

CANADA

Discovery of Document Led to Arrest of Canadian Intelligence Official

RCMP and FBI were investigating a network suspected of cocaine distribution and money laundering when findings triggered an internal probe



RCMP Commissioner Brenda Lucki said the agency was working with the FBI on a separate case when it uncovered documents that ultimately led to the arrest of the director general of national-intelligence coordination. **PHOTO: BEN NELMS/REUTERS**

By Jacquie McNish and Vipal Monga

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The investigation that led to the arrest last week of a senior Canadian intelligence official was triggered by the discovery in 2018 of a document held by a Vancouver businessman who was suspected of operating a mobile-phone network used to distribute narcotics and payments, a person familiar with the matter said.

Cameron Ortis, the Royal Canadian Mounted Police's director general of national intelligence coordination, was charged Friday with allegedly obtaining, storing and processing sensitive information with the intent to share the materials with unauthorized people.

The RCMP hasn't disclosed the details of the 47-year-old Mr. Ortis's work at the agency but has said he had access to intelligence collected by Canada's foreign allies, such as the U.S. and U.K.

Bill Browder, a U.K.-based financier, said Tuesday that Mr. Ortis was involved in the Canadian arm of an investigation into an alleged high-profile Russian money-laundering scheme.

Mr. Ortis remains in custody and has yet to have a bail hearing or enter a plea. He couldn't be reached for comment.

RCMP Commissioner Brenda Lucki told reporters Tuesday that the agency was working with the FBI on a separate case when it uncovered documents that led to an internal investigation that ultimately led to Mr. Ortis's arrest. She declined to discuss the subject of that investigation or provide details about the documents.

The subject of that investigation, according to a person familiar with the matter, was Vancouver-based Vincent Ramos, who pleaded guilty in October in California to creating an encrypted mobile-phone network known as Phantom Secure. The U.S. Department of Justice said at the time that the network, which has been dismantled, was used to anonymously distribute more than 450 kilograms, or about nearly 1,000 pounds, of cocaine and launder proceeds through digital currencies including bitcoin.

In March 2018, a team of U.S., Canadian and Australian investigators gathered in the U.S. to persuade Mr. Ramos to unlock the identities of individuals trading narcotics and digital currencies on the network, according to the person familiar. Mr. Ramos refused to cooperate, the person said, but a search of his computer by RCMP officers revealed a document that triggered the Canadian investigation.

Mr. Ortis had access to secrets collected domestically and by Canada's foreign allies—among them members of the Five Eyes intelligence alliance, which includes the U.S., U.K., Australia and New Zealand. "I definitely imagine that there is concern among the Five Eyes communities," Ms. Lucki said at the press conference.

Mr. Ramos was sentenced earlier this year to nine years in prison and agreed to forfeit millions of dollars and a variety of assets including global bank accounts, houses, a Lamborghini and the server licenses for the Phantom Secure network.

A lawyer for Mr. Ramos declined to discuss his client's connection to Mr. Ortis.

Mr. Ortis is alleged to have violated national-security laws as far back as February 2015, according to Canadian court filings.

The arrest raises questions about how Mr. Ortis was allegedly able to send sensitive information to third parties from the RCMP, said Jessica Davis, the Ottawa-based founder of consulting firm Insight Threat Intelligence, and a former Canadian intelligence analyst.

“It definitely raises questions about internal policies and procedures,” she said. “Physical extraction of information should have been tightly controlled.”

The RCMP’s Ms. Lucki said the agency is “aware of the potential risk to operations of partner agencies in Canada and abroad.”

At the RCMP, one of the cases Mr. Ortis handled was the Canadian portion of an alleged \$230 million Russian tax scam, which originated with accusations made by now-deceased Russian lawyer Sergei Magnitsky. Mr. Browder, one of Mr. Magnitsky’s former clients, said he met with Mr. Ortis and two other officials at RCMP headquarters twice in 2017 to discuss details of a complaint he filed relating to the alleged tax scam.

Mr. Browder alleged \$14 million was laundered through Canada’s real-estate market and its banking system. “Whenever the head of an investigation is arrested for espionage, it’s concerning,” he said.

Mr. Browder said his team will be sending a letter to the RCMP requesting an update into the investigation.

—Paul Vieira contributed to this article.

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