



Criminal Intelligence Service New Brunswick  
2005 Public Report on Organized and Serious Crime in New Brunswick

Information included in this report was verified through open sources and intelligence documentation received from law enforcement in New Brunswick. The purpose of this report is to increase awareness of the impact of organized crime in New Brunswick.

CISNB recognizes the exceptional participation and work of the law enforcement community, government, private sectors and the public in providing pertinent information to assist in the completion of this report.

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<http://www.gnb.ca>

**Research for this report concluded on 2005.06.01  
and is based on information available until that date.**

**Message from the Chair of CISNB  
Chief Al Bodechon**

**Message from the Director of CISNB  
Louis Lefebvre**

On behalf of the Executive Committee of Criminal Intelligence Service New Brunswick, I am pleased to present the 2005 CISNB Public Report. This year's report has notably improved both in detail and presentation.

Criminal Intelligence Service New Brunswick is a partnership between members of the law enforcement community ...it enables our partners to jointly gather, share and analyze information, and to develop strategies to detect, reduce and prevent organized and serious crime. CISNB partners routinely experience the effectiveness of cooperatively delivering intelligence services. This report is our window to other public stakeholders in the community; it is an opportunity to build public understanding about the nature and magnitude of the organized and serious crime threat in New Brunswick - without disclosing sensitive details of an operational nature. Public awareness advances the ability of CISNB partners to work with the business and academic communities and the general public in order to achieve our common public safety goals. And it is by engaging all our community resources that we will be most successful in reducing and preventing crime.

Equally important ...the 2005 CISNB Public Report is an opportunity to acknowledge the invaluable participation of our CISNB partners, and to pay tribute to the excellent work by CISNB staff. Well done!

Criminal Intelligence Services New Brunswick is pleased to publish the 2005 public report on organized and other serious crime in New Brunswick.

During the past year, federal, provincial and municipal law enforcement agencies in New Brunswick, in collaboration with the Department of Public Safety, have continued to integrate their efforts and resources to better detect, prevent and disrupt crime in the Province. The CISNB provincial bureau continues to assist these agencies by collecting, evaluating, analysing and disseminating criminal intelligence, by preparing strategic threat assessments, and by supporting enforcement with tactical analysis and target selection. In the past twelve months, this collective effort has resulted in the detection and disruption of the illegal activities of numerous individuals and groups operating in New Brunswick and elsewhere.

The CISNB Public Report is intended to provide general information on the activities of organized and other serious crime in New Brunswick with a view of increasing public awareness in this area.

The law enforcement community, the Government of New Brunswick and CISNB are committed to continue to collectively leverage their resources to making New Brunswick a safer place to live.

## **CRIMINAL INTELLIGENCE SERVICE NEW BRUNSWICK**

### **About CISNB**

The Criminal Intelligence Service New Brunswick (CISNB) is one of nine provincial bureaus of the Criminal Intelligence Service Canada (CISC). The CISNB bureau was established in 1978 and is located in Fredericton, New Brunswick. CISNB supports law enforcement through the collection, analysis and dissemination of criminal intelligence.

CISNB's mission is to be a provincial centre of excellence for sharing and producing criminal intelligence to assist law enforcement agencies detect, prevent and reduce crime that is organized or has a serious impact on the quality of life of New Brunswickers and to inform citizens and public policy makers.

CISNB membership includes federal, provincial, regional and municipal police services, agencies and departments responsible for the enforcement of federal and provincial statutes. CISNB governance is provided by an Executive Committee representing the law enforcement community and the Department of Public Safety. The Executive Committee sets goals for the Service and approves provincial intelligence priorities, monitored and emerging issues related to organized and other serious crime. Staff of the provincial bureau is comprised of police officers and civilian employees and law enforcement secondments from participating agencies. The bureau is funded through a federal, provincial and municipal law enforcement sector funding agreement and is administered through the RCMP.

### **Organized Crime**

There is a common misconception that organized crime only affects larger Canadian cities like Montreal, Toronto and Vancouver. However, organized crime groups have roots in communities across the province. Criminal groups in New Brunswick are often more unsuspecting than the Italian mafia or the Russian mob portrayed on TV or in movies. They are entrenched in many communities actively engaged in the illegal drug trade, theft, smuggling, computer crime and a number of other illegal activities outlined in this report.

Criminal activities can frequently be tied to organized crime and are no longer isolated events. Whether it is stolen items pawned to pay for drugs that are produced/smuggled and trafficked by organized crime groups or someone using a false or stolen identity to defraud banks and credit card companies, in one way or another organized crime does affect individual citizens. Criminal organizations exist to supply goods and services not available through legal means.

Organized crime groups are profit motivated. If they can make money committing a crime then they will attempt it. In the decision making process they consider the following: profitability, risk, opportunity, and the capability needed to commit the crime. If the attempt of one group is not successful another stands ready to take its place. Organized crime groups tend to adapt based on circumstances and environment.

Criminal groups in the province often associate with other groups to extend the scope of their criminal activity. Collaborative efforts among criminal organizations exist as long as it is mutually profitable. While some groups are involved in only one key area of criminal activity, the majority are involved with several illicit activities involving various commodities.

Organized crime profits are reinvested to further develop their criminal activities and an example may include the purchase of hydroponic equipment, supplies and improved technology. Profits are also frequently invested in legitimate business or the acquisition of personal property in an attempt to launder the financial proceeds of crime.

**TABLE OF CONTENTS**

1. Executive Summary . . . . . 1

2. Cybercrime . . . . . 3

3. Drugs . . . . . 6

4. Economic Crime . . . . . 9

5. Gang Activity . . . . . 12

6. Motor Vehicle Crime . . . . . 14

7. Outlaw Motorcycle Gangs . . . . . 17

8. Organized Crime at Airports, Marine Ports and Land Border Areas . . . . . 19

9. Crimes Against Persons . . . . . 22

10. Conclusion . . . . . 25

11. Evaluation Form . . . . . 26

12. Bibliography . . . . . 27

## EXECUTIVE SUMMARY

The 2005 Public Report on Organized and Serious Crime presents a overview of trends in organized crime and forecasts how each type of organized crime will affect New Brunswick in the next year. The purpose of the report is to raise awareness about organized crime and its' criminal activities in the province.

New Brunswick's motor vehicle crimes were given increased attention in the past year. Although not as prevalent as in neighbouring provinces, New Brunswick has experienced many motor vehicle crimes in varying degrees and therefore, this type of crime remains a concern for law enforcement agencies in the province. It is estimated that nationally one in five stolen vehicles are never recovered, indicating organized crime involvement.

The marine, land and air ports in New Brunswick remain susceptible to organized crime activities and are vulnerable to infiltration by these groups. Criminal activity occurring at the ports is that of human, drug and currency smuggling/trafficking along with illegal movement of alcohol, tobacco, vehicles and firearms.

Outlaw Motorcycle Gangs (OMG) in New Brunswick are increasing their influence in the Atlantic region. They are more than ever strengthening ties with powerful gangs i.e., Hells Angels. Legitimate business associated to the Hells Angels has found its way into New Brunswick, bringing with it an array of expansion possibilities. The brotherhood these days is more about business than it is about bikes, making this sub-culture even more ruthless at times. It is the illegal business part of this culture that police must be aware of, on a continual basis.

Crimes such as assaults (including sexual), robbery (including armed) and the sexual exploitation of women and children are taxing on enforcement resources. The use of needles and guns in armed robberies are being witnessed to a greater degree. Organized crime is involved in the sexual exploitation of women through prostitution, escort services, massage parlours, brothels and strip bars. In New Brunswick, the most frequently investigated sexual exploitation of children (SEOC) offences relate to the possession of child pornography accessed and distributed via the Internet.

Illegal drugs are the most lucrative venture criminals or organized criminals are involved in. Marijuana, especially grow operations (grow-ops) are on the increase in New Brunswick. Diversion drugs (legal prescription drugs obtained illegally) i.e: B&E's; thefts; double doctoring, forged prescriptions etc.) remain in high demand in the province. Indications are that chemical drugs will be a factor that police will have to deal with on a more regular basis in the near future.

Evolving technology provides new tools/opportunities to commit crimes such as fraud, identity theft and the sexual exploitation of children. Significant developments in fraud committed via technology include the use of botnets for extortion and the practice of "phishing". Cyberbullying is prevalent in New Brunswick generally amongst youths. It is difficult to determine the extent to which organized crime groups are involved in cybercrime i.e., cybercrime is international in scope, anonymous in most instances, and normally under-reported.

Federal corrections institutions located in New Brunswick house organized crime members and/or their associates i.e., Aboriginal Gangs, OMG and Italian-based Organized Crime. Prison gang members in our province continue to be active in the drug trade. Correctional facilities often serve as a basis for criminal networking.

Street gangs are not prevalent in New Brunswick however, some groups operating in the province have the potential to develop into street gangs. Members of these groups are engaged in criminal activities such as assaults, assaults with weapons, bullying, break-and-enters, thefts and drug trafficking.

The scope of economic crime remains a concern for police in New Brunswick. New Brunswickers were victim to several types of fraud in 2004 including ATM fraud, cheque fraud, credit card fraud, insurance fraud, mail fraud, Nigerian letter scam, pyramid schemes, telemarketing fraud and fraud within companies. The scope of these incidents is vast due to global communications networks and is facilitated by continual increases in technology.

## CYBERCRIME

### Highlights

- ▶ **Evolving technology that benefits society also provides tools/opportunities for individual criminals and organized crime groups to commit crimes.**
- ▶ **Significant developments in fraud committed via technology include the use of botnets for extortion and the practice of “phishing”.**
- ▶ **Cyberbullying is prevalent in New Brunswick generally within the youth population.**
- ▶ **In 2004, 155 New Brunswickers were victims of identity theft with losses totalling over \$140,000.00.**

#### **Cybercrime:**

Cybercrime refers to the use of computers, cyberspace and technology to commit a crime.

Types of Cybercrime:

#### **Identity Theft:**

Identity theft involves the unauthorized collection and fraudulent use of another individual's personal information.

#### **Virus:**

A virus involves distributing a program with the intention of corrupting a computer program.

Furnell, S. (2002). [Cybercrime: Vandalizing the Information Society.](#)

#### **Hacking:**

Hacking is described as deliberately gaining unauthorized access to a computer system, usually through the use of communication facilities.

Furnell, S. (2002). [Cybercrime: Vandalizing the Information Society.](#)

#### **Bot (short for robot):**

A bot is an application that automates a process. Only those bots that have been written with malicious intent are a type of cybercrime.

#### **Botnet:**

A botnet is a collection of infected computers.

#### **Phishing:**

Phishing, also called “brand spoofing” is defined as the use of fraudulent e-mails and websites designed to fool recipients into disclosing personal financial information.

#### **Cyberbullying:**

Cyberbullying refers to the use of information and communication technologies to antagonize and intimidate others.

Unless otherwise indicated, definitions provided by the Atlantic Region Tech Crime Unit and CISC.

### Provincial Overview

Throughout 2004, New Brunswickers continued to fall victim to cybercrime as innovative criminals continued to look for new ways to exploit technology in order to further their criminal enterprises. As new technology is readily available and utilized by New Brunswickers, this potentially puts them at a greater risk of cybercrime. It also provides criminals with a wider scope to operate their criminal activities.

It is difficult to determine the extent to which organized crime groups are involved in cybercrime. The financial impact on New Brunswick is also difficult to determine as cybercrime is international in scope and often remains under-reported or unnoticed.

Cybercrime is committed primarily for financial gain. Computers can be used to assist a crime such as fraud, identity theft and child pornography (please refer to these sections for further details) or crimes can be computer focused such as viruses and hacking.

Fraud committed via technology not only causes harm to consumers but also undermines consumers' confidence in legitimate electronic commerce and the

Internet. Significant developments in this area include the use of botnets for extortion and the practice of "phishing".

Botnet attacks can be designed for extortion, hiding the source of massive e-mail spamming operations and trafficking child pornography. A new trend in cybercrime is that botnets are being used to extort money from victims, i.e., corporations. Victims of such extortion demands are generally randomly picked mostly among financial institutions and online gambling sites. New Brunswickers are primarily at risk of being unwilling participants in a botnets attack as our province has a good concentration of high speed customers with lots of bandwidth (amount of information that can be transmitted in a fixed amount of time). Customers with high speed are likely to surf more, download more, do more online and consequently, are at greater risk of having their computer harvested.

Phishing is on the increase due in part to the use of the Internet for personal banking. Most often, phishing scams lead to more sophisticated financial crimes. In 2004, the most common Internet fraud scheme reported in New Brunswick involved the practice of "phishing". It is suspected that organized crime groups in Eastern Europe are the main culprits of phishing schemes.

A scam that resonates the phishing schemes involves the exploitation of some Internet phone services. In these schemes, criminals use this technology to make it appear as though they are calling from a bank or other financial institution convincing consumers to disclose personal financial information.

There are many other existing fraud schemes on the Internet such as auction and retail schemes, business opportunity / "work at home" schemes, credit card fraud, divorce schemes, fake diplomas and degrees, identity theft, "Nigerian" letter scam / advance letter scheme, etc.

#### Cyberbullying

Law enforcement agencies throughout New Brunswick have received complaints of cyberbullying generally within the youth population. While most youths use communication technologies such as e-mail, cell phone, instant messaging and websites to have positive interactions, bullies can exploit these technologies to harass and intimidate others. A notable example is a Miramichi youth accused of uttering a death threat in an Internet conversation.<sup>1</sup>

#### Identity Theft

Identity theft has been described as one of the fastest growing crimes in North America. It can be used as a medium to facilitate such crimes as terrorism, human smuggling and drug smuggling. In 2004, 155 New Brunswickers were victims of identity theft with losses totaling over \$140,000.00.<sup>2</sup> The majority of criminals used the stolen identity to drain bank accounts and obtain fraudulent credit cards. It is suspected that organized crime groups in New Brunswick are using identity theft to commit further criminal activities and possibly to hide from detection and prosecution.

Methods utilized by identity thieves to acquire personal information fall into two broad categories: physical and electronic methods. Physical methods include mail theft, theft from residences and personal spaces. Electronic methods include misuse of personal data in business transactions, phishing, spoofing (i.e., spoofed e-mails are e-mails that appear to belong to legitimate businesses such as financial institutions or online auction sites) and pretexting (i.e., pretext phone calls are phone calls from persons purporting to be with legitimate institutions or companies) and theft from company or government databases.<sup>3</sup>

Canadians unknowingly give away confidential information about themselves that can lead to identity theft. Those who have a good credit rating or potential for good credit appear to be the largest target population. Corporations, financial institutions and small businesses can also be targets of identity theft. Victims often do not realize that they have been victimized until weeks or months after the crime has been committed, thus it is a difficult crime for law enforcement to track.

### **Outlook**

- ▶ Criminals involved in cybercrime will continue to seek out potential victims until such time as prosecutions and penalties become more substantial and act as a real deterrent. Corporations will be increasingly targeted.
- ▶ Identity theft will continue to be a medium to commit other crimes. This will assist criminals in insulating themselves from prosecution.
- ▶ Law enforcement agencies will continue to work collectively and be trained to develop strategies for the investigations and prosecutions of offenders to combat this global problem.



### **To Reduce Cybercrime**

#### **RECOGNIZE IT.**

- ▶ Be cautious when submitting personal information on websites, phone, through the mail or over the Internet.
- ▶ Parents need to be cognisant of their child's online activities.

#### **REPORT IT.**

- ▶ Report any suspicious activity to our local police department.

#### **STOP IT.**

- ▶ Keep your operating system, i.e. Microsoft Windows, up to date.
- ▶ Protect your computer with anti-virus software, spyware filters, e-mail filters and firewall programs.
- ▶ DO NOT download programs from unknown sources.
- ▶ DO NOT open suspicious e-mails. Leave suspicious sites.
- ▶ DO NOT click on an attachment in an e-mail (even if its from a trusted source) unless you were expecting it.
- ▶ Monitor your financial transactions.
- ▶ As a parent, monitor your child's online activities.

Tips provided by the Atlantic Region Tech Crime Unit and Phonebusters.

## DRUGS

### Highlights

- ▶ **Marijuana grow operations (grow-ops) have increased significantly in New Brunswick in the past year.**
- ▶ **Oxycontin (Oxycodone) and Dilaudid (hydromorphone) remain as the most sought after prescription (diversion) drugs in the province.**

### Provincial Overview

Cannabis products i.e., Marijuana, Hash and Hash Oil are the most consumed drug in the world and therefore, the subject of the most traffic. Accordingly, in New Brunswick the more popular drugs are Cannabis products i.e., Marijuana, Hash and Hash Oil. Next is Cocaine, followed by Ecstasy and then Oxycontin and Dilaudid which are diversion (synthetic) narcotics. Reports on Heroin are very sporadic. It is not believed to be a significant problem for our province.

Marijuana production has increased in the last two years in New Brunswick. In 2003, police took down 334 illegal grow operations which totalled 32,232 plants. For the year of 2004, police raided 437 illegal grow operations totalling 37,405 plants.<sup>4</sup> This indicates more than a 24% increase in targeted grow operations alone in a very short period of time. Also, each plant is conservatively estimated of yielding one thousand dollars worth of product, placing the grow-ops industry alone, into the tens of millions of dollars annually for this province.

A lot of marijuana grows are suspected of being done on behalf of organized crime. This appears to be the norm rather than the exception. For instance, in 2003 in the Saint Jacques, New Brunswick area, one grow containing over 10,000 plants was discovered, giving this single grow, product worth over \$10,000,000.00 on the street. This grow was an example of organized crime from out-of-province having production looked after by an intermediary.

A further example of organized crime (Asian-based) involvement were Vietnamese individuals using at times luxurious homes to conceal illegal indoor marijuana grows. As a result of police initiatives directed at these growers of Marijuana, 21 search warrants were executed which resulted in 17 arrests in New Brunswick and 7 in Hamilton, Ontario. In total \$16,000,000.00 million dollars worth of Marijuana was seized along with \$80,000.00 in cash.

Indoor grows normally have devastating affects on dwellings. The climate/environment required for optimal growth of marijuana plants usually produces extremely high levels of humidity. This condition will quickly degenerate any residence. Education to our real estate industry is a must. Purchases of homes by suspicious individuals, should be recognized and reported to police.

Dwellings are also used as drug labs. The process referred to as an "extraction lab" is one in which a substance, "weed oil", is extracted from the leaves. The danger that the gaseous vapors produced cause a high risk of explosion if the area is not properly vented.<sup>5</sup> Such an incident was the case recently in Saint Gabriel, NB. The residence being used as an extraction lab exploded because of this process.

Further benefits of indoor grows and a new trend has been the ability to produce super plants. These Marijuana plants have more volume as compared to the conventional plants. They also yield 3 times the amount of product making them extremely valuable. This was the case in recent seizure by police in Miramichi and other areas. Some of these plants had been cloned from super plants in British Columbia.

### **Dangers Associated with Indoor / Outside Grows**

- ▶ May have dangerous booby traps.
- ▶ Normally guarded by someone, who may be armed.
- ▶ Process use for Indoor grows increases likelihood of explosion.
- ▶ Indoor grows creates increased danger of fire and electrocutions.
- ▶ Process of Indoor grows creates hazardous mould .

The total worth of any illegal grow operation is such that the owners will set up booby traps referred to at times as "Mousetraps" (which is a plank of wood and some metal parts that when triggered detonate a shotgun shell if tripped) to ward off would be thefts and competitors. These traps can cause a significant danger to police conducting investigations or to unsuspecting persons.

It is clear, with the increasing numbers of illegal grow operations reported, innocent victims will be affected. In a recent study of Ontario's illegal grow operations culture it was found, that increasingly, children reside in Ontario dwellings being used as grow houses. This study estimated that potentially, 995 to 10,000 children may have been living in grow houses during the periods of 2000 to 2003. This is alarming, as dangers such as chemicals, mould, electrocution and fire are all risk factors within these locations.<sup>6</sup>

#### **How to spot an indoor Marijuana Grow Operation:**

Usually large homes are used and they may have an untidy exterior. Individuals who are sitting or guarding the grows conduct sporadic visits at odd times. Entry is usually made through the garage. Large fans, lights, plastic plant containers and soils are also necessary equipment for grows. Windows are normally covered up. Hydro is sometimes pirated. Extra vents/ventilation fans are installed to maintain air quality. A distinct Skunk-like odour exists.

With the increase in the Cannabis culture in our country, a Federal Renewed Canada Drug Strategy identified a need to combat this criminality and set aside money to deal with this trend. A five year program setting up teams referred to as Coordinated Marijuana Enforcement Teams (CMET) were established across the country. The program is now in year three and New Brunswick gained a CMET this year.

Finally, a new herb from Mexico known as Salvia or "Salvia Divinorum" also known as "Divine Sage" has found its way into Canada and New Brunswick. Smoking is probably the most common method for "Western" users. Dried salvia leaf is readily available from commercial sources. The smoke is irritating and may have the same sort of health risks as tobacco smoke - cancer, bronchitis, emphysema, and heart and blood vessel disease.

To our knowledge there have been no toxicological studies of this compound in humans. It is true that the Mazatecs have used the plant for a very long time and don't seem to have problems with it, but, when the pure compound is used it would be a simple matter to consume a dose hundreds of times greater than anything ever encountered by the Mazatecs. The majority of people who have had a full blown experience with salvinorin A, are reluctant to ever do it again. Salvia is not on any CDSA schedules as of yet.

An increase in chemical drugs is anticipated in New Brunswick. Methamphetamine or Meth as it is called is one that promises to once again be a law enforcement problem. Because of the low initial cost involved and the huge profit margin increased production is anticipated to meet demand. Societal trends at the moment give strong indication that Meth will once again become very popular. Ecstasy has also been on the increase for the last five years, pointing to the constant demand for synthetic drugs.

## Outlook

- ▶ Indications are that Methamphetamine (Meth) or Chemical Labs are on the horizon
- ▶ Illegal Marijuana grow operations will continue to increase.
- ▶ Organized Crime will play an even greater role in the drug trade in New Brunswick.



### For dealing with Grow-Ops

- ▶ Report suspicious behaviour/sightings to police.
- ▶ Police must share information with potential stakeholders I.e., Real Estate agencies, Banks, Hydro and Insurance Companies.
- ▶ Educating persons in justice system regarding grow-ops so that sentencing reflect severity of the crime.

## ECONOMIC CRIME

### Highlights

- ▶ **Most popular counterfeited bills are the 20 and 50 dollar bills.**
- ▶ **West African Fraud Letters also known as "Nigerian Letter Scams" continue to defraud New Brunswickers.**
- ▶ **The scope of economic crime remains a concern for law enforcement in New Brunswick.**

### Provincial Overview

Counterfeiting of money is one of the oldest crimes in history. Today, computer technology and modern photographic and printing devices have made the production of counterfeit money relatively easy.

In 2003, the national rate of counterfeiting increased 72%. Law enforcement in New Brunswick is noting a significant increase as well. This may be attributed to increased reporting due to an education campaign by the Bank of Canada two years ago. Criminal groups in the province are producing counterfeit bills; however, the majority of counterfeit bills are produced by organized crime groups outside of the province and are regularly passed here. Individuals have already counterfeited the new bills which contain the new added security measures. This trend will continue and be seen in New Brunswick.

The denominations counterfeited at a greater rate were the 20 and 50 dollar bills, followed by the 10 and then 100. New Brunswick agencies reported over 1,220 counterfeit bills passed in 2004. These totaled over 36,000.00 dollars in value, making New Brunswick the second highest affected province in the Atlantic Canada, behind Nova Scotia.

Law enforcement agencies continue to report a high incidence of fraud. The most recent numbers available through Statistics Canada (2003) report a 6.9% rate increase after several years of rate decreases. New Brunswickers were victim to the following types of fraud in 2004 including ATM fraud, cheque fraud, credit card fraud, insurance fraud, mail fraud, Nigerian letter scam, pyramid schemes, telemarketing fraud and fraud within companies. The scope of these incidents is vast due to the global communications network and is facilitated by continual increases in technology.

Individuals who perpetrate this type of crime need not physically be in the province. New Brunswickers are frequently victims of fraud activities by individuals and groups from other parts of Canada, often Quebec. A confirmed organized crime link was associated to a rash of ATM frauds involving members of a Romanian criminal group (Eastern European-based Organized Crime) that traveled through the Maritimes.

New Brunswickers, especially the elderly and financially disadvantaged, are susceptible to scams intended to make a lot of money quickly and easily, similar to creative pyramid schemes. Government of Canada cheque frauds, have been experienced across the province, and credit card frauds buying merchandise and having it shipped overseas.

Criminals who are involved to a greater or lesser extent in money laundering. Their proceeds of crime are laundered through the legitimate economy by the purchase of goods, property, businesses, mortgage and other financial transactions. As criminal groups from other parts of the country set up in New Brunswick they utilize financial institutions and currency exchanges to send money to associates.

The scope of economic crime remains a concern for law enforcement in that frauds and money laundering schemes reach beyond municipal, provincial and even national borders. These crimes test the meaning and application of integrated policing.

With credit card frauds, the goods obtained are often beyond reach by the time it has been identified as a fraud. An area of concern for the police community is the scope of these certain frauds. Technology has allowed culprits to be much more elusive and invisible, often times, out of easy reach by law enforcement. The thought of embarrassment and possibly losing more independence may stifle reporting of fraud by seniors resulting in under reporting.

Several different types of frauds will continue to affect New Brunswickers in the foreseeable future. The acquiring of commodities, especially high end items, such as computers and associated parts and software using fraudulent credit cards is an area which will need continued focus. Technology used to commit crimes such as using ATM card readers will continue to cause problems since cards are ubiquitous, creating an unsolicited complacency.

PhoneBusters, a fraud reporting agency administered by the Ontario Provincial Police in cooperation with the RCMP, reports that for New Brunswick Telemarketing Fraud was significant. There were 250 attempted Telemarketing Frauds which yielded 68 victims for a reported dollar loss of over 41,000.00 dollars. West African Fraud Letters were received by 419 residences/businesses in the province of New Brunswick. Of that number, 15 victims fell prey to the scam, which translated into over \$117,446.00 dollars in money lost by those affected.

The West African Fraud Letters scam has plagued New Brunswick as well as nationally, for the month of April 2005, 27 victims were affected to the tune of \$1,227,235.41 dollars. The first quarter of this year (2005) put the number of victims at 64 with over \$6,601,670.66 in loses . This last figure is already well over the 5 million dollar mark that was lost for the whole of 2004 by Canadian citizens. If only Canadians could adhere to that most basic of sayings: "If its sounds to good to be true, then it probably is".

**Public Notice:**

May 18, 2005

The New Brunswick Securities Commission extended its order restricting the activities of Portus Alternative Asset Management Inc. (Portus) and its owner and managing director, Mr. Boaz Manor. Portus, an Ontario based company, registered in New Brunswick, was placed in receivership in March . The receiver has referred the Portus matter to the RCMP.

# Tips

## Protection Against Fraud(s)

- ▶ If it sounds too good to be **true** it probably **is**.
- ▶ Be cautious when submitting personal information on websites, phone, through the mail or over the Internet.
- ▶ Never send cash to guarantee a contest win.
- ▶ Ask for identification from company representatives. (Anyone legally employed by a company will have proper ID.)
- ▶ Always protect Passwords and PIN numbers.
- ▶ Report any suspicious activity to the police immediately.

The best defense against any type of fraud is to recognize what is taking place. Anyone with access to the Internet should view the PhoneBusters' web site at [www.phonebusters.com](http://www.phonebusters.com) or contact them Toll Free: **1-888-495-8501**.

## Outlook

- ▶ Counterfeiting will continue to occur in New Brunswick.
- ▶ Several different types of frauds will continue to affect New Brunswickers in the foreseeable future i.e., West African Fraud Letters, Counterfeiting etc.

# DRAFT

## GANG ACTIVITY

### Highlights

- ▶ **Groups operating in New Brunswick have the potential of becoming street gangs.**
- ▶ **Prison gangs are prevalent in Federal Correctional Institutions in New Brunswick.**

### Provincial Overview

#### Street Gangs

Street gangs is not a phenomenon that has been identified in New Brunswick; however, various groups operating in the province have the potential to be labeled a street gang. A few groups have surfaced in the province in the past year. Members of these groups are engaged in criminal activities such as assaults, assaults with weapons, bullying, break-and-enters, thefts and drug trafficking. These groups are presently attempting to establish themselves. Turf rights and self-protection appear to be reasons for existence. Groups remain monitored for the development of characteristics indicating street gang status. Organized crime groups frequently use street gangs to perform their dirty work. This enables them further isolation from law enforcement.

Traditionally, street gangs have been more prevalent in Canada's largest urban centers such as Vancouver, Toronto and Montreal. However, today, street gangs are increasingly present in smaller cities and rural areas. Some of the factors that cause the establishment of gangs are cultural disaccords, ego fulfillment, racism, lack of parental guidance and socio-economic aspects. Some of these characteristics required for the formation of street gangs are present in New Brunswick.

Street gangs commonly use violence such as threats, intimidation, the use of weapons, drive-by shootings and murders to control members, protect the gang and its turf and to commit crimes. Because of the high levels of violence associated with their activities, street gangs pose a serious threat to society. The trend for such gangs to perpetuate their activities have been set across Canada<sup>7</sup> and therefore, law enforcement will continue to monitor the development of potential street gangs in New Brunswick.

#### Prison Gangs

Inside federal and provincial correctional institutions, some incarcerated street gang members are involved in gang recruitment, criminal activities as well as influencing gang activity on the outside. Street gang members are known to attempt to intimidate both police and correctional officials.

At last count, more than 8% of the national prison population were identified as being affiliated with gang members behind bars.<sup>8</sup> Incarcerated gang members compete for control of prison subculture activities such as the drug trade. Sometimes, the groups cooperate with one another and form alliances. Prisons often serve as a base for networking. In federal correctional institutions in New Brunswick, gangs are linked to a multitude of criminal occurrences within the institution including drug trafficking, threats, intimidation and assaults. They also, in some cases, continue to influence criminal activity on the outside. Law enforcement will continue to monitor the potential on-going relationships of prison gang members maintaining gang status upon release.

Presently, federal institutions in New Brunswick house individuals whom are gang members and/or associates to specific gangs such as Aboriginal Gangs, OMG and Italian-based Organized Crime. As prisons often serve as a basis for networking, the potential for local New Brunswick inmates to form alliances with these individuals, broadening their scope, is recognized and monitored.

Visitations are another monitored issue. They often provide inmates with an avenue of trafficking illegal items such as money, drugs and contraband into the prison through close associates.

#### Other

Also noteworthy is the arrest of a 14 year old in the stabbing of an elderly woman in Quebec. The youth's case is indicative of a problem Montreal Police are starting to see more often, the recruitment of children as young as nine years old by Montreal street gangs.<sup>9</sup>

Several districts within New Brunswick find that older criminals are making use of young people under the age of 18 to commit crimes. Young people receive lighter sentences if they are caught and the older criminal remains insulated from prosecution. It is believed that this trend will continue but the development of street gangs with gang motivated criminal behavior is uncertain.

#### Outlook

- ▶ Law enforcement will continue to monitor groups including prison gangs and potential street gangs operating in New Brunswick.
- ▶ Criminal gangs will continue to operate in our penitentiaries. The number and variety of gang members will continue to increase as law enforcement continue to target and dismantle organized crime entities on the outside.
- ▶ Prisons will continue to serve as a basis for networking. Incarcerated gang and organized crime group members will continue to establish strategic and/or functional alliances.

# DRAFT

## MOTOR VEHICLE CRIME

### Highlights

- ▶ **Organized crime groups are continuing to use motor vehicle crimes as a means to make profits to fund other criminal activities.**
- ▶ **In 2004, organized crime groups continued to exploit the registration system in New Brunswick.**

### Provincial Overview

#### Motor Vehicle Crimes:

Motor vehicle crimes are more than the theft of a vehicle. Motor vehicle crimes encompass all components of criminal acts that can be done involving a vehicle or a vehicle's paperwork/identity.

Crimes such as:

- ▶ Theft for transportation or "Joyriding"
- ▶ Theft to commit another crime
- ▶ Exportation of a stolen vehicle
- ▶ Insurance fraud
- ▶ Tax fraud
- ▶ Altering a vehicle's identity (cloning/re-vinning)
- ▶ Dismantling a vehicle for parts (chop shops)
- ▶ Rebuilding a vehicle with stolen parts
- ▶ False registrations

Following the motor vehicle crime trends of 2003, New Brunswick continued to experience crimes in relation to motor vehicles throughout 2004. Criminals, in keeping with the benefits of committing motor vehicle crimes were able to generate profits through many different methods.

Motor vehicle crimes are viewed by criminals as an easy crime with high return in profits, very little enforcement, low penalties, low risk, minimal violence and with high demands for product. For these reasons, multiple organized crime groups are involved in one aspect or another, and because of this, fewer vehicles are being recovered. This is an international problem.

Noted motor vehicle crimes in New Brunswick have been theft for transportation (including to commit other crimes), alterations/cloning/re-vinning (to the vehicle itself and its identity), fraud and exportation.

Northern New Brunswick reported a number of cases involving false registrations of stolen

vehicles through Service New Brunswick offices. With the provinces' close proximity to Quebec, which is home to Montreal, the city with the highest rate of unrecovered vehicles in Canada, New Brunswick is susceptible to criminal activities by those operating from surrounding provinces.

In April 2004, Service New Brunswick and the Miramichi Police Force assisted in dismantling a stolen car ring from Quebec. Representatives from the Service New Brunswick office in Miramichi contacted Miramichi Police Force to advise of suspicious persons trying to pass fraudulent documents. The subsequent investigation uncovered a complicated operation from Quebec with ties to northern New Brunswick and Ontario. The suspects were attempting to "clone" new high-end vehicles to be sold in New Brunswick, Quebec and Ontario for a fraction of their value. Two men were charged and convicted. "Cloning" a vehicle involves replacing a new vehicle's Vehicle Identification Number with the number of a similar vehicle sold in the US, then registering the vehicle in a new location under that VIN.<sup>10</sup>

In November 2004, Grand Falls Police Force and RCMP along with a number of officers busted a major theft ring in the northwestern part of the province. Seven individuals were arrested and six locations were searched during the raid. The searches were in connection to a rash of vehicle thefts, break and enters, and other thefts that had taken place in the past year. Stolen goods ranging from stolen vehicles, parts and identities to stolen appliances and building supplies (windows, doors, baseboards, etc.) from homes were seized.<sup>11</sup>

One subject from New Denmark, has been charged and remains in prison for his key involvement in the thefts.<sup>12</sup>

In 2002, New Brunswick had approximately 1,712 stolen vehicles with a 49.2% recovery rate; in 2003, there were approximately 1,813 stolen vehicles with a 60.8% recovery rate and in 2004, there were approximately 2,330 stolen vehicles with a 55% recovery rate.<sup>13</sup>

A few of the most common vehicles stolen in New Brunswick were vans, pick-up trucks and ATV's. Heavy equipment, trailers and transport trucks remain in demand as well. Off-road vehicles tend to be stolen seasonally when they are in high demand.

**Tips**

**To Reduce Motor Vehicle Crimes**

- ▶ Equip vehicle with a deterrent such as The Club or an installed anti-theft device
- ▶ Park in well lit areas
- ▶ Leave nothing of value in the vehicle
- ▶ When purchasing a used vehicle (from private sale/auction/dealership), always conduct background checks on the history of the vehicle
- ▶ When parking a vehicle with a ATV/snowmobile etc. on back, park in a way that is difficult to steal
- ▶ Take notice of your Vehicle Identification Number (VIN) and whether it has been scratched off/tampered with

REMEMBER if you witness anything odd occurring near a vehicle, inform your local police department so they may follow-up. Together we can reduce this crime!

In general, many criminal groups are often aware of one another's activities and expertise. This expertise such as completing alterations on a vehicle is often requested to further facilitate their crimes. Dealerships, businesses and auctions (both legitimate and illegitimate) are being used to conceal, conduct and exploit motor vehicle crimes. Most groups are committing motor vehicle crimes as just one of many criminal activities.

Motor vehicle crimes present a huge public safety issue. Not only are there unfit vehicles on the road that were rebuilt with stolen parts, or were salvage vehicles with altered identities, there are also reckless drivers operating these vehicles while stolen. This problem was highlighted this past year in the media by an unfortunate fatal incident that occurred in Halifax. A 16-year old boy was accused of driving a stolen vehicle that resulted in an accident that killed a 52-year old mother of three. Days prior to the accident the same boy had plead guilty to three charges stemming from a 50-km long high speed chase in a stolen vehicle.

This incident is one of many that demonstrate the public safety issue involved with stolen vehicles. In this case, the crime was considered a property offense in the Criminal Code (as are most vehicle thefts) and therefore any type of punishment is minimal.

There is a need for the justice system to consider this type of offense more than just property crime. If the stolen item is capable of harming the public, then it is crucial to evaluate/charge properly and deter

offenders from wanting to be involved in this type of crime. Large insurance losses also result from motor vehicle crimes and fraudulent claims or staged collisions.

### **Outlook**

- ▶ With the high profits to be made and the already established evidence of activity in the province, New Brunswick will continue to be susceptible to the motor vehicle crimes in varying degrees within the province and from activities outside the province.
- ▶ Service New Brunswick offices will continue to be targeted by organized crime groups wanting to have a stolen vehicle legally registered so that it can be sold to unsuspecting buyers or buyers that are being cut a deal knowing it is stolen, yet registered.
- ▶ New and increased sophistication of criminal methods in Quebec, will eventually filter their way into New Brunswick and the surrounding Atlantic provinces.

# DRAFT

## OUTLAW MOTORCYCLE GANGS

### Highlights

- ▶ **Outlaw Motorcycle Gangs continue to gain momentum in New Brunswick.**
- ▶ **Outlaw Motorcycle Gang members and associates are increasingly involving themselves in legitimate businesses.**

### Provincial Overview

For almost six decades Outlaw Motorcycle Gang (OMG) members have been one of the most overt forms of organized crime that has existed around the world. While other crime networks work within the shadows, bikers for the most part, have always had an in-your-face approach to most things they are involved in.

Outlaw Motorcycle Gang members usually band together for numerous reasons. It once was, the strength that comes from numbers (the gang), the attraction of riding their bikes, partying and the brotherhood. Now-a-days, its mostly about business.

While some of the more seasoned members in gangs love the open road and enjoy riding their Harley's, a lot of new generation bikers are in for profit and power and will gladly do what it takes to achieve this. The brotherhood these days is more about business than it is bikes, making this sub-culture even more ruthless at times. While a motorcycle is mandatory to gain membership in a gang, they are in many instances, just another tool the bikers use to complete their look and carry on with their trade.

From past to present, biker gangs and their members, have always been involved in illegal activity regardless of how trendy or not it may be. Outlaw bikers have been involved in the drug culture for decades, and are presently involved in the trend of marijuana grow operations. Whether these grows are inside or outside, criminal biker gangs are often involved.

New Brunswick biker's and their association to out-of province gangs especially the Hells Angels is very evident and can not be overstated. The Hells Angels are approximately 230 chapters strong in 29 countries, easily making them the most powerful biker gang in the world. Anyone with ties to the HA must do things their way. Although the Outlaw Motorcycle Gangs that exist in the province of New Brunswick now, are the most prominent in Atlantic Canada, they are still a small player in the overall crime game, compared to the Hells Angels.

#### Outlaw Motorcycle Gang Members:

- ▶ Normally wear patches with three distinct identifiers on the back of vest or jacket i.e., top rocker (gang name) middle logo (gang crest) and bottom rocker (geographic location they represent / control). These patches are commonly referred to as **COLORS**. Also the initials MC (motorcycle club) are part of their colors.
- ▶ Normally ride Harley Davidson motorcycles.
- ▶ Normally wear a 1% patch on the front of the vest or jacket.
- ▶ Normally involved in crime as a means of support.
- ▶ Normally have mandatory runs (travelling from point A to B for socializing/partying purposes) as a gang.

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The sex industry is one that the bikers have a lot of interest in. The vast majority of sex trade workers circulating throughout New Brunswick and the Maritimes originate from the province of Quebec. The sex industry has been a longtime staple for outlaw bikers, including, at times those that exist in New Brunswick.

Expansion by the Hells Angels into New Brunswick by introducing the city of Moncton to one of its Route 81 outlets is further proof that the legitimate side of biker-dom is also growing. Route 81 outlets (8 represents H which is the eighth letter in the alphabet and 1 which represents A, this translates to 81 or HA or Hells Angels) sell Hells Angels paraphernalia which includes t-shirts and sweat shirts that at times depict anti-police slogans. These outlets are normally run by gang associates or subordinate gang members and their associates.

### Outlook

- ▶ Outlaw Motorcycle Gangs will continue their endeavors in New Brunswick and may even play a larger role in the overall crime in this province.
- ▶ Law enforcement will continue its focus on Outlaw Motorcycle Gangs and their related criminal activity.



## Tips

### When encountering Outlaw Motorcycle Gang member:

- ▶ While highway driving, if you are going to pass a number of OMG members, make sure you have enough clearance to pass all of them as to not get situated in the middle of their group.
- ▶ OMG members normally travel at high rates of speed and you are better off, to pull on the side of the road (shoulder) temporarily and let them pass, instead of trying to stay ahead of them.
- ▶ If you happen to be staying at a hotel / motel and a group of OMG members arrive remain calm, as they often times only overnight and then are on their way.
- ▶ OMG members will not normally get into altercations with the average citizen which they have no quarrel with.
- ▶ Always report suspicious activity to police.

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## **ORGANIZED CRIME ACTIVITY AT MARINE PORTS, AIRPORTS and LAND CROSS BORDER AREAS**

### **Highlights**

- ▶ **All ports of entry are susceptible to organized crime through the movement of contraband and humans.**
- ▶ **Human, drug and currency smuggling across the border increased in 2004.**
- ▶ **A smaller northern New Brunswick marine port has been used to facilitate a major drug shipment.**

### **Provincial Overview**

New Brunswick like any other place in the world is home to many ports of entry which facilitate the movement of goods and people. Whether via land, air or marine, criminal enterprises tend to conduct operations abroad and therefore, it is crucial to defend our entry points with the best tools possible.

New Brunswick is home to a number of airports ranging from smaller airports that operate occasionally with limited traffic volume, to bigger airports that move a large amount of passengers domestically and internationally along with cargo and courier flights moving goods. The Greater Moncton International Airport services many different flights and destinations and is the hub for flights in New Brunswick with Fredericton Airport and Saint John airports very active as well. With the number of weekly flights, moving any number of passengers between a multitude of destinations, law enforcement agencies remain fully engaged in watching for illegitimate activity occurring at airports.

Canada's New Brunswick land border with the United States covers approximately 400 kilometers. Dotted along this boundary are 19 supervised ports of entry that vary in size and service. There are many high volume traffic land border ports of entry in New Brunswick such as St. Stephen, Woodstock, Edmundston, Claire and Centerville. The province services a large number of commercial vehicles due to its proximity with the US and Quebec. Between April 2004 to March 2005 there were 6,320,746 passengers/pedestrians and 289,992 commercial vehicles that filtered through New Brunswick ports.<sup>14</sup> With the large number of movements through the ports and covering the 400 km with only 19 ports of entry, this leaves many unsupervised locations that are patrolled by law enforcement agencies. Due to the challenging geographics we are faced with, dedicated law enforcement agencies must stay well equipped with current technology and abundant resources to reduce illegal movement through these areas.

The marine ports in New Brunswick also vary in size and service as with the other ports. There are two ports, the Port of Saint John and the Port of Belledune, in New Brunswick that as of March 29, 2000 became part of the Canadian Port Authority putting them in the same league as the management of larger ports such as Halifax, Vancouver and Montreal.

The Port of Saint John receives daily shipments of diverse cargo such as bulk cargo i.e., coal, containerized cargo and break bulk cargo i.e., steel. Expansion of its shipping capacity now includes cruise ships completing tours between the Eastern US and Canada. There is also an active auto port for the movement of Daimler Chrysler products abroad.

On an annual basis the port handles an average of 25 million metric tonnes of cargo.<sup>15</sup>

In Northern New Brunswick, the Port of Belledune is the anchor for economic growth in this area of the province handling shipments of various cargo from concentrate minerals i.e., zinc, lead, copper to coal for the NB Power generating station. It is smaller in size to the Port of Saint John however, services international destinations and therefore warrants a watchful eye for illegal activity.

The Atlantic coastline runs a stretch of 32,000 kilometers and of that 2,306 kilometers borders New Brunswick. Therefore, besides the major marine ports, there are a number of small marine harbors, fishing towns and isolated inlets and coves providing endless opportunities for criminal activity by way of water.

The ports in all of their many facets are a crucial component to the success of many organized crime groups. For an organized crime group to be able to operate on an international scale means higher profits through increased contacts and wide scale business opportunities. Because of this, organized crime groups are attempting to move contraband internationally on a daily basis through every part of the world including New Brunswick. Therefore, our vulnerabilities to criminal activities have to be recognized and successfully combated.

#### Land Ports of Entry

Criminals not only move themselves physically across borders, they also move contraband such as, humans, drugs, money, tobacco, liquor and firearms. This is done using various modes of transportation.

It was evident in 2004 that New Brunswick was targeted by criminals to smuggle humans, currency and drugs across the border and this trend is continuing into 2005. Seven Middle Eastern nationals were caught in the US after crossing the border through the woods near Woodstock. Over \$600,000 in US currency was seized along the Maine/New Brunswick border between October - December 2004. Marijuana destined for the US, totaling 308 pounds was also seized along the Maine - New Brunswick border by law enforcement agencies mandated to border security.

Integrated Border Enforcement Teams (IBET) located along the NB/US border (as well as throughout Canada) comprised of the Canada Border Services Agency (CBSA), RCMP, US Customs and Border Protection Agency, US Citizenship and Immigration and Drug Enforcement Agency are crucial to maintaining border security focused on combating organized crime and threats to national security.

#### Air

Criminal activity occurring at airports in New Brunswick is generally that of drug trafficking in small quantities, by single individuals operating alone or acting as a courier to move the contraband domestically. Contraband also moves via cargo/postal flights.

With the amount of airport seizures that occur nationally, New Brunswick remains as vulnerable to this type of crime as does the rest of the airports situated throughout the country. A notable example nationally are the seizures that occurred in two Quebec airports totaling \$34 million between January and March 2005.

#### Marine

The marine Port of Belledune received significant media attention in 2004 when a team of law enforcement agencies seized 52 kilograms of cocaine at the Port of Belledune worth approximately \$6.5 - \$15 million aboard the M/V Konavle, a bulk vessel carrying coal arriving from Maracaibo, Venezuela. This

was the first parasitic attachment seizure of this type at the Port of Belledune and it is anticipated that it will not be the last.

Of interest was another seizure that occurred in Columbia just previous to Belledune's seizure. The M/V Pelijesec, a sister ship to the M/V Konavle, was carrying a parasitic attachment containing 134 kilograms of cocaine with the same markings as the Belledune seizure. The next scheduled port after departing Columbia was Belledune. Of interest was the short time frame of 6 weeks between the seizures.

Increased security measures in the larger surrounding ports may be resulting in organized crime groups displacing their activities to other locations. These seizures highlighted the susceptibility that a small port in Northern New Brunswick faces through its international services. Criminals are expanding their operations outside of the larger ports in hopes to reduce detection and take advantage of isolated areas.

The Port of Saint John based on its size and the services offered is often affected by a variety of criminal activities. Considering that it is the largest marine port in New Brunswick, with a number of employees and is assessable to a multitude of vessels, various types of cargo and crew arriving from foreign countries, one can only expect that it remains vulnerable to criminal activities. With the implementation of a new, state of the art cruise ship terminal in the near future, Saint John will see an increase in cruise passengers and crew. This will be an important consideration to law enforcement agencies patrolling the port. New security measures being implemented at the Port of Saint John will focus on securing specific areas of the port that will only be accessed by those with the appropriate clearance levels.

#### **Outlook**

- ▶ Organized crime groups will continually attempt to exploit the ports in New Brunswick.
- ▶ The Port of Belledune will continue to be susceptible to organized crime via international shipping routes.
- ▶ Drug smuggling will continue through airports in New Brunswick.
- ▶ Persistent attempts for illegal entries into Canada will continue through land border points in New Brunswick.

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## CRIMES AGAINST PERSONS

### Highlights

- ▶ **New Brunswick has rated consistently in the top four provinces with the highest rates of police-reported sexual offences.**
- ▶ **Violent crime, particularly assault, is rising in New Brunswick while the national rate is declining.**
- ▶ **Organized crime groups are involved in the sexual exploitation of women through prostitution, escort services, massage parlors, brothels and strip bars.**
- ▶ **In New Brunswick, the most frequently investigated sexual exploitation of children (SEOC) offences relate to online child exploitation, particularly the possession of child pornography distributed via the Internet.**

There are a series of crimes that are serious, thus a priority to law enforcement, but not organized in nature. Such crimes as assaults (including sexual), robbery (including armed) and the sexual exploitation of women and children are taxing on enforcement resources.

For many years, New Brunswick has rated consistently in the top four provinces with the highest rates of police-reported sexual offences. This was especially noteworthy because of a very large increase in sexual assaults in 2002 and 2003. Saint John also ranked number four among Canadian Metropolitan Areas.<sup>16</sup>

Robbery (including armed)

Violent crime, particularly assault, is rising in New Brunswick while the national rate is declining. Robbery, although reported to have decreased in 2003, is being reported by police to be on the rise, particularly armed robbery. The use of needles and guns in armed robberies are being witnessed to a greater degree. The rise in assault and violent crime is a combination of the environmental factors (social conditions, education) and of the effects of synthetic drug addiction. Moncton has also become a more volatile environment as drug groups vie for power; the increase in the violent crime rate in Moncton accounts for a very large part of the provincial increase noted by Statistics Canada.

In the summer of 2003, the Centre for Addiction and Mental Health published a survey noting that since the early 1990s, young people's risk perception of drug use (except Ecstasy, thanks to a strong education campaign) has been declining gradually. Overall, the use of synthetic drugs has risen the most throughout the country and preliminary anecdotal reports in the province support the idea that synthetic drugs are becoming cheaper and more popular.

Sexual Exploitation of Women

Sexual exploitation of women is a growing concern in New Brunswick. On an international scale multiple organized crime groups are involved in the sexual exploitation of women through prostitution, escort services, massage parlours, brothels and strip bars. A notable example is Montreal where organized crime is involved in the sex trade industry. Prostitutes are often trafficked between cities to make profit and therefore, New Brunswick is susceptible to this crime. Local criminals may become involved to make a profit and control the sex trade or organized crime from outside of New Brunswick may target the

province as a place to conduct business and lure victims. With the ongoing use of drugs in the province, drug users often engage in other criminal activity to feed their habit.

**Types** of Sexual Exploitation of Children (SEOC) incidents include:

- ▶ **possession, manufacture and distribution of child pornography** (child abuse images)
- ▶ **luring** (enticing or persuading a child to meet for sexual activity or to assist in arranging a meeting)
- ▶ **child prostitution** (soliciting, procuring and/or pimping a child under the age of 18)
- ▶ **child sex-tourism** (travel to a foreign country to engage in sexual activity with a child)

Resources:

- ▶ RCMP J Division ICE (Internet Child Exploitation) Unit
- ▶ Cybertip.ca

## Sexual Exploitation of Children (SEOC)

The sexual exploitation of children is a global issue that victimizes a vulnerable portion of society. The motivations of the individuals involved in these crimes is personal gratification. Increasingly, Internet sites are offering child pornography for a fee which could lead to an increase in the use of children as sexual commodities.

Project "Snowball", a national investigation on Internet child pornography, identified over 2000 suspects in Canada. Over 50 suspects were identified in New Brunswick.<sup>17</sup> Project "Snowball" initiated the formation of Internet Child Exploitation Units in several provinces including New Brunswick. These units are committed to the investigation and prosecution of persons involved in the sexual exploitation of children. Other important initiatives undertaken across Canada to help combat online exploitation of children include the creation of the Canadian Coalition Against Internet Child Exploitation (CCAICE) forum and the development of the Child Exploitation Tracking System (CETS), a national computer database. CETS has been adopted by several police forces across Canada including New Brunswick to help battle online child

exploitation world wide. In New Brunswick, the most frequently investigated SEOC offences relate to the possession of child pornography accessed and distributed via the Internet.

Regrettably, child pornography is readily available due to online services. The growth of technology, particularly the Internet and computer storage devices, provide convenient tools for criminals involved in the SEOC. Online services make it possible for predators to seek potential child victims, interact with their victims and correspond with others who share common interests and behaviors. All of these activities can be operated anonymously, minimizing the risk of being identified. Computer storage devices offer a means for offenders to organize their collections of images and information, i.e. list of potential victims. Devices such as "jump or thumb drives" can store thousands of images and are easily concealed or disposed of. Both images and information can also be encrypted and/or hidden in other images/files (steganography) for storage or transmission to deter detection by law enforcement. Botnets (collections of infected computers) can also be used to distribute or store pornography. Meanwhile, the owner of the computer is unaware that this happening. (Botnets - See Cybercrime). Furthermore, technologies such as digital and web cameras and camera phones allow predators to transfer, manipulate and even possibly create child pornography.

Criminals involved in the SEOC often operate autonomously, however, the potential for organized crime involvement is recognized. The sale of child pornography is quite lucrative generating \$2.5 billion from 100,000 child pornography websites. Most Internet child pornography comes from Russia and southeast Asia<sup>18</sup> and, Eastern European-based organized crime groups are increasingly involved. Canadian organized crime groups are also becoming involved in the increasingly lucrative child pornography industry.

Canadian authorities are beginning to see trends similar to those in other countries such as Italy and Japan, where organized crime has edged its way into the dissemination and production of juvenile pornography.<sup>19</sup>

About 1/3 of child luring cases in Canada involve Americans trolling the Internet for sexual prey. Canada's legal age of consent, set at 14, is lower than the age 16 standard held by most countries.<sup>20</sup> Canada's low age of consent laws could potentially make our country a desirable tourist destination for child exploitation purposes. A notable example is in April 2004, a 38-year old Pennsylvania man was charged in Moncton, New Brunswick, with sexual assault and for luring a child on the Internet. Charges were later dropped because the girl is 14 years old - the age of consent in Canada.<sup>21</sup>

# Tips

To Reduce Online Child Exploitation

**RECOGNIZE IT.**

- ▶ Parents need to be cognisant of their child's online activities.
- ▶ Be cautious if your child uses web cameras or chat rooms.

**REPORT IT.**

- ▶ Report any suspicious activity to our local police department and/or at [Cybertip.ca](http://Cybertip.ca), a national Internet tipline.

**STOP IT.**

- ▶ As a parent, closely monitor your child's online activities, i.e., time spent on the Internet, types of websites visited and used.
- ▶ Educate your child on what it means to be exploited.

Tips provided by the RCMP J Division ICE Unit and [Cybertip.ca](http://Cybertip.ca).

### Outlook

- ▶ Criminals involved in sexual exploitation will continue to seek out potential victims until such time as prosecutions and penalties become more substantial and act as a real deterrent.
- ▶ A coordinated law enforcement approach to target SEOC offenders will continue to combat this global problem.

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## CONCLUSION

Organized crime continues to affect the province of New Brunswick and will do so as long as there are benefits to the groups such as financial gain, increased acceptance among peers and the opportunity to operate. The type of criminal activity conducted will evolve and adapt as law enforcement continues to combat and enforce compliance. New technology will only add challenges to law enforcement agencies attempting to detect and reduce crime activity.

Organized crime groups from outside the province also influence activity occurring in New Brunswick and this impact is sometimes larger than the impact from those operating within the province. Law enforcement agencies therefore, continually network with police agencies throughout Canada and internationally so they may work together and be proactive in their enforcement.

In the past year, the law enforcement community focused on integration and sharing and are in the process of creating integrated intelligence units throughout the province. The Fundy Integrated Intelligence Unit (FIIU) operating out of Saint John was established in April 2004 and the North East Integrated Intelligence Unit (NEIIU), located in Bathurst commenced operations in June 2005. Three other units are planned to be strategically located throughout the province. The units will vary in size and location. They will be comprised of representatives from various agencies such as municipal police forces, Canada Border Services Agency, RCMP, Canada Revenue Agency, Correction Services Canada and the Department of Public Safety to name a few.

Their mandate is to collect, evaluate, collate, analyze and disseminate criminal intelligence within an area of jurisdiction and identify potential threats to that area. The units will also be involved in developing specific intelligence packages in support of each partnering Agency/Enforcement unit. The units will contribute intelligence to CISC/CISNB intelligence priorities and make significant contribution to intelligence led policing.

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Integration combined with increased public awareness, vigilance and willingness to report criminal activity to law enforcement agencies is important to achieving success in combating organized crime.

This report provides an overview of organized and serious crime in New Brunswick. The objective of the report is to increase awareness and to reinforce the need for continued collaboration between individual citizens, their communities, law enforcement and government in reducing the impact of organized crime in New Brunswick.

For additional information or questions concerning this document, please contact the Criminal Intelligence Service New Brunswick at (506) 452-2455 or 1-800-361-6622.

## EVALUATION

The Criminal Intelligence Service New Brunswick seeks to receive feedback on its intelligence products in order to improve continually the quality of its intelligence and partnerships with CISNB member agencies. Please complete and return this evaluation form within 30 days. Your comments and suggestions will ensure a better assessment.

▶ How useful is the 2005 Strategic Threat Assessment on Organized and Serious Crime in New Brunswick for each of the criteria below?

▶ Strategic Intelligence	No use	1	2	3	Most useful
▶ Provincial Perspective	No use	1	2	3	Most useful
▶ Scope of criminal activities	No use	1	2	3	Most useful
▶ Emerging trends	No use	1	2	3	Most useful
▶ Forecasting	No use	1	2	3	Most useful
▶ Other OC groups	No use	1	2	3	Most useful

▶ To what extent did this assessment provide new or enhance existing knowledge of organized crime activity in New Brunswick?

Not at all      1      2      3      Completely

▶ What is your overall evaluation of the quality of the 2005 Strategic Threat Assessment on Organized and Serious Crime in New Brunswick?

Poor quality      1      2      3      Excellent quality

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▶ How could CISNB improve future strategic intelligence products?

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Please complete the identification box and return this form by mail or fax to:  
 Director, Criminal Intelligence Service New Brunswick  
 1445 Regent Street, Fredericton, NB E3B 4Z8  
 Fax: (506) 451-6065

<b>Name:</b>
<b>Agency:</b>
<b>E-mail:</b>

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