hells Angels in Nova Scotia, but he has a network that he facilitates or influences in their criminal activity.

We've always historically had local people connected to gangs, such as the West End Gang in Montreal and the Italian-based organized crime throughout Ontario and Montreal, but most of our connections, in my time working intelligence over the years, were from those main groups that we would find ourselves dealing with and those were the main provinces. They had a considerable amount of influence on the criminal activity and the local people who are involved in organized crime.

The street gang is a phenomenon that really started to show its face around 2004 in the HRM. It started with ethnic groups, mainly young people who were doing robberies and swarmings, but their crimes were so bold and in daylight that it put a great deal of fear within the community around these groups.

Today we have approximately four major street gangs. One of them is interprovincial. It influences drugs and the movement of women for prostitution into Ontario. There are tentacles of that one particular group as far west as Calgary. The others are drug gangs. We've seen a lot of shootings. We've seized about 105 firearms off the streets of Halifax in my jurisdiction since January 1. We've had over 500 weapons-type calls since January 1.

It's mainly about control. It's about trying to get control of drug trafficking in certain areas of the city, and other types of reasons. Some of it is ethnic and some of it is just Caucasian, white, gangs that are fighting for control of their territory.

● (0920)

[*Translation*]

Mr. Serge Ménard: First of all, do you have here a problem with organized crime involving legal businesses, for example in construction, where people seek to launder money from the drug trade?

Secondly, in this same area, are there players who seek to discourage honest business people from tendering submissions and winning contracts for their company?

This is quite an important phenomenon in the Montreal area, and I was wondering if it had spread as far as here.

[*English*]

Supt Brian Brennan: To date we don't have any investigations in the Atlantic region specific to the example posed in your question.

Our challenge here in the Atlantic region is dealing with what we normally refer to as traditional organized crime from other parts of the country, because they're using our coastline and our international ports as a gateway to move commodity in. The majority of those traditional crime groups' activities, in terms of money laundering, getting involved with corporations or businesses and that type of thing, tend to take place where they're physically located, central Canada, etc. We're not seeing that same phenomenon here.

[*Translation*]

Mr. Serge Ménard: Unless I am mistaken, street gangs are also one of the major problems, here as elsewhere, and you sit on committees with community representatives as you seek ways to prevent young people from joining street gangs. I see that you are nodding yes.

How do you go about doing this here? Do you sit only on committees with representatives from ethnic communities? When I was studying in Halifax, in the Navy, I knew that there was indeed a very poor community in a certain area. Or else do you simply meet with the social leaders of these communities? Do you in fact have agents, as it is the case in Montreal, who walk up and down the street trying to establish a relationship with young people in order to intervene before they gravitate to street gangs?

[*English*]

Chief Frank A. Beazley: This one will take a little more time. I hope you don't mind.

The Halifax regional municipality, unfortunately, has a number of distinct areas throughout its community that would be considered communities at risk. We have a number of public housing initiatives—I believe seven—throughout the region. There's also what they call “affordable housing” areas, and certain blocks in the region have a large number of those. There are areas where there's long-time poverty, race, literacy, and schooling problems.

Several years ago there was a figure floating around HRM that in the African Nova Scotian community the average grade level was grade 9. When you have people who have been isolated and put into these public housing units dealing with all the things that most of us don't deal with every day, you also eventually start to get crime. People are naturally going to want the same things that everybody else has.

In 2004, as I said in my opening remarks, we were called the most violent city per capita in Canada by Statistics Canada. We changed our approach to policing in HRM at that time—a fairly dramatic approach. I met with who I thought at the time were the key ministers of the provincial government with whom I wanted to create partnerships. They included Justice, African Nova Scotian Affairs, community development, and the community resources ministry. They have a great deal of influence in the areas I was talking about.

We did an analysis of crime in HRM. The crime is not like in most cities; it's not everywhere. There are pockets of crime. People call them “hot spot” policing, but there are areas within the region that have a very high ratio of crime. We have found in our studies that 56% of all street robberies, for example, were being committed by African Nova Scotian youth.

Another thing that was shocking in our studies was that in our provincial detention centre for young offenders, over 30% of the population was African Nova Scotian youth, and 12% of the federal population is African Nova Scotian young adults. We talk a lot about youth, but young adults are very heavily involved. When I say “young adults”, that's between 15 and 27 years of age. Again, there is a very high population of African Nova Scotians.

Our strategy had to change. The first thing we did was create a committee called Safer and Stronger Communities, made up of Justice and Community Services. They supplied me with offices in the high-crime neighbourhoods, and I moved police staff into the highest-crime neighbourhoods. We would meet regularly and talk about the issues within housing.

Some of these communities were so violent we couldn't even get the Salvation Army to come in. We couldn't get other social services to come in. Taxi drivers in the city would drop people off with their groceries two blocks away from these areas and make these women with their kids walk in with their groceries. It was getting that bad at that point in time.

We did move in. We created a partnership with the provincial government, and we worked very closely with them. We're expanding that partnership with them today. Of the seven public housing areas in this region today, I now have six offices in six of the regions. I put what I call community response officers in those offices, and their jobs are not only to do policing; they do policing, but they're working with all the social agencies, education, the schools. We're holding regular meetings with housing, health, and education. We're working toward taking these children and trying to turn them another way, or at least giving them an opportunity.

For instance, in one unit we were in, we put in $200,000 and cleaned up the community. People ask me if it works. In the beginning they had 75 vacant houses within this one particular community. Today there's a waiting list to get in there. We've dropped crime in some areas of the city by 60-odd percent.

● (0925)

The Chair: Chief, could you perhaps wind it up, please?

Chief Frank A. Beazley: Okay.

We've also added beats in the higher-crime areas. We now have foot patrols throughout the city in the higher-crime areas. Where we're going through the public safety officer is to continue to expand our partnerships, try to get a federal component into our partnerships, and we believe it is working.

[*Translation*]

Mr. Serge Ménard: If I could make a suggestion...

If they had something on paper regarding these programs, I would ask that they provide it to us.

[*English*]

The Chair: I was just going to say that there are some issues that do require a longer response, and unfortunately the question was asked just before the time was up. I do want to allow enough leeway to actually get answers out that are going to be helpful to our deliberations, so that's why sometimes we'll allow these answers to go on for a while. I'm going to use my discretion. I want to be fair to everybody.

Chief, if you could provide us with a written summary on the issue you've just addressed, it would be very helpful.

[*Translation*]

Mr. Serge Ménard: Thank you very much.

[*English*]

The Chair: Okay. We're going to move to Mr. Comartin—for seven minutes, I hope.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Thank you, Mr. Chair.

Thank you all for being here. It was really interesting. I'm from Windsor, Ontario, right across the river, less than a kilometre, from what was the murder capital of the United States for a good number of years. We had a good deal of spillover from that, and when it got particularly bad, in the 1980s, our chief did exactly the same thing you've done in moving units into some of the high-crime areas. It's been extremely successful. It's kind of ironic: the front page of our newspaper this week had one of the ones who was right in the core area of the city talking about the significant success they've had along the same lines as what you've described. I'm just giving you that to encourage you to keep doing it, because it does work. We've been working on it for about 20 or 25 years now.

With regard to the structure here—Superintendent Brennan, you may be able to help with this—is there any indication of a connection with any of the U.S. gangs, all the way down, I guess, as far as Boston? Is there any international connection you've been able to identify?

● (0930)

Supt Brian Brennan: Not specifically to identify gangs from the United States. We have had organized crime files that have reached into the states to individuals, but not specifically to any identified gang.

Mr. Joe Comartin: Okay. We saw this when we were in Vancouver. We know, from evidence we've taken in front of the committee and other things, that they've done it in Alberta. I know they do it in Ontario, and we heard yesterday they do it in Quebec. Quebec, in particular, was quite insistent about the need for special prosecutors assigned specifically to fight organized crime, to prosecute those files, because of the added expertise and experience that's required.

Is there a special prosecutor in the Atlantic region?

Supt Brian Brennan: Not specifically, as there is in other jurisdictions. The federal Department of Justice provides the prosecutors, but from within that they provide us with experts or experienced prosecutors in that area. I would say that special prosecutors are needed in terms of the large, complex investigations, just as the police need specialized subject matter experts and well-trained members to carry on those investigations. So to continue that expertise, it should flow into the judicial system as well.

Mr. Joe Comartin: Chief, I don't know if you know, but is it being contemplated? I guess what we've seen elsewhere is that you get to a certain stage where organized crime has infiltrated into society to the degree where you have so many files that you're at the stage where you need to move additional expertise into play. Is that being contemplated even at this point for the region?

Chief Frank A. Beazley: I don't believe so—

Mr. Joe Comartin: I'm sorry, Chief, can I interrupt you? I'm anticipating one of the problems might be that you almost have to do this province by province. I may be wrong on this, but I'm assuming the prosecutors don't move across provincial lines here, so you'd have to have several of them if you were going to do it. But it's not being contemplated at this point as far as you know?

Chief Frank A. Beazley: There was an initiative. There was a local prosecutor who was trained specifically to deal with outlaw motorcycle gangs a number of years ago. But he's moved on and is now a judge, and I haven't seen anything new, though as my colleague says, they will assign to very difficult investigations—the local crown prosecutors will give us a prosecutor to work with us.

Mr. Joe Comartin: It will be on that specific....

Chief Frank A. Beazley: It will be on that specific case.

Mr. Joe Comartin: Just going back to the interconnection here, I'm going to ask about the heroin seizure.

You left us with the impression, both in your notes and in what you said verbally, that it was Ontario based. They were the ones who were charged. Was there any connection in terms of a small local gang being involved in helping the passage through? Was there any identification?

Mr. David Aggett: I don't want to speak specifically about that particular case because some of this is before the courts.

Mr. Joe Comartin: I understand.

Mr. David Aggett: However, we commonly see connections between local small groups and these large shipments. They're acting as consultants, for example, because they know the local area, or they aid in logistics for some of these other organizations.

Mr. Joe Comartin: Mr. Aggett, in terms of that—and this may almost sound dumb—what's the financial relationship? Have you been able to identify that, not specifically in that case, but generally?

Mr. David Aggett: Superintendent Brennan would be better able to answer that. We deal with the border and the courts. They deal with the organizations and the interrelationships.

Supt Brian Brennan: The organized crime groups that use areas such as the ports or the coastline are, for lack of a better term, paying somebody to either expedite the drug or the contraband through the port or—

● (0935)

Mr. Joe Comartin: I think I'm going to run out of time, so let me just ask you to address this specifically. Do they get paid in drugs, in cash, or in guns? Do you know how, or does it vary?

Supt Brian Brennan: It varies, but commonly it's a payment of money.

Mr. Joe Comartin: It's money.

Mr. David Aggett: I can add a little bit to that. We're beginning to see a number of different commodities as currency. We're seeing marijuana from Canada being traded for cocaine in the States or traded for firearms that come into Canada. We're seeing pills, OxyContin and these kinds of things, going to the States and then cash coming back from the States or weapons coming back from the States. We're starting to see those kinds of things, which also touches on your earlier question about connections between these organizations across the border. I think it's evolving. It's likely to come, but right now we're just seeing the commodities move between separate organizations in the two countries.

The Chair: Thank you.

We'll move on to Mr. Moore for seven minutes.

Mr. Rob Moore (Fundy Royal, CPC): Thank you, Mr. Chair, and thank you to all of you for being here.

I have a couple of things. Chief Beazley, you appeared before our committee on Bill C-14, which dealt with organized crime. It was a bill that our government brought forward. I'm sure you're all aware that the bill has passed into law. We have several other initiatives now.

It dealt with drive-by shootings, reckless discharge of a firearm in a public place, and the use of firearms for intimidation by criminals. It was targeted at organized gang violence, street-level gang violence—some of the typical scenarios we're hearing about in some large centres in Canada. You mentioned them in your remarks, even with regard to Halifax.

At the time, you mentioned the need for us to improve the intercept tools police have because of the complexity of criminal investigations. I know that our Minister of Justice has been asked whether we are trying to get ahead of the criminals, and he says, no, we're just trying to catch up to where they are when it comes to technology.

You were there in April. Then in June of this year, we introduced two pieces of legislation. One deals with investigative powers for the 21st century. That's Bill C-46. The other is Bill C-47, technical assistance for law enforcement in the 21st century. Without going into all the details of both bills, they deal with the interception capabilities of police when dealing with organized crime.

I'd like, maybe, Chief, or Superintendent Brennan, your comments on where you think things are going next. Do you think it's important that we constantly be monitoring these things to try to at least keep up if not get ahead of where these guys are, because technology seems to be changing so quickly?

What are some of the limitations you see in your ability when it comes specifically to organized crime? That's what we're studying today. What are some of the techniques you see them using that are causing you difficulty?

Supt Brian Brennan: To answer your question, generally, yes, we need to be in parallel with organized crime or ahead of the curve in terms of technology.

The problem for law enforcement is that the process we have to go through to get the court's authorization to actually intercept the technology is a long process. Organized crime is moving very rapidly; they're changing technology quickly, and, as I said in my opening comments, they're changing phones, etc. If an organized crime group changes all of its phones in one day, it takes us weeks and weeks to rewrite the part VI application to catch up. We need to look at simple things like maybe adding amendments to our original part VI application to do that.

I think it's important that we partner and have the ability to partner with private industry so that they share the new technologies coming out, and for us to examine it so we can say in terms of that new piece of equipment, here's what we need to do so we're one step ahead of the criminals. It's very important for law enforcement to be ahead of the curve.

● (0940)

Mr. Rob Moore: We're travelling across the country. We did go to Vancouver. We were in Montreal yesterday. Part of the reason we're not meeting in one spot but hearing from people across the country is to get a bit of a unique perspective from one area of the country or another.

Is there anything you feel is unique to Nova Scotia, to Halifax, or maybe to communities situated in a port environment, that creates any special challenges? Again, Superintendent, or Chief, or any of you on the panel, are there any unique challenges for communities situated at ports?

Chief Frank A. Beazley: I'm not sure there's anything unique. As Superintendent Brennan was saying, the technology changes so quickly that trying to intercept it is a huge issue for us. We're really just trying to keep pace still. If you take a smaller department like mine of fewer than 1,000 people, every time the technology changes and the criminals get into PIN messaging, Twitter, and text messaging, you find that although you've just put $500,000 or $600,000 into an intercept system, within months you have to upgrade it. For a municipal department, that's difficult to do when you're trying to keep ahead.

In one of our recent investigations, they were throwing phones away almost daily, and to replace them and get back up again is about $800. Every time these guys just throw a card or a phone away, or change their technology on a daily or weekly basis, you're always chasing. Then, of course, as the superintendent was saying, you're back into affidavit writing. These affidavits, as I'm sure you've heard, go into the thousands of pages in some cases.

What the Canadian chiefs have asked for is that when these companies create the latest technology to communicate with, they should also have to put a fix in place to help law enforcement continue to do their job. They need to be good corporate partners. These are the types of things we've been talking about over the last couple of years in the policing community: work with us, have industry work with us, so that we can have access to information that's ground down, the stuff that was in the two bills you talked about and getting those types of things passed to help us. It's not a case of making it overly easy for us to do our job, but of getting us back to a level playing field, so we can at least get in there and keep pace with some of these people whom we're dealing with.

Mr. Rob Moore: That's definitely the goal of the legislation, to provide that capability.

Am I out of time, Chair?

The Chair: You are.

We'll move on to Ms. Jennings again, for five minutes.

Hon. Marlene Jennings: Thank you for the reminder!

The Chair: I'll keep reminding you.

Hon. Marlene Jennings: I appreciate that, Chair.

The Chair: There's a story there, eh?

Hon. Marlene Jennings: There is a story there, and I have the transcript.

Coming back to the issue of the legislation on lawful access, the Modernization of Investigative Techniques Act is all very well and good because once it's adopted it will alleviate some of the challenges all of our law enforcement people have been facing in criminal intelligence investigations and being able to gain access to information, etc.

However, what I'm also hearing is that there's a financial challenge with being able to keep pace with the new technologies, to actually have the finances to upgrade on an ongoing basis. I remember when computers first came out.

Mr. Joe Comartin: That long?

Hon. Marlene Jennings: Yes, you're right. I look extraordinarily young for my age, don't I?

Voices: Oh, oh!

Hon. Marlene Jennings: I'm actually 110 years old.

When personal computers first came out, they were literally usable for 10 years. It's only been in the last 10 years that we've seen this major leap in the rapidity of new innovations, etc.

So do you believe the federal government has a role to play in providing some kind of funding on an ongoing, stable basis that law enforcement, whether it's the border agency or the regional and municipal police forces, could access in order to be able to know that every two years, if they need to upgrade their system because there's some new technology that's come out and their systems are suddenly obsolete, they can do so? That's the first thing.

Secondly, given all of these new technological changes, do you believe there's a role for the federal government in helping to bring all of the different actors together, including the private sector that innovates all of this, so that there's an ongoing dialogue whereby if you in criminal intelligence see new activities involving technologies being used in ways not seen before, you can automatically push that up to this task force or advisory group and they could begin looking at what needs to be changed to make sure it doesn't create a blockage for you?

Is that clear?

● (0945)

Supt Brian Brennan: Absolutely. As I mentioned in my opening comments, it's not just a matter for law enforcement, but for governments at all levels. We need to have representation there to understand the complexities of technology.

On your question about funding, I would say that we would best leave that to the government to decide how much to go with.

The other thing with technology is that we need to remember that it's not just the technology; it's also a case of the subject matter experts, the people who are going to be employed by police services to actually use the equipment and understand its processes. And sometimes it not the front-line police officer we move in. We need to be recruiting specialized people to come into our organizations as civilian members to give us the expertise we need so that the front-line investigators can do that.

There's such a learning curve with new technology and innovation that not all of the resources coming into police agencies need to be on the front line. Some of them need to be very, very specialized and focused on those areas.

Hon. Marlene Jennings: Do I have any time left?

The Chair: Yes, you do. You have one minute—a very short minute.

Hon. Marlene Jennings: I'm shocked.

The Chair: Less than a minute.

Hon. Marlene Jennings: Now it's less than a minute.

The Chair: It is, yes.

Hon. Marlene Jennings: And it's even less now.

I understand that, but given the realities and limited resources available, as Chief Beazley mentioned, there's a limit to what can be done. You're trying to be innovative in creating these different coordinated teams and drawing on differing expertise, but there again, do you think the federal government has a role to play, for instance, in helping law enforcement meet that particular challenge?

If it's getting the experts and being able to recruit, you have to be able to pay the bucks. That little tech whiz can go and work for a private company and probably draw down $150,000 easily—and that won't be the top salary—

The Chair: You have time for a yes or no answer—or you don't have to answer at all.

Chief Frank A. Beazley: Do I agree? Yes.

Hon. Marlene Jennings: Thank you.

Mr. David Aggett: I agree as well.

Hon. Marlene Jennings: Thank you.

The Chair: We'll move to Monsieur Ménard for five minutes.

[*Translation*]

Mr. Serge Ménard: Once again, we would like to be able to listen to you for hours. However, I would like to tackle another issue, that of sharing intelligence — *celui du partage des renseignements criminels*.

Unless I am mistaken, you do sit on committees and you meet regularly. However, do you have any common investigation projects, you, the local police and the RCMP?

[*English*]

Chief Frank A. Beazley: The short answer again is yes. We talked about ACIIS earlier. ACIIS is the national criminal intelligence data bank for sharing information between types of policing agencies across the country. Within my department I have somebody full time who gathers intelligence, analyzes it, and enters it into the national system.

We also have integrated units that work together, some of the oldest of which go back to the late 1970s, where we go out jointly and gather intelligence on organized crime types of criminals. Those relationships, as I say, are 10 to 20 years old and they continue today.

● (0950)

[*Translation*]

Mr. Serge Ménard: You are telling me that the Hells Angels have disappeared. However, from what I understand, street gangs have replaced them as far as drug trafficking is concerned. Am I wrong in saying that?

[*English*]

Chief Frank A. Beazley: Obviously someone had to replace the vacuum. So, yes, street gangs and other types of criminal groups that are a little bit higher up on the food chain, if I can say that, have come in and replaced that void.

[*Translation*]

Mr. Serge Ménard: Are these groups waging war against each other?

[*English*]

Chief Frank A. Beazley: Yes.

[*Translation*]

Mr. Serge Ménard: How many victims have there been? Could you give us an idea of the importance of these wars by providing the number of victims or any other factor?

[*English*]

Chief Frank A. Beazley: I can't give you exact numbers, but I've had four gang-related shootings so far this year where people died. I've had somewhere in excess of 18 attempted murders this year where these gangs did drive-by shootings, shootings into homes and into cars. We had a shooting late last year between these gangs, in front of our children's hospital, which shocked the community.

As I think I said earlier, we've seized 105 guns off the streets so far this year. Last weekend, one car alone that we took down and searched had four fully loaded semi-automatic pistols in it.

The strain between these gangs is at an all-time high right now, and it is taking a lot of our time.

[*Translation*]

Mr. Serge Ménard: To date, has this war between groups made any victims outside of the criminal element?

[*English*]

Chief Frank A. Beazley: Yes, the community. The fear of crime in my community is at an all-time high, as never before.

[*Translation*]

Mr. Serge Ménard: That is not really the question I was asking. Obviously, I understand that emotions are running high in the community.

I would like to know if people unrelated to organized crime have been injured or killed precisely in these drive-by shootings.

[*English*]

Chief Frank A. Beazley: No. We've been very fortunate that way.

[*Translation*]

Mr. Serge Ménard: I will now move on to the issue of technology.

Technology develops in large markets, larger than those of Canada. Even if Canadian technology is at present very successful, in order for it to be profitable, its usage must at least extend to the United States, obviously. I imagine that the United States are encountering the same problems in adapting to new technologies as those you have discussed with us. However, I know full well that the United States are investing a lot of money in the fight against crime.

Among the solutions they have found, which one might we draw on to stay on top of the new technologies used for electronic surveillance?

That will be my final question.

[*English*]

The Chair: A very short answer, Superintendent.

Supt Brian Brennan: The laws in the United States, in terms of fighting organized crime, are different in certain areas. There would have to be an examination of the specific laws in terms of how they deal with organized crime, based on the laws they have and based on the laws we have. However, I think legislators should always be examining other best practices from like countries with the same problems to see if those legislative changes could be adopted into our rules. So I think there's definitely an avenue for analysis in that regard.

The Chair: Mr. Woodworth.

● (0955)

Mr. Stephen Woodworth (Kitchener Centre, CPC): My thanks to the witnesses for being here with us today.

There are two areas I want to inquire about: witness protection and the forfeiture of property. Chief Beazley touched on the issue of witness protection. All these years, perhaps somewhat naively, I assumed that we had some kind of witness protection program. I would like to know what we do now. We've heard evidence that one of the chief weapons of organized crime is intimidation and fear—that is how they maintain their power. So it seems to me there is definitely a place for a witness protection program of some kind.

I would like to know what we do now. Who pays for it, if it's not federally funded? How many instances would you see in the Atlantic area where this might be required? What is the estimated cost per witness? This is a matter on which I would like to hear Chief Beazley and RCMP Inspector Brennan.

Chief Frank A. Beazley: I mentioned witness protection, but I put the word "funded" in front of it. The Government of Canada, through the oversight of the RCMP, does have a federal witness protection program, and it's a very good one. I have absolutely no criticism of the program.

But for me to use it, I have to pay the costs. In the last few years, it has cost me somewhere in the area of $800,000 to $900,000 to put people into this program. I turn the witness over to the RCMP and then they bill me for the use of the program. It's not uncommon to get a bill every couple of months for $40,000 or $50,000. We write the cheque and away it goes.

Right now I probably have four or five people in that program. It is very costly. That's why I was hoping someone would look into it. I've brought this up in other federal forums. About 60 miles up the road from me there is a small police department that had to do the same thing. It was a small department of about 35 people, and they had to go to their council to get the money to put somebody into the program.

This is something we need. With all the technology and all the investigative hours, you may still need a good insider who wants to come work with you, and you have to be able to afford to do that type of thing. The program we have is good. What I'm concerned about is the affordability of the program.

Mr. Stephen Woodworth: On that $800,000 or $900,000 figure you mentioned, is that a per witness figure or is it your department's annual total? Can you help me quantify your department's requirement for this kind of operation?

Chief Frank A. Beazley: It's a special cost. It's above and beyond my budget. I go back to the city and I tell them I have a situation and I'm going to spend this kind of money. That's my total cost over the last number of years. Putting someone in today, for the next two years, would probably cost $150,000 to $200,000. Each case, though, is a little different.

Mr. Stephen Woodworth: Is that a per annum figure?

Chief Frank A. Beazley: Yes.

Mr. Stephen Woodworth: Inspector Brennan, do you have any comment?

Supt Brian Brennan: The RCMP is responsible for the federal witness protection program. It is robust. It's being used in every province in Canada. The complexity and the cost of running the program is enormous. To put a cost on an individual witness is almost impossible, because it depends on whether we are simply relocating the person to another part of the country or changing the person's identity, together with the family's, and backstopping all the information behind this effort.

It's important in our attacks against organized crime to continue this program and to continue to supply the funding necessary to move these witnesses and to give them a sense of security. When they come into the program, they have to know that they're going to be protected. If we fail to use the program, and fail to get those witnesses, it's going to become harder and harder for police agencies to infiltrate organized crime to the very core.

● (1000)

The Chair: Thank you.

Just for the record, it's Superintendent Brennan. The place card is wrong.

Ms. Jennings, five minutes.

Hon. Marlene Jennings: To piggyback on the questions that Mr. Woodworth was asking about the federal witness protection program, given the challenge that it represents to most police forces because it's not built into their budgets, and given what Superintendent Brennan has just told us, do you think that we legislators should be looking at recommending to the government that it be a stand-alone, federally financed program to alleviate some of the burden that it represents on our law enforcement?

Chief Frank A. Beazley: Yes. I like you.

Hon. Marlene Jennings: I understand, Superintendent Brennan, given that you represent the RCMP, you may be in a difficult position to say yes to that, but I think it is something we might want to discuss amongst the committee, whether or not it would form part of a recommendation or suggestion to the government to look at that as a possibility.

Now, coming back to the issue of the technological challenges and the fact that you need to be able to recruit people who are trained as civilians, but who are the little geniuses now, to come in so that the front-line officers can do what they need to do, has it been built into your human resources structure so that whether it's a police officer who proves himself or herself to be extraordinarily talented on the technological front—and we have many, I know—or a civilian who's brought in, they're able to remain in that field, and those of you who become specialized in criminal intelligence are able to remain in that field but also be able to progress without having to shift out? Because one of the problems you face is the fact that people come in, they gain some expertise, but in order to continue to progress in their career, they move out, and that's human capital and intelligence that has been lost.

Are your police forces looking at your human resources model in order to take into account that you need to have these people stay here, but they also need to be able to progress in their careers—so that the models are shifted and changed?

Supt Brian Brennan: Within the RCMP, our human resource areas are looking to the idea of career streaming and career opportunities. As in most police services, a lot of our employees come in at the lower rank level or pay level and then work their way up. Then they tend to hit a glass ceiling, especially in those areas of specialized units. As those units grow and become bigger, the opportunities grow as well. It's sometimes hard to keep those people in those specialized sections because there are other opportunities, either outside the organization or within another department, that they move to for a promotion. It's difficult, because you never want to limit your employees by career streaming, but we do need to find ways to give them the opportunity to advance and to further their skills. We are looking at it.

Hon. Marlene Jennings: Okay.

Chief Frank A. Beazley: It's pretty much the same for me, except that we've civilianized some of those highly technical areas, and hopefully we can keep the civilian in those positions longer than officers who want to be promoted and do other things.

Hon. Marlene Jennings: Thank you.

The Chair: Mr. Rathgeber.

Mr. Brent Rathgeber (Edmonton—St. Albert, CPC): Thank you, Mr. Chair.

Thank you to all the witnesses for your attendance and for your excellent presentations.

I represent and live in Alberta, where the geography and topography is quite dissimilar to the beautiful surroundings here at Halifax harbour. I'm guessing that provides different challenges.

Chief Beazley, you talked about the 105 guns you've seized in this calendar year, and the other contraband that shows up on your streets. Do you have any way of knowing, by anecdote or by estimation, what percentage of that contraband comes from water and boat, as opposed to land or air?

● (1005)

Chief Frank A. Beazley: On the contraband, no.

Mr. Brent Rathgeber: What about the guns?

Chief Frank A. Beazley: For the most part, the guns are local. They are guns that people legally own and have in their homes, and they mostly come from break and enters and thefts.

Mr. Brent Rathgeber: With your problem with street crime and organized crime, is there a significant number of contraband items ending up on your streets that come into the city by water?

Chief Frank A. Beazley: As my colleagues have talked about, in past investigations we've seen things coming through the ports and going to other organized crime groups, particularly in Ontario and Quebec, and then coming back down, in and through....

There have been cases where some of these people who facilitate the movements will take a piece of it off, if they can get it out through the port themselves. But it mainly goes up and then it comes back again.

Mr. Brent Rathgeber: What about human trafficking? There have been some alleged high-profile incidents of that recently on the west coast. Is that an issue on the east coast?

Chief Frank A. Beazley: We had our first case of human trafficking earlier this year. A group that has become national in scope was moving women across the province for the purposes of dancing and prostitution. That was the first case I've seen.

Mr. Brent Rathgeber: That wasn't by boat?

Chief Frank A. Beazley: No, I'm sorry, it wasn't.

Mr. Brent Rathgeber: On the two naval issues, Mr. Aggett, is there coordination with the navy or the coast guard with respect to patrolling the harbour and the Atlantic with respect to any suspicious boat that might be entering Canadian waters?

Tell me how that works. Who has the command?

Mr. David Aggett: There is a well-established network. Most of that work is done through the Maritime Security Operations Centre, which is DND, RCMP, Transport Canada, Fisheries and Oceans, Canada Border Services Agency—I hope I haven't left anybody out.

We're all busy looking for our specific mandates out there, but by virtue of our membership in MSOC, we are allowed to share perspectives on the information we gather. For example, if Transport Canada is doing a marine pollution surveillance flight over the Grand Banks and they see something suspicious...DND, RCMP, and Canada Border Services Agency all know about those kinds of things, so it gives us an opportunity to pick those up.

In terms of dedicated flights or surveillance, looking for stowaways, or that sort of thing, it is not that organized.

Mr. Brent Rathgeber: What is the acronym MSOC?

Mr. David Aggett: That is the Maritime Security Operations Centre. In essence it is a multi-departmental intelligence gathering, analysis, and dissemination group.

Mr. Brent Rathgeber: That's centred in Halifax?

Mr. David Aggett: There's one in Halifax and one in British Columbia.

Mr. Brent Rathgeber: Thank you so much.

Those are my questions, Chair.

The Chair: Mr. Norlock, five minutes.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Thank you very much.

Just by way of background, my background is policing, 30 years with the Ontario Provincial Police.

When it comes to funding issues, I know municipal police forces always have issues. Of course, the Province of Ontario went through some trauma that other provinces go through in a change in funding models. So there's always a need for funding.

We always want to create something new, and I always believe that perhaps instead of creating something new we just expand an existing organization so that we don't begin to create more and more administrative burdens, which, in and of themselves, create additional costs. Federally, whenever there's a problem, we throw it at the RCMP and say, you guys handle it.

From the Ontario Provincial Police, my experience has been that when you're hard put, when the chief is told by the police services board that we need something done over here all of a sudden, they don't create additional people; you have to go into your department and look for additional people and shove everything around. Very often it's one or two fewer people out there on the streets doing the day-to-day chores. That's why I think, before we create something new, we need to see if there is something existing.

The reason I say that is this committee is looking at new ways of fighting organized crime, etc. I heard a member here, who unfortunately is no longer in the room, but I'm sure she'll read it in the blues, say the federal government should absorb this cost and absorb that cost. Chief, without any insult intended here, of course you're going to say, yes, somebody else should pay the freight, because you have to fight really hard with your council to get your budget.

What I'm saying is crime is something we all deal with. It doesn't matter what level of government you're at. There are new and innovative ways of doing things, but we have this new problem and it's called technology. My personal observation is, especially when we deal with organized crime and their inventive financial ways of doing things, that instead of police forces going out and hiring the expertise, we can hire them on contract. There are ways of doing it.

I know at the OPP we were constantly asked by our provincial level of government.... We wanted to be able to show that our level of service is acceptable to the community and they actually hired somebody from university with a degree in polling, scientific polling, and they have somebody who does that.

Then we look at socio-economic issues and we expect our police force to be social workers, and that's not necessarily what police forces do, but we have a responsibility to act in a social way with our communities.

One of the things I'm going to ask the chief is of course about community-based policing. That seems to be the way most police forces across Canada deliver their policing services, and I wonder if that's the model you work under here in Halifax.

● (1010)

Chief Frank A. Beazley: Yes, it is. It is community-based policing, but community-based policing, as you're aware, is delivered in different ways. We call ours our community response model, where we go out and work with communities. We have officers who specialize in partnerships with government, non-governmental agencies, and community groups and tenants' associations. We do all of that.

I've worked very closely with the OPP for over 39 years. The OPP was the agency that actually helped my department get into wiretapping and climbing poles in those early days, and the many things we do.

When you say we just quickly ask the federal government to do everything, we're talking about organized crime here today and organized crime is not just a local issue. It crosses borders, it crosses provinces, it crosses countries, it crosses the world.

There are some things that are just beyond the Halifax Regional Police or just beyond the OPP. I've worked with Commissioner Fantino. We're on the phone together monthly. There are some things that have to be, I believe, nationally approached or nationally coordinated, and that's why I believe we have the federal force, and that's why I believe the stronger they can be, the better it is for our country.

So witness protection is not something HRM can do. Can we be asked to contribute towards a national fund? Yes. Can we be asked to have municipal-provincial-federal partnerships? When I say a funded program, this has been discussed at Ottawa with the RCMP, and actually the RCMP in the past have been very supportive in trying to do something.

Technology is beyond any local municipality to be able to deal with. We need a federal approach to dealing with these types of issues. I've got a very good system for doing what I need to do, but it's hard to keep it current and it's expensive to keep it current.

Mr. Rick Norlock: Thank you.

The Chair: Thank you.

All right, very short.

Mr. Rick Norlock: For the committee, though, the public safety committee did do a study on witness protection. This is for the benefit of our researchers, to know that was brought up.

Perhaps another member could ask the chief and Superintendent Brennan to expound on the matter of existing programs they feel can be opened up to deliver a more coordinated effort on organized crime. Perhaps that might be somebody else's question.

● (1015)

The Chair: Thank you.

We'll go to Madame Thi Lac, and then we'll go to Mr. Comartin for a last question.

[*Translation*]

Mrs. Ève-Mary Thaï Thi Lac (Saint-Hyacinthe—Bagot, BQ): I will be sharing my time with Mr. Ménard.

Welcome to all of you and thank you for being here.

We know that one of the income streams for organized crime is drugs. Over the last few years, we have seen organized crime fight to control more territory and a larger share of the drug market.

In the region, what share of the market do marijuana, cocaine and ecstasy account for? To what extent are you successful in the seizure of these drugs?

[*English*]

Supt Brian Brennan: From a regional perspective, I would say that of all the drugs seized in the Atlantic region, probably 70% to 75% of it is marijuana; 10% to 15% would be cocaine or crack cocaine; the remainder would be a combination of prescription pills and other drugs such as heroin, but those are not seen very much.

In terms of organized crime, 90% of how they generate their revenue is through the sale of illicit drugs.

[*Translation*]

Mr. Serge Ménard: If marijuana keeps you so busy and prevents you from pursuing other investigations, we could perhaps legalize this drug. This is one of the suggestions that has been made and one of the reasons given to legalize marijuana, which is the least harmful of drugs. I am not saying that it is not dangerous; that is not my personal view. Alcohol it too presents certain dangers, that are not the same.

Were we to legalize marijuana, would that not cut off the income stream of a major portion of organized crime? That could free you up and allow you to do other things.

[*English*]

Supt Brian Brennan: I wouldn't say that legalizing marijuana would reduce the amount of work and effort that police agencies put into organized crime. I'll use the analogy that tobacco is legal, yet tobacco is a huge contraband item that organized crime groups manipulate to generate revenue. It's not necessarily whether or not the contraband is legal or not; it's the leverage that organized crime puts against it to generate the revenues.

[*Translation*]

Mr. Serge Ménard: I would like to come back to Mr. Norlock's question, which I found interesting. Are there areas in which there could be better collaboration in the fight against organized crime?

[*English*]

Supt Brian Brennan: Fighting organized crime is so wide in scope that to give specific suggestions is almost impossible in terms of a policing perspective. I think we need to find ways to support policing in terms of integrated approaches, and potentially integrated funding methodologies to support those. We need to be out ahead of the curve in technology, as we mentioned several times here. I think as a society, police agencies, government, etc., we need to ensure the deterrents for becoming involved in organized crime are such that we have the ability to disrupt and dismantle, but also, at the earliest stages, educate, and not only educate those who may become involved in organized crime, but also educate the general public in terms of the effects of organized crime on them and on society.

The RCMP is supporting prevention at the front end, investigations in the middle, and also trying to support the core process by bringing forth the absolute best cases we can against the highest levels of organized crime.

● (1020)

The Chair: Thank you.

Before we go to Mr. Comartin, because he had one last question, since you're on the issue, earlier you had talked about the challenge of trying to address the criminals, the organized crime figures, who port their cell numbers. I think you were the one who raised that in your initial presentation. They port it from one service to another, and it's very difficult to get the information from the service providers. Have you had a look at C-46 and C-47, which, by the way, are government bills, not private members' bills?

Have you had a chance to look at, say, Bill C-46, which deals with the whole technology issue?

Supt Brian Brennan: I have looked at Bill C-46, yes.

The Chair: Okay. Does it address your concern about the porting of cell numbers and being able to get the information you need from the service providers, or do you feel amendments are still needed?

Supt Brian Brennan: From reading it, in my opinion it addresses those concerns. As with all legislation, it's the functionality behind it in communication between, say, police and their service providers that may show us the challenges, but in terms of legislation I couldn't find anything to enhance it.

The Chair: Great. You have a unique opportunity because we have this legislation before Parliament right now, and all of you may want to look at Bill C-46 and Bill C-47 and see if we've addressed all the issues that are currently before you in terms of technology. If some additional improvements are needed, obviously that's the role of this committee—actually, the public safety committee will be looking at that—so this is your one opportunity to have direct input.

Mr. Comartin.

Mr. Joe Comartin: I think, Mr. Chair, it's Bill C-47 that deals with this issue of accessibility and the requirements for the providers to retain that information.

I just want to make a comment before I ask a question about the witness protection program. Chief, this is the first panel that has come up at, and I think that's probably an oversight. We should be looking at this. I initiated that study in front of the public safety committee because of concerns I had with the program.

You're being overly generous about the financial part of it. It is woefully underfunded. Municipal and provincial governments have had to step in with a large amount of dollars. There are also programs—so I'm going to take issue with you—where there are problems with the plan.

Mr. Chair, with regard to that, I think we should look at pulling some information—maybe our analysts could do that—because we never finished that study. I don't believe they ever issued a report. I think an election intervened, and I left that committee as well. So it's not my fault; it's the election's fault.

Voices: Oh, oh!

Mr. Joe Comartin: I'm pointing at the government in that regard.

When you look at the American one, one of the most impressive witnesses I've ever seen was one of the marshalls who heads that; they have an interesting one. He was an extremely impressive witness. Their program is by far the best in the world. We looked at the U.K. and Australia, although Australia's was coming along quite well at that point, and they had introduced new legislation as well.

Having made all those comments, the one question I do have.... The number of gangs—you used the number of 109, Superintendent—is that for the four Atlantic provinces or just for Nova Scotia? I wasn't clear on that, and it wasn't clear from your notes either.

Supt Brian Brennan: There are 109 identified organized crime groups. I believe that's for the Atlantic region.

Mr. Joe Comartin: Is that for all four of the Atlantic provinces?

Supt Brian Brennan: Yes.

Mr. Joe Comartin: Are they more concentrated in Nova Scotia because of Halifax, or are they spread equally among the four provinces?

Supt Brian Brennan: They aren't spread equally. The majority are in Nova Scotia and New Brunswick.

Mr. Joe Comartin: Thank you.

The Chair: Thank you.

We have time for one more question.

Ms. Jennings.

Hon. Marlene Jennings: We know that in the past, for instance, in Montreal, organized crime managed to infiltrate our docks where we have port authorities. I'd like to know from you, Mr. Aggett, how your agency is dealing with this through integration and coordination with the other police forces. We know that organized crime has infiltrated the construction industry and the ports in Montreal. For instance, the West End Gang is notorious for infiltrating and controlling the unions, the whole bit.

So I'd like to know what kind of work is being done on that issue and what the challenges are.

● (1025)

Mr. David Aggett: That's a good question. The Canada Border Services Agency deals only with the ports and the borders. We don't have the capacity to deal with such a large issue. Because organized crime extends into the communities, we work on those issues with the national port enforcement team, particularly at the waterfront here in Halifax.

As I said, I had an intelligence officer embedded with NPET. They collect and analyze information to try to keep a handle on the size of the activities, who these people are, and the interrelationships. It's an ongoing and active project with the NPETs and the integrated intelligence units with which we're involved.

The Chair: Thanks to all of you.

Are there any other initiatives, legislative proposals, or thoughts you want to leave with us before we suspend? Nothing.

Thank you so much for coming. I know this is time out of your busy days. All of the testimony you've given will form part of our public record. Some of those proposals will probably also find their way into the recommendations the study will make. So thank you so much.

We'll suspend and reconvene in about 15 minutes.

● _____ (Pause) _____ ●

● (1040)

The Chair: We'll reconvene the meeting.

We're pleased to welcome two new witnesses.

First, appearing on his own behalf, we have Stephen Schneider, who is an associate professor in the department of sociology and criminology at Saint Mary's University. Welcome.

We also have Robert Purcell, who is counsel with the Nova Scotia Department of Justice. Welcome to you as well.

I think you know the routine. You each get 10 minutes to present, and then we'll open the floor to questions from our members.

Mr. Schneider, why don't you start.

Mr. Stephen Schneider (Associate Professor, Saint Mary's University, Department of Sociology and Criminology, As an Individual): Thank you very much. It's an honour to speak to you today on this obviously very important issue.

I'll break my presentation down into three parts. The first is to provide a historical overview of organized crime in this country; the second is to look at some of the lessons learned from this history and from the current trends; and the third is to make a few suggestions on possible future policy implications.

I think we know that we learn a lot about ourselves and about societal problems from our history, and it's no different with organized crime. Particularly attuned to the issue of history, in part because of my latest book, which is a history of organized crime—and if that sounds like a shameless plug for the book, it is—organized crime can in fact be traced back to pirates operating off the Atlantic coast in the 17th and 18th centuries, but more significantly, we can find a lot of precedents today in organized criminality during the 19th century. So, first and foremost, it was the issue of smuggling.

Smuggling is probably the greatest constant in the history of organized crime in Canada. During the 18th and 19th centuries, tea was the most popular contraband being smuggled into the country. Why? Because of the British mercantile policies that placed exorbitant taxes on tea. It's estimated that in the Maritimes, 90% of all tea consumed was contraband.

Liquor smuggling targeted aboriginal peoples and railway workers.

People smuggling was rampant in the late 19th century, very similar to today, with Chinese being smuggled into Canada en route to the United States, because of American immigration policies at the time.

There was large-scale cigarette smuggling in the late 19th century because of taxes on Canadian cigarettes, and opium smuggling escalated dramatically after the British government slapped a significant excise tax on opium imported into the colony of British Columbia in 1875. Soon thereafter, British Columbia actually became the largest manufacturer of smokable opium in the Commonwealth, again a precedent perhaps for the marijuana industry in B.C. today.

Quebec became a major centre for currency counterfeiting in the 19th century, and Canada was also accused of large-scale product piracy in the late 19th century, including pirating copyrighted materials, books, and music.

In the early 20th century, the two most significant developments in promoting the expansion, proliferation, power reach, and modernization of organized crime were, first, the criminalization of opium in 1908, and second, the prohibition of alcohol in the United States. You can tell that for both of these the major impetus to organized crime was government policies.

For much of the 20th century, Canadian organized crime was a branch plant of Italian American organized crime. To this end, Canada was a major conduit for the smuggling of opium and heroin into the U.S.

Regarding recent trends, one of the most recent trends in the last 20 or 30 years has been the proliferation of crime groups. In its 2007 annual report, Criminal Intelligence Service Canada estimated there were 950 known organized crime groups in Canada, an increase of nearly 20% over the previous year. The vast majority of these groups were involved in drug trafficking. In British Columbia alone, an estimated number of organized crime gangs more than doubled from 52 in 2003 to 108 in 2005.

Another recent trend has been an increase in coordination and cooperation. This has always existed, especially in international drug trafficking, because there was never one group that was able to conduct every aspect from production to retailing, but it has really increased in recent years. You see a significant increase among different crime groups, among different professional criminals.

Commensurate with this increased cooperation has been a differentiation in the structure of contemporary crime groups. This is characterized by less of a hierarchical pyramid structure, to a flatter, much more ephemeral, much more flexible cooperation between professional criminals. That's why I always question these numbers that police come up with on trying to identify the number of crime groups, because they themselves admit that there's really no such thing as a crime group any more. It's criminals getting together on a very ad hoc basis on different deals. So it's particularly difficult to try to identify a self-contained group any more.

There has been an increase in the types of criminal activities carried out. Practically everything is fair game for organized crime. There has been a return to predatory crime. Following prohibition, you saw a real emphasis on consensual crimes: drugs, gambling, and prostitution. Now you're seeing a real return to predatory crimes, including fraud. There's greater sophistication, although most crime groups historically are quite rudimentary.

● (1045)

The last trend is a steady diminishing of the law enforcement resources necessary to keep up with the proliferation of organized crime.

In the early part of the century we were quite successful in targeting and disbanding some of the largest drug trafficking crime groups in the world. Today, the playing field is not as level as before, and organized crime has outstripped government resources. It's really unprecedented.

Canada currently supplies an embarrassingly rich assortment of illegal and contraband goods. By the end of the 1990s, Canada had established itself as the continent's premier supplier of high-grade marijuana, methamphetamines, and ecstasy. It has become an international centre for telemarketing fraud as well as counterfeiting of currency, bank cards, and digital entertainment products. Today Canada is a branch plant and sometimes a headquarters for some of the biggest organized crime conspiracies in the world, whether it's the so-called Italian Mafia, the Hells Angels, or Chinese organized crime.

What are the lessons we've learned from the history of contemporary organized crime?

First of all, organized crime is a reflection of the societies it inhabits. There's an old saying in criminology that societies get the crime they deserve. That's very much applicable to organized crime. Organized crime exists through a complex interaction with government policies, socio-cultural traits, demand for illegal goods and services, and social conditions that give rise to or aggravate factors that put individuals at risk of offending. Governments are a crucial player in creating and sustaining organized crime by prohibiting certain goods and services demanded by the public. As we've seen throughout history, the greatest impetus to organized crime has been government policies.

Another lesson we've learned is that the more things change the more the stay the same. What goes on today is very much a reflection of the types of criminal activities that were prevalent in the 19th and early 20th centuries, except that modern criminals have access to better technologies and employ more sophisticated methods.

Lastly, we learned that the criminal justice system has generally failed in its efforts to combat or even control organized crime. The prohibition/enforcement model is flawed and may even produce more costs than benefits. As for future policy directions, we need to re-evaluate the prohibition/enforcement model in targeting organized crime. I'm not advocating that it be replaced; I'm simply saying that we need to have a serious, scientific debate on this model.

We need more emphasis on demand reduction. We need more resources for detox and treatment centres. We need more resources for preventative programs, more for at-risk children, especially in drug education. We need more resources for mental health programs, because there's a strong causal relationship between mental health problems and drug use.

We have to look at alternatives to the prohibition/enforcement model. Yes, that includes legalization and regulation. We need an organized crime policy based on science, on what works and what doesn't work. The prohibition/enforcement model is not based on science. Most research shows that it is not effective in controlling the problem.

We need to look at conducting a scientific cost-benefit analysis of different approaches. What are the costs? Any public policy will try to maximize benefits and minimize costs. To control the problem, we need to apply this kind of scientific policy framework to different models. What are the costs and benefits that prohibition/enforcement delivers? What is it for the decriminalization model? What is it for the legalization and regulation model? In a larger context, we need to pursue an evidence-based, scientifically informed policy on organized crime.

In the longer term, to address crime in general, we need to shift resources away from the criminal justice system to a more scientifically based, proven, proactive, and preventative approach.

The criminal justice system is inherently flawed for at least two reasons. First of all, it's largely reactive. It only responds to problems. Secondly, it addresses only the symptoms, without addressing the root causes of the problems. Moreover, there are many operational problems such as an insufficiency of resources.

We need more resources dedicated to prevention and proactive work, especially targeting at-risk communities and at-risk children. This has been shown to work. Every major scientific article on these developmental approaches to at-risk children shows that they work if they're implemented properly. This includes addressing organized crime, because it not only addresses demand issues—effective drug prevention works best in schools—but it also addresses the factors that put kids at risk of future offending, either on an organized or unorganized basis, so you address both the supply and demand with preventive programs for at-risk kids.

● (1050)

To this end we need to build more schools, recreation centres, hockey rinks, health care centres—not more prisons. We also will always need enforcement. Even if we had legalization of all drugs, we're still going to have an organized crime problem, so we need more effective enforcement, intelligence-led enforcement—integrated units are very effective. Most of all, we need to work better at the international level, because crime groups recognize the boundaries and barriers to law enforcement on the international level and definitely take advantage of those.

Thank you very much. I'll end it there.

● (1055)

The Chair: Thank you very much.

We'll move on to Mr. Purcell. You have 10 minutes.

Mr. Robert Purcell (Executive Director, Public Safety Division, Nova Scotia Department of Justice, Government of Nova Scotia): Thank you very much. Just as I begin, let me make a couple of opening comments flowing from that presentation.

First, I wish tea were our only problem today.

Second, like Mr. Norlock, I spent 25 years in law enforcement with the RCMP before joining the province. Maybe to follow up on a comment by Ms. Jennings, you're all probably wondering how he could have spent 25 years in law enforcement and still look the way he does. In that, we might have something in common.

Voices: Oh, oh!

Hon. Marlene Jennings: You look young.

Mr. Robert Purcell: Thank you.

Just as another clarification, while I was once counsel for the Province of Nova Scotia, I am now the executive director of the public safety and security division of the Nova Scotia Department of Justice.

I do thank you for the opportunity to meet and speak on behalf of the department to this committee on this most serious issue. I come today to share our views on the state of organized crime and offer suggestions that you may consider in making recommendations to the House of Commons.

I know our time for comments is short, so I am pleased that my presentation follows the police panel. With their backdrop, I can begin by saying that Nova Scotia is not immune to organized crime. To put it in context, organized crime by its very nature is not exclusively that which is portrayed in Hollywood, and for that reason it should not be surprising that it has the potential to impact every community in Canada and in Nova Scotia.

As you know, the definition of a criminal organization is as follows: as few as three or more persons acting together and having, as one of its main purposes or activities, the commission of a serious offence whereby it directly or indirectly benefits. In other words, in this province we are not just talking about outlaw motorcycle gangs or mafia groups, but rather far smaller groups of street gangs that trade for their benefit in illicit drugs and stolen goods and participate in other criminal activity.

Our police colleagues have identified for you that Nova Scotia experiences its share of violent crime that they and our joint intelligence service believe is directly related to organized crime. As you know, and you've heard Chief Beazley say this morning, HRM in 2004 was considered, according to Statistics Canada's general social survey, as having the highest rate of violent victimization in Canada.

One of the ways the Department of Justice is combatting this is through the Criminal Intelligence Service Nova Scotia; I'll refer to it as CISNS. To quote it, “Organized crime doesn't only happen on TV. It happens in Nova Scotia. And it affects your life every day.” We also know that organized crime groups have been identified outside Halifax. Therefore, this is not exclusively a big-city phenomenon.

Where might the situation differ in Nova Scotia? Elsewhere in Canada, the criminal picture implicates high-profile organized crime groups with global links. In contrast, CISNS wrote that Nova Scotia's drug trade includes mainly local, independent trafficking networks. As you've heard today, and from my experience in 25 years—almost 20 of which were here in Nova Scotia—we know that the international and national folks have their paws in Nova Scotia. In particular, that is in relation to our vast coastlines and extensive container activity at our ports. Drugs, cybercrime, street gangs, grow ops, firearms, child exploitation, and illegal tobacco sales are all activities we deal with within the confines of Nova Scotia.

So what have we done in the province and what are we going to do? Let me first say that our response must recognize, as earlier stated, that organized crime is not just a big-city phenomenon and our collective efforts must be designed to promote safety and security of all Nova Scotians.

The Department of Justice has taken this very seriously, and we have responded in a multifaceted manner. We believe the response to organized crime is through collaborative efforts of our law enforcement agencies and partners. We know we will need to continue to work hard, but we also must work smarter and in a strategic, adaptable manner.

In 2005, the province supplied additional funding to CISNS. At that time, it was for 7 positions; we expanded the funding to increase it to 26 positions for analysts and local intelligence officers who are located all across Nova Scotia.

● (1100)

Again, our efforts must be to ensure the safety and security for all of Nova Scotia. This is consistent with the provincial interest in addressing the challenges of organized crime.

CISNS allows law enforcement agencies to be intelligence-led and strategically focused. What's more, in 2007, through the intelligence and community consultations with communities throughout Nova Scotia by the Department of Justice, we were told that enforcement efforts would be required to be enhanced and increased police resources were required in Nova Scotia.

The province has supported, and continues to support, the extra enforcement from a financial perspective. In the past two years, since the inception of the additional officer program, the province has funded positions for every municipality in Nova Scotia. That means that as of now there are at least 150 more police officers on the streets in Nova Scotia than there were two years. That investment was part of our crime prevention strategy, which I'll be happy to talk about after because it does not only include enforcement, but it was a focus on intervention and prevention to get at the root causes of crime.

To give you some insight, the two largest municipalities in Nova Scotia, the Halifax Regional Municipality and the Cape Breton Regional Municipality, have been funded the most. For example, in the Halifax Regional Municipality, Chief Beazley has been provided with over 50 officers per year, for a total of 50 officers per year, and that is in excess of $5 million funding per year. In fact, Superintendent Donnie Spicer, who was with him this morning, was one of the positions we funded for them for their public safety program.

With more resources spread across the province, it is now our desire and challenge to ensure that these additional resources are available and ready to work closely with our provincial police service in order to strategically target provincial priorities and mutual local priorities, which clearly would include organized crime.

Currently, we have 60-plus officers situated throughout Nova Scotia, primarily working in integrated teams with the provincial police; they are known as street crime enforcement teams. These units target local issues in an integrated manner, as crime respects no borders.

Other officers are assigned to school safety resource officers, proceeds of crime, integrated child exploitation, and CISNS. Therefore, in our view, we have the resources provincially funded to strategically target organized crime through our additional officer program and provincial police service. Our goal will be to remain intelligence-led and strategically focused. This will allow us to respond to organized crime activity.

In the upcoming year, we will call upon our municipal partners, who have provincially funded positions with them, to work together to combat organized crime. It is our belief that we must now shift our focus to emerging and new targets, including organized crime and other priorities. This can be accomplished by having the officers who I've mentioned throughout Nova Scotia. The challenge will be to ensure that we have the flexibility to call upon them to work on the projects that need to be worked on—in police language, operationalize or go tactical. If we operate singularly we will not succeed. It is our belief that all levels of government must operate collectively to achieve safety and security in our communities.

So what's next? We are optimistic that the additional officer program has turned the corner to providing a forum so that the provincial police service and municipal police services can work collaboratively together. We will continue to promote this.

I will conclude with two suggestions we have for you to consider. I have stated earlier that Nova Scotia is blessed with vast coastlines and port activity, but these same natural wonders and economic stimulants are also opportunities for organized crime. We must, as I said earlier, work collectively with the federal government to enhance the security at our ports through integrated effort, and I think more discussion needs to be had with the federal government level to decide. You've heard much this morning about the intelligence-led projects there, but we need to be able to take intelligence-led projects and make them tactical and operational.

The federal 2,500 police officers program was a good start to add federal officers to work on collaborative issues, but it must be sustainable. It had a five-year sunset clause. We would like to have discussions with the federal government to see if that program could be made sustainable beyond five years.

● (1105)

I'd like to end on a positive note. Our crime rates have continued to drop in Nova Scotia since 2006. Together with our partners we have worked very hard to help make that happen. I am optimistic that we will be able to effectively tackle organized crime in the same manner.

Thank you for the opportunity to be here today. I'd be happy to take questions.

The Chair: Thank you. You will receive some questions.

We'll begin with Ms. Jennings, for seven minutes.

Hon. Marlene Jennings: Thank you, Mr. Chair.

Thank you so much to both of you. I understand you were able to hear the testimony of the law enforcement officers who were here. There were several issues they raised. One that you, Mr. Purcell, touched on is sustainable funding for a variety of needs in meeting the challenge of law enforcement working against organized crime. But there was also the issue of lawful access. Government has tabled legislation on that. I know it's the public safety minister who has tabled it, but it would be nice to see it come before the justice committee.

I'd like to hear you on the issue of some of the challenges that the new technology places on our law enforcement. We heard from RCMP Superintendent Brennan on ACIIS, which is the national central information computerized bank repository on criminal intelligence; a new business case has been developed to create a new generation, but they need the money for it. There is no single database for portable numbers. The disclosure, the part VI application, is burdensome, etc. So I'd like to hear, on a procedural side, whether you or Nova Scotia's Department of Justice have looked at some of the challenges that exist in the current criminal procedures and the challenges those represent to our law enforcement in successfully, efficiently, and rapidly moving cases forward through the criminal justice system.

Mr. Schneider, I'd like to hear more about the different model you were talking about. The model that our criminal justice system is actually using is what you call "the prohibition/enforcement model", but there are also models that are, as you said, evidence based. I'd like to hear a little more about those evidence-based models, where they're being put into place or experimented with, and what the results are.

Thank you.

Was I short enough on my questions?

The Chair: That was great. We'll see how long the answers are.

Mr. Purcell.

Mr. Robert Purcell: Yes, no, yes, and....

Voices: Oh, oh!

Mr. Robert Purcell: On the technological challenges, what I can tell you is that I do participate on the national coordinating committee on organized crime, or NCC, at the federal level, and my colleague Fred Sanford, who is here today, sits on the regional coordinating committee.

Lawful access, in every organized crime form, has been one of the number one priorities brought forward by law enforcement for the last several years. It has been brought forward to NCC; it has been brought forward, at least in previous years, to the federal-provincial-territorial meetings of ministers of justice, who are meeting in just a couple of weeks in Fredericton, and I suspect it will be a topic of some discussion there.

All I can tell you on that is that I've heard the merits by law enforcement. From my understanding, it has been one of their primary concerns, because to go the wiretap route is an essential component for them and they need these legislative changes to help them.

On ACIIS, it has been said by many an inquiry that the police agencies need a single database from which to work. Again, at the national coordinating committee on organized crime, ACIIS has been selected as the go-forward. The business case is being developed, and we are now waiting on cost and timelines from the governance committee.

On disclosure, to what was discussed here this morning at the previous panel I can add only a couple of things. The idea of a judge dealing with disclosure matters prior to a trial came up when I was in the criminal law policy program area, in the context of mega trials, which would often include organized crime matters. It is something that certainly warrants a further look.

I don't want to take all the time from Mr. Schneider, so I'll stop there.

● (1110)

Mr. Stephen Schneider: As an addendum to that, I agree with everything Robert said.

The idea of technology is to me almost ancillary to the bigger issue, and that is of law enforcement resources—in particular personnel. The most effective organized crime enforcement is not in technology, and it's not even in laws; it's in the police forces. It's in experienced, integrated best practices that work.

Bob worked for years at the RCMP. I've worked for the RCMP for years, and I've worked in the private sector with a number of retired RCMP members. The private sector generally hired the best and the brightest of the RCMP. And I was amazed at the differences once they hit the private sector, when you had this core of really elite investigators and what they were able to do.

Another issue as well is police cooperation. ACIIS has been generally a failure. We've pumped millions of dollars into it, but police forces aren't willing to input the data into that database. It's similar with Stats Canada, which does surveys, and of course the *The Uniform Crime Reporting Survey*. They've added a new element where the police are supposed to report on when they lay charges under section 467—a criminal organization charge—and that's been a failure because the police aren't entering the data.

Historically, one of the big problems in Canada has been the lack of cooperation between police forces, similar to the United States and similar to many other countries. We've overcome that obstacle quite a bit. There's excellent cooperation now, but we still have a long way to go in the sense of sharing information. Police are very jurisdictional about the information, for good reason. Some of it is empire building and some of it is disclosure issues.

So the issue to me is not technology. It's not even criminal laws. It's being able to give police forces the resources, the training, and the expertise to enable them to adequately target these very sophisticated organized crime groups.

On the second question raised specifically to me.... Conceptually, we could look at four different models when attacking crime and organized crime in particular. The first is what I call a prohibition/enforcement model—

The Chair: Actually, Mr. Schneider, I'm going to ask you to follow up on that when someone else asks a question. You're out of time on this one.

Hon. Marlene Jennings: Or perhaps send us something in writing.

The Chair: Yes, you can send us follow-up material in writing. It will go to the clerk, it will be translated, and we'll distribute it to members of the committee.

I just want to make sure that everyone gets their time to ask questions.

Mr. Stephen Schneider: Okay.

The Chair: Monsieur Ménard may want to follow up on that and allow you to continue.

Monsieur Ménard, seven minutes.

[*Translation*]

Mr. Serge Ménard: Thank you.

Mr. Schneider, you placed the problem of organized crime within a historical context, and it was very interesting. You are absolutely right: there is no criminal organization more typical than a pirate ship with a captain, officers and seamen who obey more or less voluntarily and who they too are controlled by way of threat and the love of gain.

I wish to thank you for reminding us of the various prohibitions brought about by criminal organizations. I agree with you in saying that organized crime is the manifestation of a social ill that can only be managed through criminal law. You most certainly know that this is our concern here. We wish to arm ourselves with the most appropriate legal tools without hindering... Your presentation was most interesting.

I also found Mr. Purcell's presentation very interesting, but what the committee is seeking to understand are not the various forms of complicity that exist. I believe you are able to distinguish between complicity and organized crime. For example, if several members of the same family agree to exploit their aged parents and deprive them of their fortune, there exists an organization, but this is not what we consider to be organized crime.

Mr. Purcell, you stated that in Nova Scotia there are 99 criminal organizations. My impression is that there is not a major organized crime problem. When we talk about organized crime, we think of something that is being carried out on a large scale. We think of well-structured organizations involving many people gaining large profits and advantages. These organizations are managed with an iron fist and have the means to establish monopolies through a well targeted use of violence, etc.

It is odd to find ourselves here, in Nova Scotia, and to be told that there are in place 99 organized crime groups, when we have just come back from Montreal, where we were told that there were two: the Hells Angels and the mafia. These are the two organizations that are of concern to us. Whatever the sociological reasons are, I fully agree with you that drug trafficking will necessarily breed organizations. If we remove drug trafficking, there will be something else, be it alcohol, tea or illegal cigarettes. But cigarette bans are based on public health objectives.

Could you talk to us about the situation in Nova Scotia? I know that the Hells Angels used to be in the province, but it seems that they are no longer here. No one talked to me about the mafia. You all talk of small groups and street gangs, but no one has mentioned the importance that organizations comparable to the Hells Angels have had. In the end, organized crime is virtually non-existent in Nova Scotia, although crime groups from elsewhere, from Central Canada, Quebec or Ontario sometimes come here. Am I right in saying that?

● (1115)

[*English*]

Mr. Robert Purcell: Thank you. I don't recall using the number 99 for organized groups here. Perhaps I did. But what I will say is that when you talk about your definition of what organized crime is, I appreciate what you're saying. You're talking about the higher echelon. If that's what you're talking about, as I mentioned, our CISNS report of two and a half years ago made mention that there is organized criminal activity in Nova Scotia, according to their definition of organized crime, which may not reconcile with yours,

To the extent you're talking about, they said it does exist to a certain degree. I would leave that for law enforcement, perhaps. I think CISNS may be appearing here today. I'm not positive about that. I thought they were.

Again, I guess I would seek clarification. If that's the level of organized crime you're talking about, I still think, with our coastlines and our ports, we are susceptible. A concerted, collaborative effort to make sure that our intelligence-gathering efforts are able to be operationalized or to go tactical could still be something we could talk more about.

● (1120)

The Chair: Just for the record, this study actually deals with organized crime interpreted quite broadly. It's certainly up to any witness to define organized crime in terms of their sphere of responsibility. This study is quite broad, and we're welcoming all evidence that might be helpful.

Mr. Robert Purcell: In that regard, while I appreciate the level you're talking about, from our perspective, we look at organized crime in Nova Scotia in a broad sense, and we believe that even street gangs need to be targeted in organized crime efforts.

The Chair: Thank you.

We're going to go to Mr. Comartin for seven minutes.

Mr. Joe Comartin: Just to pursue that very briefly, I think our perspective and our concern is that the more established organized crime groups—the stereotypical Mafia, the Cosa Nostra—have the ability, because they are operating at a more sophisticated level, to penetrate to corrupting public officials, the judiciary, and politicians. Any perspective you have on that would be helpful.

I'm not sure where to start. On the cooperation issue, Professor Schneider, you made the point about the lack of data entry in ACIIS. Is that out of a concern about leaks, or is there a lack of resources, or is it territoriality?

Mr. Stephen Schneider: It's all three. Part of it is a historical lack of cooperation between police. It is an issue of confidentiality. The last thing a police officer wants is to expose an informant or an agent. That's the kind of information that's absolutely critical to ACIIS. Then there is also empire building. Again, it's not as bad as it used to be. The bigger issue is having police input very sensitive and therefore meaningful information into ACIIS. A lot of police forces I have spoken with—municipal, federal, RCMP detachments, intelligence people—won't input any information into ACIIS. They feel it is not useful to them, and if it is not useful to them, why should they put information into it?

A lot of it comes down to the sensitivity of the information. The more sensitive the information, the more meaningful it is for ACIIS. The police are very reluctant to input that very sensitive information, especially if it involves revealing an informant or an agent.

Mr. Joe Comartin: Okay.

Professor Schneider, you may want to comment on this as well.

Mr. Purcell, I'm trying to get a handle on why we saw—if I'm right on this—a fairly rapid spike in violent crime at the street level. I know there was a lot of reaction. But then you have the statistics to go with it as well as it being a very high crime area in the country. Did something happen? Was it the growth of the gangs? You said the gangs jumped from 52 to 108 in a very short period of time. Is it that? Were there other things going on in society in this province?

I don't have an understanding of why we saw that jump. I suppose the bottom line, given what we're studying here, is whether it was because of organized crime.

Mr. Stephen Schneider: The causes of crime and violence are very complex. There is no one causal factor, but what you've seen in recent years, not just in Nova Scotia, British Columbia, or Ontario, is the confluence of a number of factors.

First of all, you have increased competition between small groups. So when Quebec targeted the Hells Angels, they really disrupted a major wholesaler of drugs. It opened an avenue for a number of groups to come in and take their place as wholesalers. So you had increased cooperation. I don't want to say this, but the one good thing that could be said about the Hells Angels was that, notwithstanding the bloody war they had in Quebec, when they emerged from that, they tended to control smaller groups and stop them from fighting.

The second reason is that you've seen a growing underclass of young men who live in poverty, who live in terrible conditions. In Halifax, we're talking about places like East Preston, Mulgrave Park, parts of Spryfield. I work in these communities with at-risk kids, and the conditions there are absolutely terrible.

For years, Canada looked to the United States and said, “Oh, we don't have the type of inner-city ghettos and concentration of poverty that the United States has.” Well, guess what? We do have that now, and to ignore that would be naive.

I would argue that one of the most significant factors that's driving the increase in violence—and in fact we are seeing an increase in violence, an increase in gangs—is this growing subclass or underclass of young men, racialized young men. In Nova Scotia it's primarily African Nova Scotians, and that is again because African Nova Scotians disproportionately live in poverty, in terrible communities. You go to public government subsidized housing—and I'll take you down to Mulgrave Park just a couple of blocks from here. You'll find it's 80% African Nova Scotian. That's the product of the long institutionalized racism that's been present in this province.

● (1125)

Mr. Joe Comartin: I just want to jump quickly. You're the first person to raise this, but I think I'm accurate on this as well. Canada has become identified as a base for telemarketing fraud operations. Can you tell us if I'm accurate in that and why it has happened? Why are we doing it, as opposed to their basing themselves in the U.S., or Australia, or Europe?

Mr. Stephen Schneider: We have a disproportionate amount of telemarketing fraud, and again it mirrors economic realities. We have the technology where someone in Toronto can phone senior citizens in Florida or California. We have our laws on commercial crime, and Robert can probably address this better than I. Our laws and punishment of commercial crime are considerably lax compared to those in the United States. So what would get you maybe a couple of years in prison in Canada would get you 10 or 15 years in the United States.

Again, you have a concentration of crime groups in Toronto and Montreal, which are the epicentres of telemarketing fraud, and again it's historically based as well. We had telemarketing fraud in the 1950s. We had what were called securities “boiler rooms”. Canada was known as the “moose pasture” securities industry. We had all these boiler room operations, some connected to the Italian Mafia, that were targeting seniors in the United States in the 1950s.

Mr. Joe Comartin: The groups that are operating now, are they connected to any of the existing crime groups?

Mr. Stephen Schneider: Some are and some aren't. You have a lot of opportunistic criminals who see this as a way to make easy money and where the punishment is quite lenient. There's also evidence to show that the Rizzuto family in Montreal has ties to telemarketing fraud and that the Hells Angels has had ties to telemarketing fraud. Then you have Nigerian crime groups doing telemarketing fraud as well. So yes, there are the well-established groups that are backing these. At the same time, you have a lot of opportunistic criminals who are getting into this just simply because it's easy money.

The Chair: We'll go to Mr. Woodworth.

Mr. Stephen Woodworth: Thank you very much, Mr. Chair.

Thank you to the witnesses.

Mr. Purcell, you didn't speak of this, so it may be that it's not within your purview, but I have an interest in what we might do or propose to render the forfeiture of proceeds of crime more effective and cut the legs out from under some of the organized criminals who are engaging in profit-making activities. I don't know whether you've had the opportunity to observe, from your perch in the Department of Justice, any applications along that line, or whether you can tell us anything about how often such applications are made in your jurisdiction, or what you might suggest would make it easier or more effective to go after the proceeds of crime.

● (1130)

Mr. Robert Purcell: Yes, I can answer that. It is a topical issue for us right now.

Since 1998 we've had a federal integrated proceeds-of-crime branch in Halifax. As you know, that targets only substantive offences, the federal ones, those being drugs, customs, and that area.

Through our program for 250 additional officers, just as of last spring we have created an integrated provincial proceeds-of-crime branch, which will be targeting the criminal activity arising from such matters as theft, fraud, prostitution, to take the legs out from underneath those folks.

The third item, which has been very topical among many jurisdictions, is civil forfeiture. Nova Scotia received royal assent on a Civil Forfeiture Act and an asset management act in December of 2007. We did not proclaim it, because at or about that time the Ontario matter of Chatterjee was going to the Supreme Court of Canada on the issue of the constitutionality of the Ontario legislation. The Supreme Court came back this spring, saying it was within the powers of the province to deal with property matters in this manner. We are hopeful that in this budget, under public safety and security, we will be moving forward to include a civil forfeiture unit to attack and take out the legs and the profit of making crimes.

So there are three ways to do it, and we hope very shortly to have all three out there and operating.

Mr. Stephen Woodworth: Are there any implications for us federally that you are aware of? I know you are in the Nova Scotia Department of Justice, but I don't know whether you have any comment or observation on what we might do in the Criminal Code or related statutes. If you don't, that's okay.

Mr. Robert Purcell: I don't think I do. What might have been considered to be a gap was that both the federal proceeds and the provincial proceeds legislation are premised on proving the substantive offence, which can be a somewhat difficult chore. If you don't prove the substantive offence, then you cannot proceed with the forfeiture aspects of it.

Civil forfeiture is based not on having the substantive offence proved beyond a reasonable doubt but rather beyond a balance of probabilities. So we hope that gap has been filled.

Mr. Stephen Woodworth: Thank you very much.

The Chair: Thank you.

We'll move back to Ms. Jennings for five minutes.

Hon. Marlene Jennings: I don't have any questions. You two have been so good that you've answered all my questions. So I'll let my other colleagues benefit from those five minutes. Thank you both.

The Chair: Thank you; your're very generous.

Mr. Ménard.

[*Translation*]

Mr. Serge Ménard: You stated that there had started to be cases of child exploitation. What do you mean exactly? Is it the exploitation of young girls for prostitution, or the exploitation of child workers?

[*English*]

Mr. Stephen Schneider: To some extent we've seen a rise in young men trying to prostitute young girls, both of the age of majority and under. Really what I was concerned with, and I think this is obviously a problem throughout Canada, is what I call this underclass, the at-risk communities, which are not only a disproportionate source of crime and offenders but also the places in which much of the violent crime is concentrated.

If you do geographic studies of a city, you'll find that there are certain parts of the city that overwhelmingly have a concentration of crime and violent crime. Statistics Canada did an excellent study in Winnipeg, using social data and crime statistics and geo-mapping, that showed that something like 7% of the city generated over 30% of the crime. That's typical in many Canadian cities. I'm from Vancouver; we know where crime is concentrated.

My greatest concern is the factors that give rise to chronic offending. We know what those factors are and we know where the highest-risk communities are in major cities. What I'm advocating is a greater allocation of preventative resources to those communities. Again, not to sound too much like an academic, the research shows overwhelmingly that these preventative programs work. I run a program myself called PALS.

● (1135)

[*Translation*]

Mr. Serge Ménard: You talked about “child exploitation“. You stated that there are groups or individuals that exploit children. It is mostly young girls who are exploited for prostitution. Is that what you are talking about?

[*English*]

Mr. Stephen Schneider: I didn't mention child exploitation, but to address that point, we are seeing a greater organization of—

[*Translation*]

Mr. Serge Ménard: It is perhaps Mr. Purcell who stated that there had started to be cases of child exploitation.

[*English*]

Mr. Robert Purcell: In my recollection, in my notes I made a list of things that could occur or did occur in Nova Scotia, including child exploitation. I don't recall saying “new”. That was in the context of child exploitation in terms of the ICE units, the integrated child exploitation units, which are primarily Internet-based operations.

There have been several investigations here in Nova Scotia related to those types of activities, as there have been across Canada.

[*Translation*]

Mr. Serge Ménard: I wanted to determine the level of organized crime that exists here. Have you reached a point where criminal organizations are so powerful and so rich that they are now seeking to invest in legal businesses, which could have the effect of eliminating competition? If these criminal organizations represent such a grave danger, it is because they are not afraid of systematically using murder to eliminate competitors or to impose discipline to the advantage of the leaders of these organizations.

The Hells Angels are a good example. Battle was waged against them and several of them were imprisoned, such that there are fewer of them in Nova Scotia or, at least, their operations are more limited. Is there something else that replaced the Hells Angels? Are there really criminal organizations in Nova Scotia? Do the large criminal organizations, such as the mafia or a group similar to the Hells Angels, the Bandidos, for example, still maintain activities in Nova Scotia, or are there just relatively small organizations?

[*English*]

Mr. Robert Purcell: I think those questions would have been better addressed by the law enforcement panel, as they can speak specifically.... As I recall, there was a comment this morning that there is at least one patch-carrying member in Nova Scotia.

To the degree that one might say, "Well, Nova Scotia is okay then, since you don't have the Hells Angels here any more, and you don't have some of the big gangs that are elsewhere in Canada", we do have—whether people appreciate them as being organized crime, as the outlaw motorcycle gangs—street crime activity, and we do think it is serious.

When we talked about the incidents in 2004, I think Stephen is right. That was a culmination of the root causes, getting at groups that started to formulate themselves into more than just one bad individual, into four bad individuals, in street crimes.

[*Translation*]

Mr. Serge Ménard: I would not go to such extremes, Mr. Purcell. That does not require the same type of action.

[*English*]

The Chair: Mr. Ménard, you're at the end of your time. We're two minutes over.

We'll move on to Mr. Rathgeber.

Mr. Brent Rathgeber: Thank you Mr. Chair, and thank you to both witnesses for your very interesting presentations. I have some questions in follow-up to the questions of my friend, Mr. Comartin, regarding telemarketing.

He's quite right that it's perhaps the first time we've heard about telemarketing and its link to organized crime. I'm not sure that I entirely understand what it is. Is it simply a matter of phoning unsuspecting victims and getting them to give their credit card numbers? Is that what you're talking about?

● (1140)

Mr. Stephen Schneider: There are at least 12 different varieties of telemarketing frauds, according to the American Marketing Association. It includes everything from saying "You've won a vacation, but you have to send us $1,000 first", to insurance fraud, to simple high-pressure sales of real products. It really is highly diverse.

But the common denominator is generally targeting seniors—the primary target, because they're more trusting of people and are easily bullied. There are high-pressure sales tactics. Very common is advance-fee fraud. I'm sure we've all received an e-mail from someone claiming to be a relative of a deposed dictator in Africa who has $60 billion in a bank account and needs your bank account number. That's the predominant form of telemarketing fraud.

Mr. Brent Rathgeber: So even if it occurs over the Internet—and I've received that one at least a hundred times—but not by telephone, it's considered in the broad—

Mr. Stephen Schneider: Yes.

Mr. Joe Comartin: How much money did you send?

Voices: Oh, oh!

Mr. Brent Rathgeber: Those files are permanently sealed.

Sticking to the theme of currency, I really enjoyed your brief lesson on the history of organized crime. When we were in Vancouver, a criminologist—I forget his name—opined that identity theft and white-collar crime was going to be the next big wave of organized criminal activity. Now we're talking about telemarketing, and that brings us to my question.

Using your study—and sometimes I believe history is a great mechanism to predict the future—are you able to opine about what the next wave and the next currency of organized crime might look like?

Mr. Stephen Schneider: Certainly it will be identity theft, without a doubt. Identity theft is actually a technique. It's a means to an end, because you steal someone's identity to apply for credit cards or mortgages. It's as much a means to an end as an end in itself. But without a doubt, you've seen great increases in cases of identity frauds in Canada and the United States.

And certainly the Internet is the next great frontier, as we've heard, for crime. We've heard that hacking has evolved from the teenager in his mother's basement hacking into a corporation for fun. Now, it's much more highly organized; it's done for profit, hacking into credit card and bank databases.

Also, child pornography is becoming increasingly organized, to the point that organized crime is now involved on a highly profitable basis.

The common denominator in all of these is the Internet. You steal identities through the Internet; you market child pornography through the Internet. The Internet again is a means to an end. It's a good example of the opportunistic character and the greater sophistication of organized crime.

Mr. Brent Rathgeber: Do I have a little time left?

The Chair: Yes, you do.

Mr. Brent Rathgeber: Because the currency changes over time—we started with tea, and alcohol was the currency during prohibition, and gambling, but gambling is now legal even here in Halifax.... Cigarettes are legal, but still a currency for organized crime. So why do you believe that prohibition is part of the problem? It appears to me that once you cease to prohibit a currency, they either find a new currency, such as white-collar crime or identity theft, or use the taxation margin to continue to deal with the contraband substance.

Mr. Stephen Schneider: Absolutely. There's no panacea to organized crime. Legalization is not a panacea; you're exactly right. Even if we legalized marijuana and we taxed it, organized criminals would find the same route as for cigarettes, and they would smuggle from low- to high-tax provinces and into and out of Canada.

The same is the case with gambling. When government started to compete with organized crime in legal gambling, the one area the organized criminal still dominated was the one area that's still generally illegal, and that's bookmaking. It's generally still illegal to be a professional bookmaker in this country for betting on sports, so the biggest gambling operations are in bookmaking. In Ontario alone, it's estimated at $1 billion a year, just in bookmaking.

If I have any one message to leave today, it's that there's no silver bullet or panacea for organized crime, and legalization certainly is not a panacea. My argument is that law enforcement is so overwhelmed right now, the playing field is so unlevel, and they have so few resources to target this massive problem that we need to start prioritizing.

Is it sound policy to be chasing around marijuana drug traffickers when we have senior citizens being robbed of their life savings by telemarketing fraud, or we are faced with the epidemic in crack cocaine or crystal meth, which has a far greater impact on society?

So you're exactly right—

● (1145)

The Chair: I'm going to have to cut you off there because we're at six minutes.

Mr. Brent Rathgeber: Thank you very much.

The Chair: We'll move on to Ms. Jennings.

Hon. Marlene Jennings: I have no questions.

The Chair: Mr. Norlock.

Mr. Rick Norlock: Thank you very much, and thank you to the witnesses.

To Mr. Purcell, since we share a similar background, one of the things we did as junior managers in the Ontario Provincial Police when we were looking at ways of going about tackling crime—and I notice you alluded to the street gangs in your testimony.... In the special squads we call them street crimes. Intelligence-based...we did that. But one of the things I was involved in—somewhat of a sociological part of it—was that we looked at one of the highest crime areas in North America back in the 1970s and 1980s, and that was in New York in the social housing area.

One of the common denominators for criminal activity, especially property crimes, was that people who committed property crimes were people who didn't own property and therefore didn't value property. And of course the other common denominator was literacy—in other words, levels of education.

They looked at areas of crime activity—and of course that comes back to the Halifax Regional Municipality—and the area was the Bronx, which today happens to be one of the better places to live in New York. They looked at social housing. People who lived in social housing were less educated and didn't have a trade.

There is going to be a point to this.

We looked at the people who committed crimes. The people who committed the big crimes were also the people who committed the little crimes. So the guys you arrested or stopped for jaywalking or failing to pay their parking tickets ended up being the guys who were committing the murders and those other crimes. The criticism of police forces was, "Well, why don't you go out there and catch the big guys? You're after the little guys." But the little guys happened to be creating the big crimes also.

So what am I saying? I'm saying, would you not agree that if governments looked at social housing...? One of the things they said in New York was, "Okay, well, let's do this. Let's take a look at the people. How do we get them to change their lifestyles?" So they taught people trades, but they took away the social housing aspect and said, "You people need to own your own properties," and of course they came up with co-op housing.

The next thing they needed were trades, so that instead of hiring somebody to fix the social housing, they actually trained people to paint, to fix the plumbing, and to be electricians and those other trades. The people became owners of their own properties, and they didn't want somebody damaging their property or putting graffiti on their property and they took ownership of their property.

So if I said to you that the Government of Canada currently, through employment insurance, has increased exponentially the amount of training we're giving people who are unemployed to upgrade their skills.... And then we go outside of the employment insurance scheme, and we then said that even people who aren't on employment insurance will have an opportunity to train.

Then we looked at policing and we said that provinces and municipalities need extra police officers as well as the federal government's own police force, the RCMP—1,500 additional RCMP officers. And in your particular case here in this area you said somewhere in the vicinity of 250 police—and I imagine some of the money going towards those police officers was as a result of the federal government's contribution across the country to increasing the number of police officers.

My question to you is this, Mr. Purcell, because I've been out of policing for so long. I know when we were talking about telemarketers—

● (1150)

The Chair: Mr. Norlock, this is just a reminder that it's been a four-minute question and you want an answer.

Mr. Rick Norlock: Yes.

I'd like you to talk about PhoneBusters. Do you take part in PhoneBusters, which was a big part of the OPP—their telemarketing—or are you aware of that program?

Mr. Robert Purcell: No, I'm not aware of that program, unfortunately.

I do have a lot to say about what you said leading up to that, though, if I could address some of your questions, and maybe it relates to PhoneBusters.

Mr. Chair, how much time would I have for that?

The Chair: I will give you a minute.

Mr. Robert Purcell: It should be said that I think Stephen has raised a very good point. Simply put, I don't believe Nova Scotia ever had a prohibition/enforcement model, but as of about two years ago, we moved into a crime reduction strategy. That strategy is getting at many of the things you're talking about, and federal government involvement would be great. It's wraparound services, so that whether you're talking about individuals or street gangs or organized crime, we're looking at making a three-pronged effort: one on enforcement, primarily through the additional officer program; then on intervention, so that if people, and particularly young people, become involved with the law, we have intervention practices such that if they become involved once, that might be the only time; and third on prevention methods, recognizing what the risk factors are so that we can get at the root causes, so that ten years from now we will not go through a blip in crime, as we did in 2004.

So we're trying to get at all three angles, for wraparound services to deal with the root causes that you just identified.

The Chair: Thank you.

Is there anyone on the government side with any further questions?

Mr. Moore.

Mr. Rob Moore: Thank you both for being here. I have just one question.

You have mentioned some areas or communities where there were higher instances of crime. As we've travelled around on other justice bills, we've heard evidence from witnesses that it's usually a relatively small number of people who are the problem, and when that small number of people is taken off the street, in some cases there's a marked improvement in the criminal activity in that area.

Can you give a sense of whether that would be your idea of the situation in Halifax or in Nova Scotia?

We heard of the shooting, which gained national attention, outside the children's hospital some time back. I remember reading about it; I'm from your neighbouring province of New Brunswick. Sometimes it takes an incident like this, which is high profile and what the community considers outrageous, to draw people's attention to what's happening, so that now that this has impacted upon them, they are going to take an interest in what's going on.

I know you wouldn't have an exact number of how many people are involved in criminal activity, but can you give me your sense as to whether this is true? Is it a small number of repeat offenders who are the problem? If we impacted heavily upon that number, would you see a marked impact upon criminal activity in the community?

Mr. Robert Purcell: This is what I was referring to. If I may answer the first part, I'm sure Stephen will have some things to say.

I can't give you the exact number. What I can say is that we certainly subscribe to the idea that—and everyone uses different figures—10% to 20% of the people do 50% of the crime. That's why I say we have to continue to work hard, but we have to work smarter. We have to find out who the 10% to 20% are and spend our time going after them, because if they're doing 50% of the crime, that's where we're going to have our biggest impact.

Stephen talked about police and law enforcement having so many things to do. That's why we believe that you have to be intelligence-led and it's why we have, I think, a pretty robust intelligence-led community. They need to be able to put things in the queue, and we need to prioritize them with some of the things that Superintendent Brennan was talking about, OCTAC and groups that will say, here's all the activity going on, and ask—Stephen made some mention of it—whether they should do this or do that.

We have to become strategically focused so that the intelligence comes up and we start picking off the most important things.

Even with the 10% to 20% who do 50% of the crime, that's not to say they're thrown into a never-never land and not dealt with. A good crime reduction program should have the opportunity to try to turn them around and make them valuable citizens.

Some may say this isn't about organized crime. I think these plans are about everything. In our view, as I said, we're as concerned about these street gang activities, which we believe could be considered, in a broad sense, organized crime.

● (1155)

Mr. Rob Moore: Mr. Schneider, did you have anything to add to that?

Mr. Stephen Schneider: First, I agree with everything Bob said.

To answer your question directly, taking a drug dealer off the street solves the problem temporarily, but for every one drug trafficker you take off the street, you have ten who'll step in and fill that position. I can give you dozens of examples of young offenders I've worked with in Halifax.

Mr. Rob Moore: We've had some discussion around the table on the point you just made. Are the Hells Angels here? Is the traditional Mafia here? That's not exactly the point. As long as people are engaged in organized crime, a drive-by shooting at a children's hospital is just as serious no matter who is pulling the trigger. That element is here, and there is an organizational aspect to it. We want to see those best practices to combat it.

I don't know how much time we have.

The Chair: We're running ahead of schedule right now, but if there are other questions from anyone, then prepare them because we're going to wind this up soon.

Mr. Rob Moore: I want to give you an opportunity to address anything you heard around the table that you haven't been able to address. I'd be happy to hear any points on that.

Mr. Stephen Schneider: I'd like to follow up on the issue of the nature of organized crime in Nova Scotia.

Organized criminals go where the money is and where their markets are—Montreal, Toronto, Vancouver, and Fort McMurray, when cash was going in there. Nova Scotia has attracted organized crime, as Bob mentioned, because of our coastline.

The Hells Angels chapter was shut down here, and that's an interesting case study. Why were we as a society or as law enforcement able to shut down this chapter, which is very rarely done in this country? That might be a successful case study to look at.

One of the reasons is that the Quebec Hells Angels, which controlled the Halifax chapter, said they didn't need a chapter there any more because they could control the ports from Sherbrooke. They deemed the Halifax chapter generally irrelevant because Sherbrooke took over the smuggling operations at the port here. The Italian Mafia also saw Nova Scotia as very attractive to smuggle hash and cocaine into this province.

In general, you find the major crime groups in major cities, but they will also move to other provinces for strategic reasons. The reason the Hells Angels set up shop in B.C., Halifax, and Montreal is quite obvious. They are all port cities and very strategic in that sense.

To answer your question, Halifax is very attractive as a major cocaine and hashish smuggling route. It's also a major outport for stolen vehicles from Montreal. The port is used to export cars that are mostly stolen in Montreal. It all comes down to our port and to our coastline. We're not a big enough market for drugs to make it attractive for the presence here of organized crime for marketing. It's more of a conduit into and out of the country. Both the Montreal Rizzuto family and the Hells Angels still have a presence in this province at the port and use it for smuggling into and out of the country.

Mr. Rob Moore: Thanks.

The Chair: Are there any other questions from anyone?

Seeing none, I thank you for appearing. Your testimony will be part of the public record. Some of the recommendations you've suggested will likely end up in the final report we table with Parliament.

Thank you.

The meeting is adjourned.

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