

W5.md

Canada:

- Illegal drugs is the main source of income for criminal organizations in Canada.
- Common used illegal drugs include: MDMA (Molly, Ecstasy, E), Marijuana (Pot, Weed, Blunts), Acid (LSD), Mushrooms (Psilocybin), DMT, Methamphetamines, Cocaine, Poppers (Nitrites), Speed (Crystal Meth), GHB (Gamma Hydroxybutyrate), Heroin, Special K (Ketamine).

Fentanyl Networks:

- 350+ OCGs are involved in the fentanyl market.
- For the first time, OCGs in Atlantic Canada are reported to be involved as fentanyl distributors, including groups whose members are also part of OMGs and have access to their distribution networks. Two OCGs in Yukon are also newly reported to be involved in distribution, transporting fentanyl from British Columbia.
- 94% of the OCGs involved in fentanyl are distributors. Twelve OCGs, all based in Ontario and British Columbia, are involved in importation. A limited number of groups are reported to be involved in exportation. This number will likely increase as domestic production escalates.
- Increased reporting on distribution is related in large part to street gangs, which represent 37% of OCGs involved in fentanyl in 2022.

Members from one group import & divert precursor chemicals via privately-owned companies.

Key fentanyl producers, with associations to multiple OCGs, operate multi-kg clandestine labs.

Various OCGs, including OMGs and street gangs, distribute fentanyl via their broad domestic & international networks.

- Canada is a manufacturing country for fentanyl. Clandestine fentanyl labs in BC, AB and ON have continued to be detected and dismantled; the number of labs and their estimated manufacturing capacity indicates that product amounts + exceed domestic demand + and are likely intended for exportation to the international market.

Fentanyl Super-Labs:

- Fentanyl Super-Labs can produce multiple kilograms of fentanyl or its analogues per week. In May 2021, RCMP in BC dismantled a clandestine lab capable of producing 26 kg of pure fentanyl per week. This lab had enough chemicals to make an estimated 26 million doses of fentanyl per week.

A profitable business:

- One kilogram costs \$1,300 to produce--and just one kilogram of fentanyl has the potential to kill 500,000 people.
- According to Drug Enforcement Administration estimates, one kilogram of fentanyl can produce 1 million to 1.5 million pill dosage units. Pills are commonly sold for \$5-\$10 each.
- Profit: 5,000,000 to 10,000,000. + Profit: 7,500,000 to 15,000,000.

Fentanyl Networks:

- 90% of the chemical used in the synthesis of fentanyl + is unregulated and available legally + .
- China remains the primary source of imported precursors and chemicals.
- Mexico is an increasing source.

Methamphetamine Networks :

- Another important source of income is methamphetamine. The criminal organizations involved in this business are primarily based in Ontario, Saskatchewan, British Columbia, and Quebec.
- 178 OCGs are involved in distribution, 19 in manufacturing, 10 in importation, and a limited number in exportation.
- Super-labs remain prevalent, with groups in BC and ON using ephedrine to produce methamphetamine in powder and crystal form and groups in QC synthesizing phenyl-2-propanone (P2P) into powder for pills or tablets.
- Mexico and Thailand dominate global production of methamphetamine, and India has a strong precursor and chemical industry. Australia is a popular export destination;
- 1 kg of methamphetamine = up to \$400K AUD
- Canada is a source and transshipment country of methamphetamine to international markets, mainly Australia, New Zealand and Japan.
- Mexican-sourced methamphetamine is expected to eventually exceed domestic production supply and attract more Canadian OCGs, leading to increased working relationships and likely increased competition with Mexican cartels.
- Most non-regulated chemicals and precursors for methamphetamine production. Sourced domestically.
- OCGs exploit the expertise and connections of independent chemical brokers and financiers to facilitate methamphetamine production and importation.
- History

Opium Act (1908):

- In North America, the drug trade was legal in the mid-1800s, with drugs such as opium and opioids coming from Asia. These became illegal after the Opium Act in Canada in 1908.
- Other opiates and cocaine were covered in the Opium and Drug Act of 1911, and cannabis was added in 1923.

1929:

- The Opium and Narcotic Drug Act of 1929 was Canada's primary instrument of drug policy for the next 40 years. International drug prohibition and regulation through the Single Convention on Narcotic Drugs (1961) and the Convention on Psychotropic Substances (1971).
- The Controlled Drugs and Substances Act (CDSA).

Canada and B.C.:

- Legalization of marijuana
- Alternatives to Criminal Penalties for Simple Drug Possession

B.C.:

- In response to a request from the province of British Columbia (B.C.), the federal Minister of Mental Health and Addictions and Associate Minister of Health has authorized that, from January 31, 2023 to January 31, 2026, adult (18 and over) in B.C. will not be subject to criminal charge for the possession of up to 2.5 grams of certain illegal drugs for personal use.
- B.C. :Possession of any drug for the purposes of trafficking, production or export across or within Canada's borders remains a crime. This time-limited exemption under the Controlled Drugs and Substance Act (CDCA) is one additional tool as part of a comprehensive response to this public health crisis. This exemption is the first of its kind in Canada. **Harms:**
- In Canada, illegal drugs are contributing to an increasing number of harms: overdoses from fentanyl and related substances, traffic collisions caused by drug-impaired driving, and gun violence associated with the illegal drug market, among others.

Stigma and fear:

- The toll of the overdose crisis, driven primarily by the toxic illegal drug supply, continues to devastate Canadian families and communities. Stigma and fear of criminalization related to substance use can cause some people to hide their drug use, take more risks, and may prevent them from seeking help.

The Portugal Experience:

- Illicit drugs arrived in Portugal in massive quantities after the end of the dictatorship in 1974.
- On the one hand, illicit drugs were symbols of newfound freedom. On the other hand, Portuguese youth had little experience in the field. And the arrival of heroin in large quantities and at low prices from Pakistan and Afghanistan in the 1980s led to a very rapid diffusion even compared to other European countries.
- In 1995 the number of drug addicts in Portugal was estimated at around 100 thousand out of a population of just ten million.
- Portugal decriminalized the public and private use, acquisition, and possession of all drugs in 2001; adopting an approach focused on public health rather than public-order priorities.
- Commissions for the Dissuasion of Drug Addiction.
- Portuguese reform allows drugs to be treated as a health, rather than criminal justice, issue. The benefits of these reforms, therefore, arise from both decriminalization itself and the establishment of a wider health-based response to drug problems.
- Drug-related deaths have remained below the EU average since 2001
- The proportion of prisoners sentenced for drugs has fallen from 40% to 15%
- Rates of drug use have remained consistently below the EU average

Oregon:

- Drug addiction treatment and recovery act passed in 2020.
- Unfortunately, Oregon still today has among the highest addiction rates in the U.S. Fatal overdose have increased almost 20% over the previous year with over a 1000 dead.
- Over half of addiction treatment programs in the state lack capacity to meet demand because they don't have enough staffing and funding, according to testimony before lawmakers.

British Colombia:

- 2,272 drug toxicity death in 2022.
- Harm reduction is just a small fraction of what should be a comprehensive approach (Dr. Goulão's the total package).

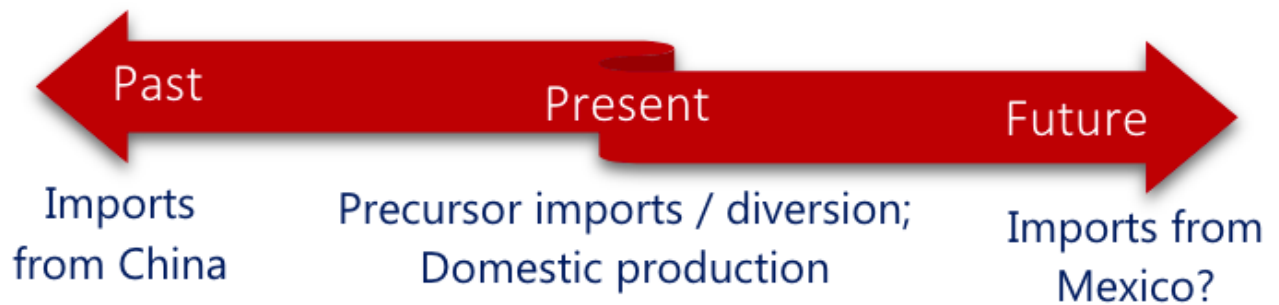
Canada:

- 7500+ accidental opioid overdose deaths occurred in 2021, according to the Public Health Agency of Canada, averaging 21 death per day - a trend that is expected to continue.

Lost productivity:

- \$ 46B estimated in lost productivity, health-care, criminal justice, and other direct costs due to substance use (Canadian Substance Use Cost and Harm Report 2015-2017, Canadian Centre on Substance Use and Addiction).

- Chronology of Canada's Fentanyl Supply Sources.



Sinaloa Cartel:

- “We knew, too, about Chapo’s vast distribution network throughout the United States, but we were caught off guard by his deep infiltration of Canada. In terms of profit, Chapo was doing more cocaine business in Canada than in the United States. It was a straightforward price-point issue: retail cocaine on the streets of Los Angeles or Chicago sold for \$25,000 per kilo, while in major Canadian cities it sold upwards of \$35,000 per kilo.”
- Andrew Hogan, former DEA Agent
- “Chapo’s men had connections with sophisticated Iranian organized-crime gangs in Canada who were facilitating plane purchases, attempting to smuggle ton-quantity loads using GPS-guided parachutes, while sending boxes of PGP-encrypted smart-phones south to Mexico at Chapo’s request. A network of outlaw bikers — primarily Hells Angels — were also moving his cocaine overland and selling it to retail dealers throughout the country.” **Vincent Ramos:**
- A Canadian man who sold encrypted BlackBerry smartphones to criminals worldwide that enabled them to sell drugs and even plan murders while avoiding the prying eyes of law enforcement was sentenced on May 28, 2019 to nine years in prison in federal court in San Diego. He pleaded guilty to one count of racketeering conspiracy. Ramos also was told to forfeit \$80 million in earnings, which included homes, international bank account holdings, cryptocurrency and gold coins.
- Vincent Ramos
- Ramos ran a company called Phantom Secure that offered gutted, uncrackable smartphones that, for a subscription, could send encrypted text messages through a secure network based in Panama and Hong Kong. The company also could wipe the phones remotely if they were seized. Prosecutors said Ramos’ clients included the Sinaloa drug cartel of Mexico and a global drug-trafficking and illicit gambling organization run by the former University of Southern California football player Owen Hanson. Hanson is serving a 21-year prison sentence.

Canadian Connection:

- Jesus Herrera Esperanza, a.k.a. “Hondo” was one of El Chapo’s men in Canada. He was a 22-year-old from Culiacán who spoke decent English. El Chapo sent him to Vancouver to run his drug distribution and money collection throughout Canada. Hondo’s front was to enrol in a business program at Columbia College, in downtown Vancouver, near his luxury thirtieth-floor condo loft. Hondo only attended a few classes, instead, he spent most of his time hanging out at cubs or taking girls sailing on the British Columbia coast.

Weak link:

- Hondo was clearly a weak link among all the operators. He was so amped up about living the narco-junior life that he disregarded his daily functions for Chapo’s drug trafficking organization. At one point, millions of dollars were sitting uncollected in Vancouver, Calgary, Winnipeg, Toronto and Montreal — all from the sale of Chapo’s cocaine and heroin.

Canadian Servers:

- The trial has also heard that Guzman used encrypted Canadian-made BlackBerries to spy on his beauty queen wife, Emma Coronel, and a lover, Agustina Cabanillas Acosta. In court exhibits, Cabanillas is referred to as “Fiera,” Spanish for “Wild Beast.”
- They address each other as “Love” in the texts. However, in a text to a friend also released in court, Cabanillas calls Guzman an “idiot” and disses his Canadian-made cellular phones. “I don’t trust these BlackBerries, the ones he gives me over here, because the bastard can locate me.”
- Canadian Servers
- Court heard text messages in which El Chapo and Agustina Cabanillas Acosta discussed setting up a chemical fertilizer business in Germany and a citrus firm in Ecuador to export drugs to Canada, Europe, Australia and the United States.
- Drug cartel
- A drug cartel is a specialized criminal organization that revolves around drug trafficking.
- The term emerged when large drug trafficking groups collaborated to coordinate the production and distribution of drugs such as cocaine.

Internal structure:

- Drug lords. They are bosses responsible for supervising drug trafficking operations, appointing territorial leaders, making alliances, and planning assassinations.
- Falcons. These are the foot soldiers, who, like real falcons, provide the “eyes and ears” of the streets.
- Sicarios. These are the enforcers responsible for carrying out assassinations, thefts, kidnappings, and extortions, as defending the territory.
- Internal structure
- Lieutenants. They are responsible for supervising the sicario and falcons, ensuring they remain faithful to the cartel.
- They can carry out low-profile murders without permission from the drug lords.
- Montreal’s Port

The Kilo-business:**Players:**

- Montreal Mafia
- GTA 'Ndrangheta
- OMG
- Street gangs
- Drug Cartels (Sinaloa, Jalisco)
- Big Circle Boys (Triads)

Rizzuto Crime Family:**GTA 'Ndrangheta:**