

## ENHANCING PORT SAFETY AND EFFICIENCY (2024)

### Issue

Organized criminal (OC) groups have two main uses for marine ports: profit-oriented crimes that generate revenue such as importation of illegal drugs, counterfeit goods (tobacco products, pharmaceutical products, clothing), and illegal immigrants, and cargo theft; and tactical support crimes to facilitate their profit-oriented activities. This involves corruption of, and to a lesser extent intimidation of, industry insiders, security and law enforcement personnel. Stolen cars and domestically produced synthetic drugs were cited as the most frequent illegal goods exported through Canadian commercial marine ports.

Legislation exists to reduce criminality at Ports, but as OC groups become more sophisticated, different measures are needed. Some of the ways the Government of Canada can enable ports to reduce criminality include port training for local police forces of jurisdiction, a broader security clearance program to include more categories of persons, enhancing security plans to ensure a plan is in place for criminality not just critical infrastructure, and information sharing among supply chain partners.

### Background

Ports are important hubs for trade and transportation, and they can be susceptible to various types of crimes, including smuggling, drug trafficking, human trafficking, theft, and more. To address these concerns, Canadian authorities, including law enforcement agencies, border security, and customs officials, work to monitor and safeguard the country's ports. They have various security measures and protocols in place to prevent and respond to criminal activities.

There are several federal acts and regulations in Canada that have jurisdiction over criminal activity in Canadian ports. These laws and regulations provide the legal framework for managing and addressing criminal activities in and around the country's ports. Some of the key federal acts and regulations include:<sup>1</sup>

1. *Criminal Code of Canada*: The Criminal Code is a federal law that includes definitions of most of the criminal offences that the Parliament of Canada has enacted.
2. *Canada Shipping Act, 2001*: This act governs various aspects of shipping and marine transportation in Canada. It includes provisions related to safety, and environmental protection in Canadian waters and ports.
3. *Customs Act*: The Customs Act provides the legal framework for the Canada Border Services Agency (CBSA) to enforce customs and immigration laws at ports of entry, including seaports. It grants CBSA officers the authority to inspect goods, vessels, and individuals and to seize prohibited or illegal items.

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<sup>1</sup> <https://tc.gc.ca/en/maritime-transportation/maritime-security/maritime-transportation-security-regulations>

4. *Controlled Drugs and Substances Act*: This act deals with the regulation of controlled substances, including illegal drugs. It has jurisdiction over drug-related criminal activities that may occur in or around Canadian ports.
5. *Canada Marine Act*: This act provides the legal framework for the governance and regulation of Canada's ports and port authorities. It addresses various aspects of port operations, management, however, excludes reference to security.
6. *Marine Transportation Security Regulations (MTSR)*: These regulations came into force on July 1, 2004 and provide a framework to detect security threats and take measures to prevent security incidents that could affect marine vessels and their facilities.

Starting in 2005, organized criminal (OC) activity in major commercial marine ports has seen an increase in the transport of chemicals for making synthetic drugs within the country, the export of synthetic drugs produced domestically to foreign ports, and a significant rise in the import of counterfeit consumer goods, especially cigarettes.<sup>2</sup>

OC groups use various methods to operate, which include smuggling methods and concealment techniques, such as use of shipping containers, concealing contraband among legitimate imported goods by using fraudulent shipping documents, use of transit countries, and cooperation among different criminal groups; corruption and internal conspiracies using corrupted labourers, often in influential positions critical to unloading, moving, and storage of marine containers, as well as those who prepare the necessary documents for off-loading and inter-modal shipping in marine port terminals; intimidation of dock workers and law enforcement personnel for unfettered movement of contraband-filled containers.<sup>3</sup>

Europol, along with the Security Steering Committee of the ports of Antwerp, Hamburg, Bremerhaven, and Rotterdam, has launched a study that examines the issue and recommends enhanced collaboration between the public and private sectors to build a common front against organized crime. One such method highlighted in the report is the use of misappropriated container reference codes, or PIN code fraud, which is gaining popularity as a means of extracting illicit goods from ports. The use of misappropriated container reference codes requires the corruption of only one individual and either the corruption or a Trojan horse-style infiltration of extraction teams.

These teams are then paid 7-15% of the value of the illegal shipment.<sup>4</sup> Such data does not exist for us to understand, so it would be prudent for the Government of Canada to commission a study to understand the shortcomings identified by Europol.

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<sup>2</sup> <https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/rgnzd-crm-brf-25/index-en.aspx>

<sup>3</sup> Ibid, <https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/rgnzd-crm-brf-25/index-en.aspx>

<sup>4</sup> <https://www.porttechnology.org/news/criminal-networks-targeting-major-ports-for-infiltration-and-control/>

In a report published in September of 2023, it was noted that The Marine Transportation Security Act that governs port access lacks a robust security clearance process for individuals working at the ports.<sup>5</sup>

Additionally, there are security plans that terminals are required to provide to Transport Canada.<sup>6</sup> These regulations ensure a security plan to protect and secure critical infrastructure. These plans need to be enhanced so that they include criminality.

Integrated policing, and police presence at the ports is another effective tool to reduce criminality at ports.<sup>7</sup> One such option that has been presented by Peter German is the integrated seaport, airport, and transit police, similar to the Seattle model. This model would have the RCMP's seaport and airport policing work with Metro Vancouver Transit police to create a force with critical mass and allow for specialized units. Additionally, there should be a specialized division established within Delta and Vancouver's police forces to work in conjunction with the integrated forces.

## **THE CHAMBER RECOMMENDS**

That the Federal Government:

1. Fund the creation of an integrated policing division that includes the RCMP's seaport and airport division, as well as the creation of a specialized division within Delta and Vancouver's police forces to specifically respond to port-related matters.
2. Commission a study to understand how many containers are inspected and whether there are misappropriated container reference codes.
3. Amend the *Marine Transportation Security Act* to include criminality and robust security clearance processes for all individuals visiting to conduct work at, or working at terminals.
4. Enable greater information-sharing between key agencies, municipal police of jurisdiction and port authorities.
5. Allocate funding and resources to support security initiatives at ports, including the purchase of security equipment, technology, and personnel training.

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<sup>5</sup> <https://www.delta.ca/sites/default/files/2023-09/Peter%20German%20-%20Policing%20Our%20Ports.pdf>

<sup>6</sup> <https://tc.canada.ca/en/marine-transportation/marine-security/marine-transportation-security-regulations>

<sup>7</sup> <https://www.delta.ca/sites/default/files/2023-09/Peter%20German%20-%20Policing%20Our%20Ports.pdf>