

International Bust Disrupts Criminal Gangs Smuggling Millions of Kilograms of Tobacco

OTTAWA, March 30, 2016 /CNW/ - The National Coalition Against Contraband Tobacco congratulated Sûreté du Québec provincial police, the U.S. Drug Enforcement Administration and other Canadian and U.S. partnering law enforcement organizations for the success of *Operation Mygale*, a massive anti-contraband tobacco, illegal drugs and money laundering operation. This operation culminated in the arrests of more than 60 people and the seizure of enough tobacco to produce more than 105 million cigarettes, along with hundreds of kilograms of cocaine and other drugs.

“Once again, we are reminded of the enormous scale and complexity of the contraband tobacco trade and the criminal networks that run it,” said Gary Grant, a 39-year veteran of the Toronto Police Service and national spokesperson for the NCACT. “Contraband tobacco is big business for organized crime, and the RCMP estimate that there are about 175 criminal gangs that treat the trade as a cash cow for their other illegal activities, including guns, drugs and human smuggling.”

Contraband tobacco is a major problem in Canada. In Ontario alone, 1 in 3 cigarettes purchased are already contraband. Quebec, as today’s bust highlights, remains a major contraband centre for production and consumption. More and more, criminal gangs are beginning to smuggle contraband tobacco into other provinces, including Atlantic Canada and Manitoba.

“This is a massive seizure, but that only speaks to the size of the problem,” said Grant. “In fact, law enforcement officials estimate that the organization that was disrupted today had smuggled more than 2 million kilograms of tobacco since 2014, much of it that was not able to be interdicted. That’s enough to produce more than 4 billion cigarettes with an estimated tax loss of more than \$530 million.”

Contraband cigarettes are produced in 50 illegal factories in Canada, largely in Ontario and Quebec. Each can produce millions of cigarettes in a day. Contraband tobacco is also a major drain on the public purse. Contraband tobacco was identified as a key area of loss to the underground economy in the Drummond report and the Canadian Taxpayers Federation has estimated that illegal cigarettes cost Ontario taxpayers as much as \$1.1 billion in lost revenues each year.

“Today is a victory for law enforcement officials, but we must continue the pressure still. As long as there is a demand for contraband tobacco, other organized crime groups will fill the void,” concluded Grant. “It is important that governments ensure that law enforcement organizations have the powers and resources needed to pursue these sorts of investigations, that this spirit of collaboration continue, and that it remains a priority. As we saw today, illegal cigarettes are part of big crime.”

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About NCACT

The National Coalition Against Contraband Tobacco is a Canadian advocacy group formed with the participation of businesses, organizations and individuals concerned about the growing danger of contraband cigarettes. NCACT members share the goals of working together to educate people and urge government to take quick action to stop this growing threat.

The members of the NCACT are: Association des détaillants en alimentation du Québec (ADA), Association des marchands dépanneurs et épiciers du Québec (AMDEQ), Canadian Chamber of Commerce, Canadian Convenience Stores Association (CCSA), Canadian Manufacturers and Exporters, Canadian Taxpayers Federation, Canadian Tobacco Manufacturers Council, Conseil du patronat du Québec (CPQ), Customs and Immigration Union, Échec au crime Québec, Fédération des chambres de commerce du Québec (FCCQ), Frontier Duty Free Association (FDFA), National Convenience Stores Distributors Association (NACDA), Ontario Chamber of Commerce, Retail Council of Canada, Toronto Crime Stoppers, United Korean Commerce and Industry Association (UKCIA), and National Capital Area Crime Stoppers.

For more information, contact:

Mike Powell

(p) 1-866-950-5551

(m) 613-797-7313

(e) info@stopcontrabandtobacco.ca