

## Organized Crime and Domestic Trafficking in Persons in Canada

Domestic trafficking in persons (TIP) operations parallel international TIP patterns in their recruitment, movement, control, and exploitation of victims. Across the country, organized crime networks<sup>1</sup> are actively trafficking Canadian-born women and under-age girls inter- and intra-provincially, and in some instances to the United States (US), destined for the sex trade. Traditionally regarded as prostitution, cases of domestic TIP for sexual exploitation are emerging in Canada due to amendments to the *Criminal Code* of Canada in November 2005 that created indictable offences that specifically address trafficking in persons. In May 2008, a Toronto-native pled guilty to two counts of TIP in connection with forcing two young teens into prostitution; a first since TIP legislation was enacted in Canada.

The analysis and judgments are based upon CISC Central Bureau's assessment of a number of domestic organized crime networks that specialized in the recruitment, transportation and coercion of young women into the sex trade. This assessment does not necessarily reflect all organized crime involvement in domestic TIP or the sex trade, nor all female participants' involvement in prostitution.

### Highlights

- The organized crime networks assessed, including several long-standing family-based networks in the prostitution criminal market, are significant suppliers of females to the sex trade in Canada.
- The organized crime networks assessed generate illicit income primarily from the confiscation of victims' earnings (ranging between \$300 and \$1,500 daily per prostitute). Victims can be traded or sold between criminal groups and are also used to contact customers for additional criminal activities, such as cocaine trafficking.
- Identified locations of domestic TIP activity includes major urban centres across Canada, as well as smaller centres such Niagara and Peel regions in Ontario. The frequent movement of prostitutes intra- and inter-provincially by organized crime networks is designed to isolate females, facilitate the creation and adherence to new loyalties (typically replacing the traditional family), as well as enable pimps to meet the customer demand for 'new faces.' These networks are well-placed to shift into alternate venues (from strip bars to hotel/motels, in-call services) and/or to new cities due to law enforcement pressure.
- Middle-class females between the ages of 12 and 25 are typically recruited by male peers who also may have been specifically recruited by organized crime. These males use the promise of affection as a primary tool to lure potential victims.

<sup>1</sup> Criminal networks are defined by the activities of key individuals who engage in illicit activity in often shifting alliances, according to the results of a United Nations Pilot Survey of Forty Selected Organized Criminal Groups in Sixteen Countries (2002). [http://www.unodc.org/pdf/crime/publications/Pilot\\_survey.pdf](http://www.unodc.org/pdf/crime/publications/Pilot_survey.pdf)

- Hip hop music, clothing, and prostitution are popularized by several of the identified networks to facilitate recruitment through social networking (including online), making the sex trade culturally attractive for potential recruits.
- Across the country, females trafficked in the sex trade are typically controlled by criminal networks that use direct force (abductions, rape, forcible confinement, assault) and indirect forms of coercion, such as controlling where they live, work, with whom they associate, and threatening of family members.

Bill C-49 (CC Section 279.01 - 279.04) created three new indictable criminal offences to specifically address trafficking in persons:

- the main offence, Section 279.01 “trafficking in persons,” prohibits anyone from recruiting, transporting, transferring, receiving, holding, concealing or harbouring a person, or exercising control or influence over the movements of a person, for the purpose of exploiting or facilitating the exploitation of that person (maximum penalty: life where it involves the kidnapping, aggravated assault or aggravated sexual assault or death of the victim and 14 years in any other case);
- a second offence, Section 279.02 prohibits anyone from receiving a financial or other material benefit for the purpose of committing or facilitating the trafficking of a person (maximum penalty: 10 years);
- and, a further offence, Section 279.03 prohibits the withholding or destruction of documents such as a victim’s travel documents or documents establishing their identity for the purpose of committing or facilitating the trafficking of that person (maximum penalty: 5 years).

*Source: RCMP Immigration and Passport Section*

## Criminal Capabilities

A number of the organized crime networks assessed, some that have been involved in the illicit sex trade for decades, have evolved from individuals involved in street-level pimping (characteristic of the mid-90s) to well-organized networks that have shifted toward less visible environments, such as strip bars, massage parlours, hotel/motels, the Internet, and private residences. These networks operate within cell-based structures that allow degrees of independence for individual members to have control of their own prostitutes. Most of these networks maintain tight bonds between members, making law enforcement access difficult. The majority of networks identified are street gangs, particularly located in Ontario, Quebec, Nova Scotia, and New Brunswick.

The influence of the street gang ethos and its links to hip hop music, clothing, and prostitution are popularized by several identified networks to facilitate recruitment through social networking (including online), thereby making the sex trade culturally attractive for potential recruits. Also, there have been multiple instances of networks identifying with other gangs, such as the BLOODS and CRIPS, an alliance that is likely largely symbolic through similarities in symbols, clothing and behaviour. Such identification acts to reinforce the connection to lifestyles espoused by some hip hop entertainers with similar behaviours.

Most of these networks tend to be highly organized, however, display low levels of sophistication. Several operate inter-provincially, placing members in key locales in several provinces that enable networks to maintain operations in multiple cities, evade law enforcement pressure, and target a larger number of potential recruits in several locations. These networks tend not to launder proceeds of crime and instead spend profits on a luxury lifestyle.

## Recruitment & Movement

Middle-class females between the ages of 12 and 25 are typically recruited by younger male members of street gangs who use the promise of affection as a tool to recruit them. For instance, street gangs include younger male members that are responsible for recruitment as their age affords them relatively easy access to younger, more impressionable girls, posing implications for the recruitment of young males into organized crime solely to capitalize on access to victims.

Females already under the organized crime network's control can also play a role in the recruitment and 'grooming' of young females into prostitution. For instance, several of the organized crime networks are known to use female members as contact points to gain access to potential recruits, in addition to being tasked with coaching and disciplining new recruits into forced prostitution.

A number of the criminal networks involved in domestic TIP tend to be highly mobile. The frequent movement of trafficking victims intra- and inter-provincially by organized crime networks isolates females, facilitating the creation and adherence to new loyalties (typically replacing the traditional family). Moreover, the frequent movement also enables the networks to circulate the victims between cities, meeting the demand for 'new faces' and increasing illicit profits. Some members will remain in select locations to receive girls, affording a degree of stability in these cities, although most networks' members are transient.

Some networks recruit in Atlantic Canada and then move victims to markets in Ontario, Quebec, as well as Alberta and B.C. Similarly, some victims are transported intra-provincially, in addition to short-term and long-term movement inter-provincially. Moreover, there has been cross-border movement to the US, indicating the potential to expand some circuits to possibly include upstate New York locations. To a lesser extent, trafficking victims are also being moved internationally on a regular basis from parts of Western Canada to the US, primarily Las Vegas.

## Control

Control and retention of trafficking victims is achieved through direct use of force (beatings, abductions, rape, forcible confinement, and assault) and indirect forms of coercion, such as controlling where they live, work, with whom they associate, and threatening family members. Some criminal networks are also known to use pregnancy as a tool to control females to further reinforce 'familial' loyalty. These tactics contribute to the isolation of trafficking victims and create a sense of loyalty to the network, making it a difficult criminal market for law

enforcement to gain access to either the network members or the trafficking victims. Further, 'leaving fees'<sup>2</sup> and nightly quotas are often imposed on prostitutes, fostering long-term attachment and confinement in the sex trade.

Organized crime networks tend to withhold personal items and documents, in addition to providing the victims with false identification. The networks provide under-aged girls with fraudulent documents that enable juveniles to work in regions that require permits for exotic dancers. This particular form of fraud makes it increasingly difficult to locate juvenile missing persons and runaways, who are particularly at high-risk for sexual endangerment or exploitation. These networks do not appear to use drug addiction as a strategy to retain victims.

## Exploitation

The estimated individual daily profits from forced prostitution in Canada can range from several hundred to over \$1,000 and are dependent upon variables such as location, time of day and appearance. All of these profits are confiscated by the criminal network in exchange for clothing, food and lodging. The majority of these networks are shifting from street-level prostitution and are gravitating towards venues such as strip bars and escort agencies that generate higher revenues and reduce visibility, minimizing public complaints. In addition to having a presence in these venues, networks are known to exploit females in more clandestine locales such as private residences (for 'in call' services) and motels, typically forcing victims to work six to seven nights per week. These destinations are ideal venues, minimizing territorial conflict and yield higher proceeds due to increased privacy and perceived minimized risk for consumers. With marginal overhead cost, organized crime networks active in prostitution are capable of earning several millions of dollars in annual revenues.

Victims of trafficking can be traded or sold and are also used as contact points to customers for other criminal activities, such as cocaine trafficking. Some street gangs are known to target and recruit more impressionable, under-age females into prostitution and several cases of juvenile prostitution in Quebec are directly linked to street gangs. The majority of girls are between the ages of 15 and 17, including cases of females as young as eleven. (*Refer to Appendix 1.1 Profit Table*)

<sup>2</sup>A tactic in which an amount is set that would allow a female to leave the sex trade. However, they are not allowed to keep any earnings, making it difficult to leave prostitution.

## Intelligence Forecast

Organized crime networks' involvement in prostitution will remain stable due in part to the relative ease of their operations which range from recruitment and movement, control, and exploitation across numerous cities and regions. The transient nature of the actors who operate across several jurisdictions pose notable challenges for undermining criminal activity. Recognizing law enforcement pressure, these networks will maximize their mobility and will displace their market participation to yet unaffected cities. However, amendments to the *Criminal Code* (Section 279) provide law enforcement with a new tool to combat TIP in Canada and if current trends continue, a gradual increase in the number of charges laid for domestic TIP in Canada is expected.

Some of the identified networks will continue to use technology to facilitate criminality. The Internet will increasingly be used to host online postings for recruitment and advertising through social networking sites (e.g. Facebook, MySpace), coordinate the movement of females, and provide outlets for online sexual services, such as pornography.

Recruitment tactics are steadily changing, with instances of Canadian females being lured by false modeling opportunities overseas that result in their exploitation in the sex trade. Recruitment tactics are also widening geographically as criminal networks will continue to recruit trafficking victims, including juveniles, in urban centres as well as in more rural areas.

### Appendix 1.1 Profit Table

The national range for profits derived from prostitution ranges from \$300-\$1500 daily, translating into a daily average of \$900. Based on average daily revenues and number of prostitutes, the following chart illustrates projected daily, weekly and annual profits earned by organized crime networks in Canada.

(Figures below do not account for overhead costs such as clothing, food and lodging.)

Number of Females	Daily Profit	Weekly Profit	Annual Profit
1	\$900	\$5,400	\$280,800
5	\$4,500	\$31,500	\$1,638,000
10	\$9,000	\$63,000	\$3,276,000
15	\$13,500	\$94,500	\$4,914,000
20	\$18,000	\$126,000	\$6,552,000
25	\$22,500	\$157,500	\$8,190,000
30	\$27,000	\$189,000	\$9,828,000
35	\$31,500	\$220,500	\$11,466,000
40	\$36,000	\$252,000	\$13,104,000