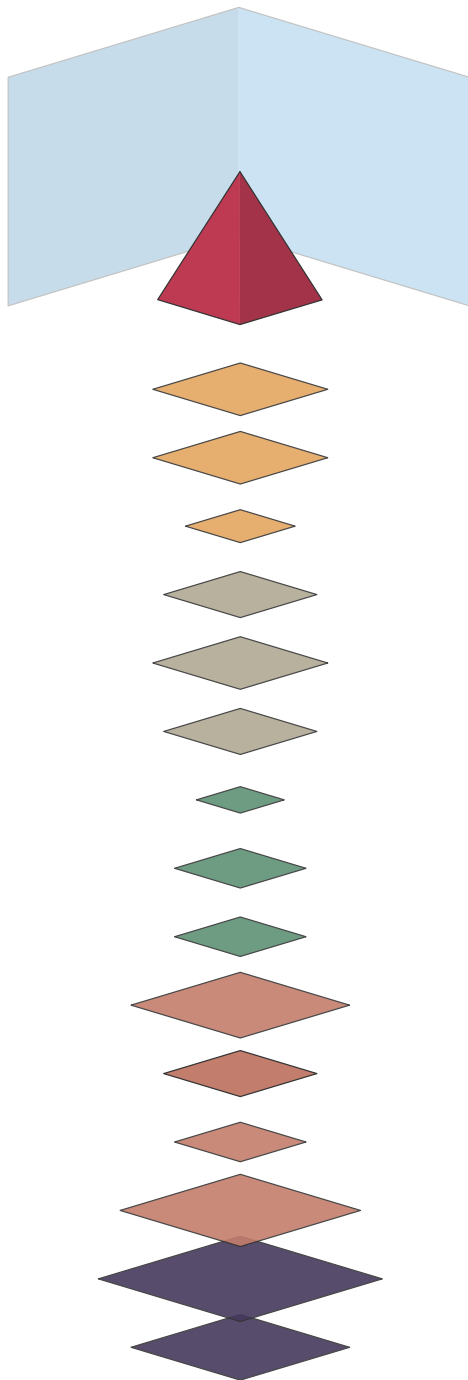


CANADA



3.88

CRIMINALITY SCORE

160th of 193 countries

25th of 35 American countries

2nd of 2 North American countries



CRIMINAL MARKETS

3.87

HUMAN TRAFFICKING	4.00
HUMAN SMUGGLING	4.00
EXTORTION & PROTECTION RACKETEERING	2.50
ARMS TRAFFICKING	3.50
TRADE IN COUNTERFEIT GOODS	4.00
ILLICIT TRADE IN EXCISABLE GOODS	3.50
FLORA CRIMES	2.00
FAUNA CRIMES	3.00
NON-RENEWABLE RESOURCE CRIMES	3.00
HEROIN TRADE	5.00
COCAINE TRADE	3.50
CANNABIS TRADE	3.00
SYNTHETIC DRUG TRADE	5.50
CYBER-DEPENDENT CRIMES	6.50
FINANCIAL CRIMES	5.00



CRIMINAL ACTORS

3.90

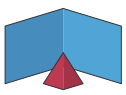
MAFIA-STYLE GROUPS	5.00
CRIMINAL NETWORKS	4.00
STATE-EMBEDDED ACTORS	2.00
FOREIGN ACTORS	4.50
PRIVATE SECTOR ACTORS	4.00



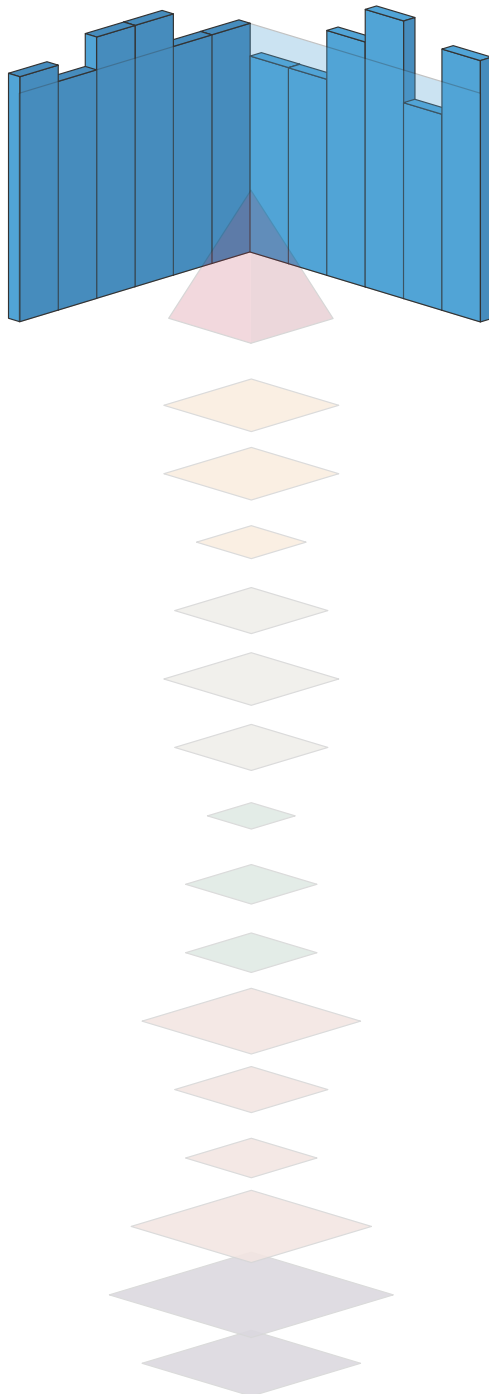
7.21

RESILIENCE SCORE





CANADA



7.21

RESILIENCE SCORE

23rd of 193 countries

2nd of 35 American countries

1st of 2 North American countries

POLITICAL LEADERSHIP AND GOVERNANCE	7.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	7.00
INTERNATIONAL COOPERATION	8.00
NATIONAL POLICIES AND LAWS	8.00
JUDICIAL SYSTEM AND DETENTION	7.00
LAW ENFORCEMENT	7.00
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	6.00
ECONOMIC REGULATORY CAPACITY	7.50
VICTIM AND WITNESS SUPPORT	8.50
PREVENTION	6.00
NON-STATE ACTORS	8.00



3.88

CRIMINALITY SCORE



CRIMINAL MARKETS 3.87



CRIMINAL ACTORS 3.90



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking in Canada continues to grow, albeit moderately, with the country's sex trafficking market remaining active. The majority of cases involving Canada consists of internal trafficking. Indigenous women and girls are particularly vulnerable to commercial sexual exploitation, but their cases often go uninvestigated, and disappearances are attributed to this crime. While recent data indicates that this group is not overrepresented among all human trafficking victims and survivors in the country, they may be targeted with specific forms of gender and sex-based violence. There has also been an increase in overall online victimization of youth. Transnational human trafficking, on the other hand, comes primarily in the form of forced labour. Foreign workers, primarily women of Filipino origin in the caregiving and agricultural sectors, are at high risk of exploitation and abuse due to language barriers, isolated worksites, and limited access to protections.

Human smuggling in Canada is primarily limited to facilitating irregular migration, with the country serving as a transit point for workers and asylum seekers attempting to reach the US. However, a recent surge in asylum applications and a rise in deaths and rescues along the Canadian border suggest that more people are attempting to reach Canada as their final destination country rather than merely using it as a transit point. Many travel on their own with visas obtained fraudulently, often from Asia, while others rely on smugglers. Some indigenous/Native American communities are reportedly involved in smuggling people from the US into Canada using reservation land. Smugglers in Canada primarily operate along the southeastern border, either as independent and opportunistic smugglers or through more organized smuggling networks. Regarding extortion and protection racketeering, these criminal practices continue to be carried out by mafia-style groups in the country, albeit to a limited extent.

TRADE

In recent years, Canada has witnessed an increase in national and transnational arms trafficking and firearm-related homicides, despite its relatively small illegal arms market. Most illegal arms in Canada are smuggled in from the US, with handguns being the most commonly seized. Organized crime groups are significant players in the smuggling and sale of firearms, often through illegal means. While measures have been taken to address the issue, the low probability of interdiction at the US-Canada border and the high profit margins of illegal guns in Canada

compared to the US make it difficult to eliminate this crime. Additionally, there have been reports of the use of 3D printers to produce parts and components of guns to avoid regulations and law enforcement.

In recent years, customs authorities in Canada have detained a growing number of shipments and containers of counterfeit merchandise intended for global distribution. Although the market in the country remains fairly moderate in size, Canada has been flagged as a country of concern for counterfeits due to its failure to provide adequate protection or enforcement of intellectual property rights, as well as its high levels of online piracy. Sophisticated Chinese criminal networks based in Toronto and Asia are among the major global players in the counterfeiting industry. Similarly, also the illicit trade of excise goods, particularly tobacco, poses a challenge in Canada. The issue is moderately widespread, with weak policy responses to counter it. Most illicit tobacco trade occurs in central Canada, with certain Indigenous communities reported to be involved in this activity. The problem is most prominent in Ontario and Quebec, where estimates of the size of the illicit tobacco market vary widely. Tobacco smuggling and related excise offences are often intertwined with unregulated cigarette-manufacturing plants and retail outlets established on First Nations territories.

ENVIRONMENT

There is currently no indication of a substantial illicit logging and timber trade market in Canada. Canadian officials have been effective in regulating the timber supply chain and monitoring the country's ports of entry and exit. Furthermore, there is a strong preference for legal timber in Canada, which is reflected in legislation, policies, and consumer choices. However, there have been reports of an illicit market in the US for orchids originating from Canada. With regard to the wildlife trafficking, the country plays a role as source, transit, and destination. Species such as polar bears, turtles, narwhals, and walrus tusks are commonly trafficked. Although polar bear trading and narwhal hunting among Inuit populations are legal in Canada, these activities put these species at risk. Bear gallbladders are trafficked out of Canada to some Asian countries where local communities believe in their healing powers. It is worth noting that Canada allows for the domestic trade of ivory obtained from elephants killed prior to 1990, which gives opportunities for criminals to disguise new ivory into the legal market.

The extractive industries, including the diamond market in Canada, have maintained their conflict-free reputation, with no marked changes in recent years. Artisanal mining is also reportedly free of criminal activities. However,

Canadian multinational companies have been linked to environmental and human rights violations globally. A lack of accountability within the country has facilitated these abuses for decades. There are also reports of conflict-ridden gold from Venezuela being trafficked to neighbouring countries and then exported to gold refiners in Canada through false paperwork.

DRUGS

Although domestic demand of heroin is limited in the country (prescription drugs constitute the main opioid abuse), a high number of heroin-related emergency-room visits is still reported. While most of the opioid supply in the Americas comes from Mexico, Colombia, and Guatemala, the Canadian market continues to source most of its heroin from the Golden Crescent in South-West Asia. Asian criminal networks, mainly Chinese, are the largest importers and traffickers of heroin on Canada's western coast. In contrast, the Canadian cocaine market is relatively small, with low prices and limited demand, but recent seizures indicate potential growth. Most cocaine in Canada is imported from Latin American countries through Caribbean and US transit points, with Mexican cartels becoming more involved in smuggling and trafficking. The market is controlled by various organized criminal groups, including motorcycle gangs. Canada is also identified as a transit country for cocaine destined for other countries such as Australia, Japan, and New Zealand.

Canada legalized the use of recreational and medical marijuana, which led to the government running cannabis suppliers, and private companies joining the business. However, as the domestic demand was underestimated, it led to the persistence of illegal production and sale of cannabis. Reports suggest that legal cannabis is more expensive and lower in quality than illicit cannabis, giving users more incentives to buy from the black market. Nevertheless, the illicit cannabis trade in Canada has minimal links with organized crime.

The country faces the pervasive issue of illicit synthetic drug production and trafficking, with synthetic opioids and methamphetamine being the main drugs of focus. The production of these drugs, particularly in the greater Vancouver area, involves Asian criminal networks and outlawed motorcycle gangs. It is believed that production of street opioids is moving intentionally toward Carfentanil and away from Fentanyl. While Canada remains a source country for ecstasy and crystal meth, the country has implemented measures to counter the manufacturing and trafficking of synthetic opioids, including requiring registration for the import of designated devices capable of producing controlled substances.

CYBER-DEPENDENT CRIMES

Cybercrime is on the rise in Canada, and many incidents go unreported. In recent years, the country has suffered a high number of ransomware attacks and payouts, costing millions of dollars per data breach. Furthermore, cybercriminals are increasingly using Canadian internet service providers to host malicious sites and carry out cyberattacks. In addition to public authorities such as law enforcement agencies, small businesses in Canada have also experienced a high number of cyber incidents. Moreover, Canada faces significant strategic cyber threats from state-sponsored cyber programmes in countries such as China, Russia, Iran, and North Korea. Cryptocurrencies are also becoming more popular among cybercriminals as they help conceal identities and avoid tracking by law enforcement agencies. Ransomware as a Service (RaaS) business models have also increased, with developers selling or leasing ransomware to other cybercriminals.

FINANCIAL CRIMES

Financial crimes in Canada are a growing concern, with losses attributed to scams and fraud reaching hundreds of millions of Canadian dollars annually. The most frequently reported types of fraud and scams include phishing, merchandise scams, service scams, and vendor fraud. Among these, spear-fishing is especially prevalent and poses a formidable threat to businesses and organizations. Identity fraud and tax noncompliance are also serious issues. The problem is exacerbated by Canada's weak corporate transparency regulations, which make it easy to register shell companies and obscure the true identity of individuals involved in financial crimes. As a result, these criminal activities are difficult to detect and prosecute.

CRIMINAL ACTORS

Outlaw motorcycle gangs are the most prevalent mafia-style groups in Canada, with a strong presence in Ontario and Quebec. These groups engage in a range of criminal activities, including extortion, drug trafficking, smuggling of weapons and cigarettes, and loan sharking. Nova Scotia is of particular interest to these gangs due to its significant port of entry for smuggled illegal drugs, and different groups have had clashes in the province. Loose-knit criminal networks spanning the country are also involved in various profitable criminal activities, including drug trafficking, contraband cigarettes, gambling, counterfeiting, fraud, smuggling, and human trafficking. Professional money laundering networks are particularly active in Canada and are relied on by most mafia-style groups to launder the proceeds of their crimes.

Foreign criminal actors, particularly Italian and Asian mafias, continue to have a big presence in Canada. Members of these gangs have strong relations with the business community in Quebec and control economic activities such as fraudulent

transfer of values and usury. They are also involved in drug distribution and trafficking, money laundering, and loan sharking and have a history of violence and murder. Asian mafias active in the country are also known to import Fentanyl and precursors from China. Regarding private sector actors, the accommodations and food services, retail trade, transportation and warehousing, construction, and other services sectors have the highest number of businesses linked to organized crime in Canada. Money service businesses, in particular, facilitate international money laundering operations and are often integral parts

of broader criminal groups or internationally networked criminal entities. The cash-based nature of most transactions in this industry makes it attractive to criminals, particularly those associated with mafia-style groups. It is worth noting that there is currently no evidence of widespread corruption and infiltration of organized crime into politics or state institutions in Canada. However, cases of bribery of government officials, especially at the local level, as well as accusations of diverting public funds, are increasingly reported in the country.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Canada has a well-established governance and institutional system, with a strong stance against crime, including a national strategy, law enforcement units, justice frameworks, and social services. However, there is no comprehensive national strategy in place to address organized crime, and funding shortages for enforcement pose a challenge, particularly in aboriginal territories and among marginalized youth. Although Canada is considered to be one of the least corrupt countries in the world, deficiencies in legal frameworks for accessing information have been identified, and criticism has emerged regarding the lack of transparency in the beneficial ownership of corporations and trusts. This has made Canada a desirable country for incorporating shell companies that can facilitate illicit activities.

Canada is actively participating in international efforts to combat organized crime, including signing international agreements and adapting its laws to meet international standards. It has bilateral partnerships with the US and China to address issues such as drug smuggling and trafficking. Canada has the legal authority to obtain court orders on behalf of countries that are parties to mutual legal assistance agreements, and it has laws to freeze assets to restrain the property of foreign state leaders and officials. However, human rights experts have called for an overhaul of national laws related to extradition to ensure fairness and constitutional protections. Canada also has a robust legislative framework to combat organized crime through policy development and coordination. However, insufficient funding and resources pose a significant challenge in fully implementing efforts to combat the growing scope of organized crime in Canada.

CRIMINAL JUSTICE AND SECURITY

There have been no recent changes to Canada's judicial system and detention policies in recent years. Although there are no specialized courts exclusively dedicated to organized crime, the Canadian judiciary appears to be effective, and is considered largely free from corruption. However, the system appears to suffer from a shortage of prosecutorial and judicial resources. There have also been reports of abuse of power by prison guards, and concerns have been raised about the improper use of solitary confinement. Allegations of increasing alliances and violent competition between different gangs in prisons present a growing security challenge for penitentiaries and increasing the likelihood of recidivism. The country has several mechanisms in place to integrate and foster cooperation and information sharing among different law enforcement agencies, which make an extensive use of multi-agency and multi-disciplinary joint forces operations. However, despite the existence of relevant structures and cooperation between law enforcement units, continuing funding shortages for law enforcement at federal and provincial levels result in a failure to address the growing scope and complexity of organized crime. Specifically, the lack of resources for financial crime enforcement has been criticized and partially blamed for the widespread problem of money laundering in Canada, particularly in British Columbia.

Canada has the longest international border in the world with the US. Although cross-border trafficking occurs, the scale of these flows is relatively limited, but only a small percentage of all drugs smuggled into the country are detected and interdicted. In fact, border control agencies have insufficient resources to adequately monitor all of Canada's borders and territories. Following the implementation of the United States-Mexico-Canada Agreement, Canadian customs have been empowered to detain in-transit commercial shipments of suspected counterfeit goods, and officials have seen a significant increase in detentions. However, the Canada

Border Services Agency has warned that smugglers and criminal groups may attempt to corrupt border officials.

ECONOMIC AND FINANCIAL ENVIRONMENT

Canada is considered a medium-risk country for money laundering due to ineffective beneficial ownership transparency systems. Not all professions are covered by anti-money laundering provisions, and professionals such as real estate agents and lawyers are not required to identify beneficial owners during due diligence. Canada lacks a central register for beneficial ownership information, and federal and provincial governments have been accused of weak leadership in financial crime enforcement. This is particularly true in British Columbia, where evidence of widespread money laundering through casinos, real estate, and banks has been found. The police's proceeds of crime enforcement programme have been considerably under-resourced for years, and the Financial Intelligence Unit has been criticized for creating too many obstacles to timely information sharing for law enforcement purposes.

In contrast, Canada has effective measures for governing natural resources, promoting ease of doing business and combating corruption. Criminal and civil legal frameworks are in place to help legitimate businesses operate free from criminal activities. While no sectors in Canada are significantly controlled by organized crime, recent cases indicate that criminal groups have influence in the tow truck industry in Toronto and Montreal. Additionally, companies in the accommodation and entertainment industries have been used to launder money and serve as fronts for organized crime.

CIVIL SOCIETY AND SOCIAL PROTECTION

Canada has a comprehensive framework in place to provide support to victims of modern slavery, and the country has increased its efforts to protect victims of human trafficking more broadly. While provinces and territories bear primary responsibility for delivering victim services, the federal government has established various guidelines and resources to help front-line officials proactively identify cases of human trafficking. However, service providers have noted that they mainly serve Canadian female victims, and more needs to be done to support

male and foreign victims. Victims can typically access basic services such as emergency shelter, food, medical services, psychological support, safety planning, and legal support. The police administer the federal Witness Protection Program to support witnesses, which has recently made marked improvements to its standards and focus on the needs of victims.

Regarding prevention, the Canadian government has shown its commitment to combating human trafficking through the implementation of a five-year national awareness programme and the commissioning of an independent organization to assess the risk of human trafficking in the government's supply chain. Additionally, the government has boosted its efforts to prevent sexual exploitation within the delivery of foreign assistance. However, the country lacks a coherent national strategy to prevent organized crime, and its resources are mainly focused on enforcement. Some public education campaigns have been implemented, and civil remedies have been put in place in some provinces to remove suspected gang members from licensed establishments.

While Canada has also been promoting media freedom domestically and internationally through initiatives such as hosting events, proposing new resolutions, and donating to international organizations focused on freedom of speech it still faces challenges in terms of press coverage involving indigenous people and land disputes. While the government supports civil society organizations, these organizations have a minor role in fighting organized crime in Canada, with some advocacy groups focused on specific areas such as human trafficking and smuggling. Public-private partnerships exist and are encouraged at the federal level to combat crime, with private sector firms and professionals required by law to identify and report suspicious transactions related to money laundering. Private-sector forensic accounting firms play an active role in investigating financial crimes. The media is also actively reporting on organized crime in Canada, and there have been no known recent attacks on journalists by criminal groups.

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