

Fisheries & Oceans Canada



TO CONSERVE AND PROTECT

## OPERATIONAL INTELLIGENCE ASSESSMENT

Project code Name  
**Project Ice Storm**

November 27, 2006

Prepared by Special Investigations Unit, Kamloops

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**TO CONSERVE AND PROTECT**

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## **Executive Summary / Key Findings**

### **Key points:**

- 1 The FSC First Nations Fishery on the Lower Fraser River is largely out of control and should be considered in all contexts, a Commercial Fishery.
- 2 Various levels of sophistication exist in the laundering of FSC Salmon into Commercial markets.
- 3 Door to door sales of FSC Salmon account for a large portion of the illegal sales of Salmon.
- 4 Back door sales to restaurants and fish sale establishments are widespread throughout the province.
- 5 The Department of Fisheries and Oceans are unable to effectively control the illegal sales of FSC Salmon at all levels of sophistication.
- 6 A major change is needed in Fisheries laws to effectively deal with the commercial processing and storage of FSC fish.
- 7 The opening of EO fisheries provides greater opportunities to launder FSC Salmon.
- 8 Intelligence Assessments are not being reviewed, and no deliverables including briefings are taking place. Briefings that may take place are managerial in nature and not intelligence based or part of this process.
- 9 Resources identified in the Project management Plan were not made available

consequently this project fell short of it's goals.

#### Recommendations:

- 1 Continue to work on filling intelligence gaps
- 2 Identify and charge the retail buyers within the Lower Mainland
- 3 Investigate those involved in illegal sales identified in this project and create an inventory of potential cases.
- 4 Increase in resources is needed to increase level of enforcement in these areas
- 5 Intelligence needs to be entered into a data base system (SIUSS) or better.
- 6 Continue to gather intelligence on those individuals who have been identified as suspected violators in this project.
- 7 Explore ways to seize FSC fish that has been commercially processed and put into storage, in order to fully investigate.
- 8 Future investigations should be intelligence based.
- 9 Future Project Management Plans should be more goal oriented instead of report oriented.
- 10 Operational plans need to spawn from the intelligence assessments.
- 11 Clear goals and direction must be set out in the PMP's.
- 12 Projects need to be intelligence based and when an operational plan is developed from the Intelligence Assessment, that plan must identify the required budget and the budget must fit the operation, not the operation fitting the budget.
- 13 Where insufficient funding is available for an identified project, then that project should not proceed.
- 14 Legal services participation and involvement must be identified in the PMP and Operational Plan with identified funding. They need to be included from the beginning to the end of the project.
- 15 Information obtained during this project has not been entered into a central location. This need to be a priority.
- 16 Follow the FSC Salmon that was in storage during 2005 and investigate each suspect as to where those fish went.
- 17 Identify those First Nation fishers that are involved in commercial fishing and examine delivery slips for the 2005 season.

#### Intelligence gaps:

### Background/Introduction

In 2000, Conservation and Protection Fishery Officers in the Region conducted over 200 facility audits throughout British Columbia informing processing and storage facilities of their responsibilities when handling and storing fish and fish products.

In 2001, over 50 Fishery Officers embarked on a similar audit of the facilities in the lower mainland as directed by the Regional Director of Fisheries Management. The audits were completed in response to concerns regarding the amount of FSC salmon being stored or processed throughout the area and provide a base line for monitoring catches in the FSC, Pilot sale and commercial salmon fisheries on the Lower Fraser River.

From 2000 to the present Fishery Officers throughout the Region have continued to audit and inform storage facilities, processors, retailers and restaurants of their responsibilities when dealing in fish products.

In 2004, the Regional Special Investigations Unit spearheaded the completion of a Section 61 (FA) database for the storage of all the information being collect regionally via these audits. In March and April of 2005 a two part upgrade to the database was completed and is presently being tested. The database has been upgraded to provide a wider range of data input and business identity as well as a search vehicle that will allow Fishery Officers to search the Section 61 database by company name, individual names, licence numbers and species.

Canada Evidence Act s.37



## Aim

To conduct a physical audit of the 2005 salmon harvest season of cold storage, fish plants, fish processors, brokerage firms, transporters in the Lower Mainland and Vancouver Island in the Province of British Columbia that are licensed by either the Federal or Provincial Governments.

## Objectives

- 1 The physical audit of these facilities will provide the Department of Fisheries and Oceans with a working inventory of what we believe are the principle facilities that either store or process salmon throughout the provinces and the USA.
- 2 The audit will provide FOC with an opportunity to communicate concerns to this facet of the industry and assist with the monitoring and control of fish harvested, imported and exported within Canada, the USA and other countries.
  - Positive communication with this facet of the fishing industry identifying their responsibilities regarding Federal and Provincial legislation on the processing, transporting and storage of fish products.
  - A complete inventory of the salmon products handled by the various facilities.
  - A complete inventory of salmon products presently being stored at the facility.
  - A complete inventory of salmon products that have entered and or left the facility and where this product came from or where it has went to
  - A complete inventory of salmon products that have been brokered by the facility where there or not the fish have entered the facility
- 1 Establish what if any illegal activities are being conducted.
- 2 Identify the fishers or associates involved in harvesting, transporting, purchasing or selling salmon.
- 3 Identify the location for processing, freezing, storing and transporting used by primary entities
- 4 Identify the process used by each plant/processor/storage facility when dealing with fish products within the facilities.
- 5 To expose methods industry uses to hide and launder FSC salmon
- 6 To identify and understand the various levels of sophistication used by individuals and companies to hide and launder FSC Salmon.
- 7 Make recommendations



## Client

This report is to be presented to the Director of Conservation and Protection, Pacific Region, Chief Enforcement Officer of SIU, Pacific Region and other key stakeholders to be identified as the project progresses.

## Approach

The following is a three stage approach for this project is proposed:

### Phase 1 Pre-audit preparation

Information gathered will be entered into an excel spreadsheet located on a common drive accessible by SIU members and General Duty Officers within the Lower Mainland and Vancouver Island. It is expected that the majority of the information required to be collected to support this project will come from historical reports and new information gathered from Fisheries & Oceans Canada offices in Langley, Steveston, and Vancouver Island. This information will be classified as protected B. A data collection plan will be developed to identify information needed to be collected.

- 1 Liaison with Health authorities.
- 2 Liaison with Ministry of Agriculture, Fish and Food
- 3 Liaison with the Canadian Food Inspection Agency
- 4 Liaison with other Fisheries & Oceans Canada offices.
- 5 Identify any other agencies or organizations that might have information or be a key stakeholder in this project.
- 6 Identify and organize staff required
- 7 Develop operating procedures for plant audits and data collection

**Time allotted for this phase: 2 days**

### Phase 2 Plant Audits

The audits commenced on September 12<sup>th</sup>, 2005. The audits were done with uniformed Fishery Officers assisted by Special Investigation Units (SIU) Canada Evidence Act s.37  
Canada SIU also assisted with investigations that resulted from the audits, warrants required, photography, vehicle information search and data input.

During the audit phase all inspection forms were entered into the Section 61 data base, and also the Excel spreadsheet. This information was added on a daily bases.

Analysis began during this phase; leads and intelligence gaps were identified and were addressed as the plant audits continued.

Senior Enforcement Managers also considered that a need may arise and consider the possibility of sending two teams of Officers to Alberta to cover the major facilities in Calgary, Edmonton, and the USA. SIU is continued to work with the NOAA officers in the USA with Salmon that is crossing US/Canada border.

**Time allotted for this phase: 5 weeks**

### Phase 3 Reports

- 1 The findings of the Plant audits were formulated into an operational intelligence

assessment.

**Time allotted for this phase: 18 weeks**

## **Resources**

Resources required for this project were minimal during phase 1. During Phase 2 a team of 12-15 officers were needed to conduct the plant audits in the Lower Mainland and another team of 6 officers were needed for the audits on Vancouver Island. Staff were needed and used from other areas to complete this phase in the time frame. During phase 2, one data entry person was used to enter information into the section 61 database. Little of this information was entered into the Intelligence program. A project of this size would need a dedicated team of two working full time, months to capture the details found in this project.

## **Limitations and delimitations to the report**

This project covered facilities involved in the processing, transportation, storing and brokering of salmon during the 2005 salmon season.

The project is limited to all salmon caught between the time periods of April 1<sup>st</sup>, 2005 to present.

This project will only focus on salmon.

The participation of industry limited the accuracy of the final report.

This project was also be limited to resources available during the plant audit phase.

## **Time frame**

Time frame for this project was to be determined but not less than one year from signing of this document by the Director of Conservation and Protection.

## **Body of the report**

During the time period of 2000 through 2001 Fisheries & Oceans Canada conducted several audits of various plants in a project similar to this one. Much of the audit information or reports are not readily available if at all. This audit commenced on September 12<sup>th</sup> 2005 spearheaded by the SIU, with a minimul number of officers starting the audit. The efforts peaked two weeks later and then tapered off at about the fifth week. Inspections and officer numbers changed daily as various officers addressed personal needs and work commitments. Other officers vacated the project as various violations were discovered and investigations began. SIU undercover officers

continued to work along side and independent of the audit, conducting several large buys from individuals identified in the audit as having a high number of FSC salmon in storage. By the time the audit was complete, all SIU officers in the lower mainland were heavily involved in case file preparation.

During the months of October and November, large volumes of paper work began to flow into the Langley office. By the end of the year approximately 50,000 pages of data was collected from about 75 companies.

In early January, SIU officers analyzed the data and entered the numbers onto spreadsheets. Only those figures that were highly suspected to be, or known to be FSC Sockeye, Chinook, or mixed fish were taken into consideration. Once the analysis was completed, figures showed that approximately 2 million pounds of Lower Fraser River Sockeye were in cold storage in various locations around the lower mainland. These figures do not show the estimated 400,000 lbs of lower Fraser FSC sockeye that is suspected of being shipped to the US and Alberta. The audit identified approximately 100 different companies and individuals that are involved in the business of laundering FSC salmon into commercial markets. Various levels of sophistication are used to launder those fish.

## **Findings or Conclusion**

The results of this intelligence assessment and those identified therein should result in additional prosecutions. It is recommended the results be used specifically for further investigations, strategy implementation, policy development, and the development of laws needed to curtail the illegal activity.

## **INFERENCE**

### **Intelligence/Information gaps**

- 1 Information obtained during this project has not been entered into a central location. This need to be a priority.
- 2 Follow the FSC Salmon that was in storage during 2005 and investigate each suspect as to where those fish went.
- 3 Identify those First Nation fishers that are involved in commercial fishing and examine delivery slips for the 2005 season.

### **Risks**

- 1 To Resource
- 2 Fail to uphold our mandate
- 3 To markets (flooding of fish on the market – lower prices or no demand)
- 4 Collapse of the salmon stocks in the Fraser River
- 5 Health concerns to the public
- 6 That the modus operandi will change if or when charges are laid
- 7 Officers safety due to increase of individuals getting charged.




- 8 Officers safety within the plant facilities
- 9 All operations must be conducted with the mind set that a larger criminal component exists. This may include firearms, drugs, or other serious criminal activities.

## Recommendations

- 18 Continue to work on filling intelligence gaps
- 19 Identify and charge the retail buyers within the Lower Mainland
- 20 Continue investigating files that are continually being uncovered during this project.
- 21 Investigate those involved in illegal sales identified in this project before taking on others.
- 22 Increase in resources is needed to increase level of enforcement in these areas
- 23 Intelligence needs to be entered into a data base system (SIUSS).
- 24 Continue to gather intelligence on those individuals who have been identified as suspected violators in this project.

## Appendices

Canada Evidence Act s.37



## Notes on Dissemination

The data collection Plan, the Operational intelligence Assessment, Operational plans, target profiles and the SWOT assessment will be classified Protected B, and as such, their contents should be managed in accordance with the provisions afforded to documents carrying this classification. Numbered copies will be provided to

1. File Copy
2. Detachment Supervisor SIU
3. Chief of SIU
4. File Copy
5. File Copy
6. File Copy

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DATE: November 27, 2006

## Appendices

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### Target Profiles:

#### Sign Off:

Detachment Supervisor: \_\_\_\_\_

Date: \_\_\_\_\_

Chief Special Investigations: \_\_\_\_\_

Date: \_\_\_\_\_

