

RCMP “E” Division Federal Serious and Organized Crime - Financial Integrity

Briefing for the Cullen Inquiry
April 16th, 2021
Superintendent Brent Taylor



BC RCMP Governance and Structure

BC RCMP Money Laundering Governance

- RCMP National Headquarters (NHQ)
 - Deputy Commissioner of Federal Policing Criminal Operations oversees Federal Serious and Organized Crime (FSOC) units across Canada

BC RCMP

- BC RCMP Commanding Officer reports to both RCMP NHQ and BC Government Police Service Board (PSB)
- BC RCMP FSOC reports to RCMP NHQ and BC RCMP HQ

CFSEU BC (Combined Forces Special Enforcement Unit BC) reports to PSB and CFSEU Governance Board



Federal Policing Priorities

The Federal Policing Strategic Plan identifies three priorities and seven key activities: transnational and serious organized crime, cyber-crime and national security

BC RCMP FSOC investigations must meet criteria and are prioritized according to seven scope of service elements including threats to:

- Canada's Economic Integrity; or,
- Integrity of GOC's Systems/Programs; or
- Critical Infrastructure; or,
- National Security (NS); or,

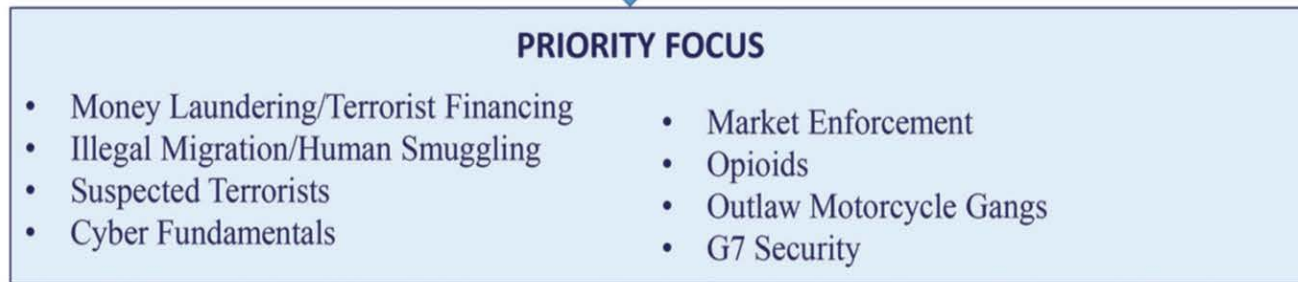
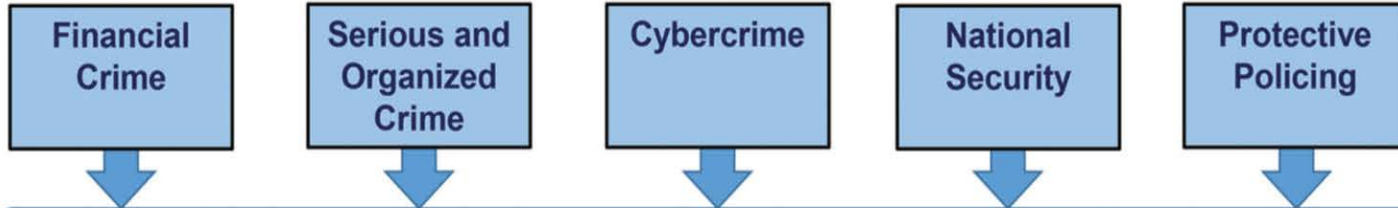
Scope:

- International; or,
- Inter-Jurisdictional with National Implications; or,
- Canada/USA Border.



Federal Operations

FEDERAL OPERATIONS



INTELLIGENCE

TECHNOLOGY

HUMAN RESOURCES

POLICY DEVELOPMENT

FINANCIAL MANAGEMENT



Project Tiering

- Tiering of investigations was a process developed to ensure Federal Policing (FP) resources were focusing on mandate, working on the highest levels of criminal activity
- The prioritization of all files would determine support ensuring that FP funding was utilized on FP mandate



Federal Policing Re-Engineering

- Deficit Reduction Action Plan (DRAP) 2012 & 2015 Federal Government Initiative
- Finite amount of funding and resources
- Do less with less, not more with less
- Budget cuts, staffing shortages
- Training gaps
- Regulatory changes / Case Law (Jordan etc.)
- Structural changes based on affordability and capacity



“E” Division FSOC Financial Integrity: Current Establishment

Funding:

- Set by NHQ
- Fenced vs regular
- Integrated Proceeds of Crime (IPOC) vs Integrated Money Laundering Investigations Team (IMLIT)

Teams/Resources:

- Integrated Market Enforcement Team (IMET): IMET has 27 positions, 15 are occupied by RCMP Regular Members (RM), one analyst, and 4 Vancouver Police Department members.
- Sensitive Investigations Unit (SIU): SIU has 28 RM positions 1 Civilian Member (CM) analyst (19 occupied)
- Money Laundering (ML): ML has 44 RM positions (38 are occupied). There are 4 CM analysts
 - IMLIT has 5 RM positions
 - 4 ML position are filled by Vancouver Police Officers
 - 3 Federal Policing RMs work specifically on Civil Forfeiture



“E” Division FSOC Financial Integrity: Current Establishment (Continued)

Integration:

- 4 Canada Revenue Agency (CRA)
- 4 Office of Superintendent of Bankruptcy (OSB)
- 2 Legal Advisors

- 3 Reserve Constables
- 8 Public Service Support Staff
- 6 person Major Case Management Team



“E” Division FSOC Financial Integrity

Other duties expected of the unit employees within the Federal Policing Program require that during states of emergency, or when major events are declared, 10% of resources will be deployed to assist the Province; whereas 100% of resources will be deployed to assist with other Federal Government sponsored initiatives:

- States of Emergency (Provincial) – ie: Wildfires, floods, civil disobedience (C-IRG – Pipelines)
- Major Events (Federal) – G7/G20, Olympic Games
- Protective Policing – VIP (Internationally Protected Persons), Elections, Conferences, Special visits
- Tact Troop
- Special assignments – National Security related

The Municipal and Province business lines have not contributed funding to ML investigations to create a surge capacity or to assist with these other duties performed to assist the Province



“E” Division FSOC Financial Integrity

- Partnerships with other Provincial and Federal Agencies as well as current and ongoing integration with other agencies:
 - Canada Revenue Agency, Vancouver Police Department, Forensic Accounting Management Group, British Columbia Securities Commission
- Desired Integration with:
 - Canada Border Services Agency, Public Prosecution Service of Canada/British Columbia Prosecution Service
- Alignment with other agencies must be strategic (Criminal vs Regulatory) - (Ling & Jarvis issues strategically managed)



“E” Division FSOC Financial Integrity

Federal Policing Prevention and Engagement Initiative:

- Outreach for Money Laundering, Proceeds of Crime, Cyber Crime and Fraud
- Counter Illicit Finance Alliance of British Columbia (CIFA – BC)
- Corner of the Desk



Complexity of ML Investigations

- What does it take to get an investigation going?
- What does it take to lead an investigation through to a successful end, with a conviction and forfeitures ordered?
 - Funding and Personnel
- Burden of Proof
- What can we prove vs what we know
- Jurisdiction of the offence
 - Borders – Multijurisdictional - Geopolitical issues ...



Investigation Types and Phases

Two types of Investigations:

- Project-Based Investigations (PBI) - National Security (NS), Financial Crimes (FC), and Serious Organized Crime (SOC)
- General Investigations (GI) - NS, FC, SOC

Steps (phases) required to conduct these investigations:

1. Assessment & Initial Investigation
2. Investigation & Follow-up
3. Take Down & Disruption
4. Disclosure
5. Prelim & Trial
6. Case Disposition & Closure

Time required to complete a phase, for each type of Investigation, and likelihood of that phase:

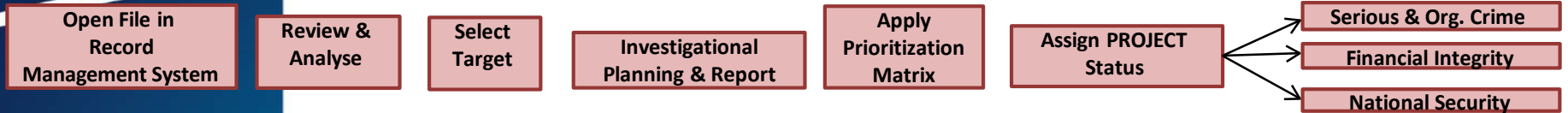
- . Spectrum (Low, Most Frequent, High)
- . Large Divisions and Small Divisions separately



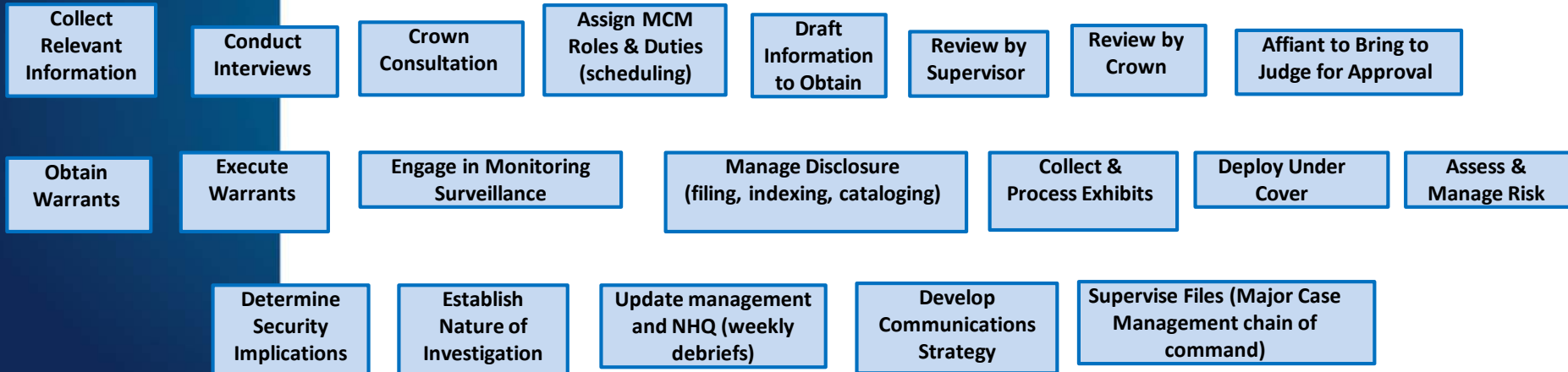
Investigation Types and Phases (Continued)

Phone Call Email Fax Letter Walk-In Partners (Dom. & Int.) Sources Probes Intel Operations

PHASE 1 – ASSESSMENT & INITIAL INVESTIGATION



PHASE 2 – INVESTIGATION & FOLLOW-UP



Follow-Up



Investigation Types and Phases (Continued)

PHASE 3 – TAKE DOWN & DISRUPTIONS

Provide Additional Surveillance & Monitoring

Brief Members

Plan for Take Down (resources)

Prepare Warrants & Bail Package

Create Interview Plan (polygraph, forensic team)

Arrest

Conduct Search

Gauge Nature of Target (violent vs. non-violent)

Covert Operation Options (If needed)

Detain Arrestee(s)

Remove All Installations

Transport Arrestee(s) (rural vs. urban sites)

Media Strategy (media release)

PHASE 4 – DISCLOSURE

Lay Charges (complexity)

Transcribe Take Down

Determine Number of Accused & Lawyers

Engage Crown Liaison

Provide Software for Defence Council (if needed)

Court Management

Vet

Process Electronic MCM

PHASE 5 – PRELIMINARY & TRIAL

Translate

Provide Disclosure

Solicit Expert Witness Report

Maintain the File

Prepare Witnesses for Testimony

PHASE 6 – CASE DISPOSITION & CLOSURE

Dispose Exhibits

Report to Criminal Operations (CROPS)

Review & Score Files

Update CPIC

Determine what CANNOT be Shared (National Criminal Data Bank, Automated Criminal Intelligence Information System)

Follow Up with Prisoners

Appeal Conviction

CONCLUSION



Technology Challenges

- Crypto Currency and Cyber-Enabled Criminal Activity
- Tracing software – Procurement Challenges
- Education / Training
- Constant Change in Technology



Challenges and Regulatory Change

Encrypted Communication

- Communications regulations

PCMLTFA

- Secondary business used with a registered MSB

Jordan Decision

- Time constraints prevent undue hardships on the judicial system to ensure public safety is paramount.

Systemic Resourcing Issues with the Judicial System

- Judges, Court Rooms, Jails/Correctional Facilities, Guards, Prosecutors and Police



Added Training Opportunities and Building Expertise within the Money Laundering Program

Most Significant Training Programs

- Manchester CF-Financial Crimes Training (Private Company)
- In-house Workshops and Seminars
- ACAMS (Certified Anti-Money Laundering Specialist)
- Canadian Securities Course
- University Courses
- Expert Witness Training Seminar
- National Courses



Recent Investigations

As of March 24, 2021 there are 26 files under investigation

Not all investigations necessarily need to end with a successful conviction, disruption is also a positive outcome

Projects of Recent Note:

- EPirate- Lessons learned – CFO action.
- Octavia – CRA Scams, subject absconded.
- EPardoner – Encrypted Communication – U.S. Justice takes over utilizing their laws to take action.
- EParamedic – Market fraud – CFO/ BC Law Society



“E” Division FSOC Financial Integrity

Questions?

