CARTEL ACTIVITY IN CANADA

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EXECUTIVE SUMMARY

The Trump Administration's focus on illegal drugs has put Mexican cartel activity in Canada under the microscope. This analysis finds that cartel activity in Canada is increasingly a problem and has worsened over the last 2 decades. Based on a case study analysis of drug busts in Canada, both large and small, it is clear that the main products being moved by these organizations are fentanyl, street drugs (cocaine and meth), and illegal tobacco. A conservative estimate on the size of the illicit market for those products is $2.68 billion CAD per year. Not only is the market significant for these products, but the distribution of these products is shifting to online marketplaces/retailers, facilitated by major financial institutions (banks, credit card companies, Interac), and delivered directly to the doors of buyers by Canada Post. With Canada listing Mexican cartels as terrorist organizations, the potential consequences for these institutions are significant.

INTRODUCTION

Does Canada have a problem with Mexican cartel activity within our borders? This is a question that has been front and center, given the Trump Administration's justification for tariffs being the flow of illegal drugs from Canada to the United States.

Trump Administration senior official Peter Navarro went so far as to say that "Canada has been taken over by Mexican cartels". And while that comment is on its face untrue, it does beg the question of just how prevalent Mexican cartel activity is in Canada, especially given that in April the U.S.'s Financial Crimes Enforcement Network (FinCEN) flagged $1.4 billion in fentanyl linked suspicious transactions, naming Canada, China, Mexico and India as key touchpoints for global production and laundering.

It is also important to highlight that while Mr. Navarro's comments are exaggerated, the size and scope of the problem are significant enough that in February of 2025, Canada designated seven transnational criminal organizations, five being Mexican cartels, as terrorist organizations.

HISTORY OF CARTEL ACTIVITY IN CANADA

Early Presence (Pre-2000s)

Limited but Present Activity: Mexican cartels, such as the Sinaloa Cartel and the Arellano Felix Organization, had a minimal presence in Canada before the 2000s. Their activities were primarily focused on the United States, but some early connections existed with Canadian criminal groups, particularly in British Columbia (B.C.), due to Vancouver's role as a major port for drug trafficking. These connections were often indirect, involving local gangs or intermediaries like the Hells Angels for distributing drugs such as cocaine and marijuana.

Context: During this period, Canadian organized crime was largely dominated by traditional groups like the Italian Mafia ('Ndrangheta, Cosa Nostra), biker gangs (e.g., Hells Angels), and local gangs defined by ethnicity or geography. Mexican cartels were not yet a dominant force, but began laying the groundwork through partnerships.

2000s: Growing Influence and Strategic Shift
Vancouver as a Hub: By 2009, Vancouver emerged as a key center for Mexican cartel operations in Canada, largely due to its status as the country's largest port, which provided access to Asian and European markets. The Sinaloa Cartel, in particular, began using Vancouver as a transit point for cocaine and other drugs destined for international markets.

Alliances with Local Groups: The death of Vito Rizzuto, a prominent Canadian Mafia figure in 2013, disrupted the traditional balance of power in Canada's underworld. This created opportunities for Mexican cartels to form alliances with younger, less ethnically tied criminal groups, such as the Wolfpack, a coalition of millennial gangsters. The Wolfpack collaborated with the Sinaloa Cartel to smuggle cocaine from the Andean region to Canada and allegedly to Europe, marking a shift toward a more flexible, post-ethnic criminal model.

Diversification of Activities: Mexican cartels began engaging in more direct drug trafficking, including cocaine, methamphetamine, and later fentanyl. They also exploited Canada's proximity to the U.S. border for cross-border smuggling, taking advantage of less sophisticated anti-crime infrastructure compared to the U.S.

2010s: Expansion and Consolidation

Sinaloa and Other Cartels: The Sinaloa Cartel established a strong presence in eastern Canada, controlling significant cocaine shipments, while the Arellano Felix Organization maintained ties in western Canada, particularly Vancouver and Alberta. The Zetas were also reported to be involved, often exploiting temporary migrant workers for their operations.

By the mid-2010s, Mexican cartels, particularly the Sinaloa and Jalisco New Generation Cartel (CJNG), became key players in the fentanyl trade, which was devastating Canada and the U.S. Canada's role as a transit point for fentanyl precursors, often sourced from China and shipped through Canadian ports, grew significantly.

Violence and Local Impact: While violence in Canada was less extreme than in Mexico, the influence of Mexican cartels contributed to increased gang-related violence in B.C. A 2013 RCMP report noted that escalating Mexican cartel violence was claiming the lives of Canadian mobsters, with some Canadian criminals traveling to Mexico to deal directly with cartels, increasing their exposure to danger.

CBSA Findings: In 2018–2019, the Canada Border Services Agency (CBSA) investigated claims of 400 Mexican nationals linked to cartels in Canada but found only 238 inadmissibility cases for criminality, with just 27 tied to organized crime (3 specifically to cartels). This suggested a smaller but still notable presence.

2020s: Sophistication and Law Enforcement Response

Transnational Operations: By the 2020s, Mexican cartels had embedded themselves in Canada's underworld, displacing some traditional mafias. The Sinaloa Cartel and CJNG were identified as the most prominent groups, engaging in drug trafficking, money laundering, and human smuggling. In 2021, the RCMP noted that cartels were importing cocaine and methamphetamine into B.C., with operations starting as early as 2021 in some cases.

Superlabs and Local Production: In 2024, the RCMP dismantled what they described as Canada's largest and most sophisticated drug "superlab" in Falkland, B.C., which used phenyl-2-propanone (P2P) to produce methamphetamine—a method common among Mexican cartels but previously unseen in Western Canada. This indicated a shift toward local production rather than just importation.

CASE STUDY OF DRUG BUSTS

To better understand the operations of criminal groups in Canada, including Mexican cartels, the following will evaluate four busts in 2024 to highlight common themes. These busts range in size and scope, but ultimately highlight the illicit products being trafficked by these criminal networks.

Project ENAIANT: April 2024

Project ENAIANT is an RCMP-led operation focused on disrupting transnational organized crime, specifically the activities of Mexican cartels like the Sinaloa Cartel and Jalisco New Generation Cartel (CJNG) in Canada. It targets drug trafficking (notably fentanyl and methamphetamine), money laundering, and related criminal enterprises. The RCMP in April of 2024 seized 3 kg of fentanyl, 3.5 kg of methamphetamine and cocaine, 40 litres of GHB, more than 400 cartons of illegal cigarettes, nearly a quarter of a million dollars in cash and multiple firearms.

RCMP Bust in Prince George: August 2024

In August of 2024, the RCMP, while investigating a break-in at a property, made the largest drug bust in the City's history, seizing 40 kg of illicit drugs, including fentanyl, cocaine, and methamphetamine, 120,000 counterfeit cigarettes, more than $500,000 in cash, and 11kg of suspected cutting agents. The bust was so large that the RCMP concluded that the drugs were almost certainly meant for further distribution beyond the region.

Airdrie RCMP Crime Reduction Bust: November 2024

After a coordinated search of two homes in Calgary, the RCMP seized fentanyl, meth, powder and crack cocaine, illegal tobacco, $16,000 in cash, and 265 cannabis plants.

Hotel Bust in Olds, Alberta: September 2024

Officers responding to a drug investigation at a hotel in Olds, Alberta acted on a search warrant, which led to the seizure of 560 grams of fentanyl, 100 grams of cocaine, 12 grams of meth, and 680 illegal cigarettes.

FENTANYL, STREET DRUGS, AND TOBACCO

Ranging from large scale investigations, to routine traffic stops, the common themes from these busts are that fentanyl, traditional street drugs (cocaine, crack, meth), and tobacco, are the primary illicit goods that are being trafficked by these networks. The following outlines the size and scope of each illicit market, based on the best publicly available information.

Fentanyl in Canada

Estimating the size of the fentanyl market in Canada is challenging due to its illicit nature, limited data, and the complexity of tracking underground economies. However, available information from law enforcement, public health sources, and recent developments, including Project ENAIANT and Canada's 2025 terrorist designation of Mexican cartels, provides some insights into its scale and dynamics. Below is an analysis of the fentanyl market's size in Canada as of 2025.

Overdose Deaths and Public Health Impact:

Fentanyl is a major driver of Canada's opioid crisis, implicated in 79% of accidental opioid toxicity deaths between January and June 2024, with over 49,000 total opioid-related deaths since 2016. In 2024 (January–September), fentanyl was involved in 35% of opioid-related poisoning hospitalizations and 47% of opioid-related emergency department visits, indicating widespread use. These figures suggest a significant domestic demand, particularly in British Columbia, where fentanyl positivity in opioid samples reached 84.7% in 2022, compared to 15.8% in Atlantic Canada.

Seizures and Law Enforcement Actions:

In November 2024, Project ENAIANT in Surrey, B.C., seized several kilograms of suspected fentanyl from a Mexican cartel-linked facility, highlighting local production and distribution. From December 2024 to January 2025, the Canadian Integrated Response to Organized Crime (CIROC) operation seized 15,765 fentanyl pills and other synthetic opioids, alongside 101.8 pounds of fentanyl powder. In February 2025, the Canada Border Services Agency's (CBSA) Operation Blizzard seized 56.1 grams of fentanyl, a small but targeted interdiction. A January 2025 RCMP traffic stop in Saskatchewan seized 8 kilograms of fentanyl, estimated to represent "potentially millions of doses."

In 2024, CBSA reported 4.9 kilograms of fentanyl seized, a fraction of the estimated market. Combined with RCMP and CIROC data, seizures likely represent only a small portion of the total supply, as cartels and local producers adapt to enforcement. The volume of seizures, while significant, suggests a much larger market, with estimates of domestic production capacity (e.g., 5.5 million lethal doses from three B.C. labs in April 2024) indicating substantial supply.

Domestic Production and Shift from Imports:

Since 2020, Canada has transitioned from primarily importing fentanyl (mostly from China) to producing it domestically, driven by Mexican cartels and local criminal networks. A 2024 Health Canada briefing note reported that "superlab interdictions" in B.C., Ontario, and Alberta show domestic supply exceeds demand, with excess fentanyl exported to the U.S. and Australia. The 2024 RCMP bust of a B.C. superlab using Mexican cartel methods (P2P for methamphetamine, adaptable for fentanyl) and recent lab busts producing 5.5 million lethal doses underscore this shift. Precursor chemicals, often legally imported from China or diverted domestically, fuel this production, with 80% of fentanyl precursors unregulated.

Economic Scale and Market Size

Price Dynamics: A 2024 RCMP report noted a "price crash" due to an oversupply of fentanyl, suggesting a saturated domestic market. Street prices vary, but fentanyl's low production cost (a few grains per lethal dose) makes it highly profitable even at reduced prices.

Market Value Estimates: No precise dollar value exists for Canada's fentanyl market, but comparisons to the U.S. provide context. The U.S. fentanyl market is estimated at $2–$4 billion annually, with Canada's smaller population (1/10th of the U.S.) and similar per capita opioid use suggesting a market in the range of $200–$400 million CAD. This is speculative, as Canada's domestic production and export activities may alter the figure.

Canada exports small but growing amounts of fentanyl, primarily to the U.S. (43 pounds seized at the U.S. border in 2024, 0.2% of total U.S. seizures) and Australia (11 kilograms seized in 2024). Most exports are small-scale, often via dark web micro-traffickers, but domestic oversupply suggests potential for growth, increasing the market's international dimension.

Based on wastewater data, Metro Vancouver has 4–5 times higher fentanyl consumption than other Canadian cities, with national use stabilizing but high. Assuming 1–2 million regular opioid users (extrapolated from 2015 illicit drug use prevalence of 2% and population growth), and an average dose cost of $10–$20 CAD, the domestic consumption market could be $100–$200 million CAD annually.

Domestic production, driven by Mexican cartels and local groups, likely exceeds domestic demand, with superlabs capable of producing millions of doses. Adding export activities and money laundering, the total market (including production, distribution, and laundering) could range from **$200–$500 million CAD**.

Street Drugs in Canada (Meth and Cocaine)

Estimating the size and scale of the cocaine and methamphetamine markets in Canada is challenging due to their illicit nature and limited reliable data. However, available evidence from surveys, wastewater analysis, seizure data, and public health reports provides some insights. Below is a synthesis of the most relevant information.

Cocaine Market in Canada

Prevalence and Use

According to the 2019 Canadian Alcohol and Drugs Survey (CADS), approximately 3% of Canadians (around 1.1 million people) reported past-year use of at least one of six illegal drugs, including cocaine/crack. Cocaine use specifically is estimated at around 2–2.6% of the population aged 15 and older, with higher prevalence among young adults aged 20–24 (up to 14% for illegal drugs generally). Use is more prevalent among males (4% past-year use) than females (3%), and higher in urban areas like Quebec (9.2% lifetime use) compared to Prince Edward Island (6.2%). Canada ranks second globally in per capita cocaine use frequency, with users reporting a median of 10 days of use per year, nearly double the global average of 6 days.

A 2018–2019 Statistics Canada pilot project estimated cocaine consumption at 340 grams per million people per week across five major cities (Halifax, Montréal, Toronto, Edmonton, Vancouver), with slight seasonal increases in summer and winter. This suggests a significant market, with five Canadian cities ranking among the top 10 globally for cocaine levels in wastewater.

In 2022, approximately 500,000 Canadians reported using cocaine, per the United Nations Global Report on Cocaine.

Economic Scale and Market Size

Retail Price: Cocaine costs approximately $85 per gram in Canada, lower than the global average of $120, making it relatively affordable and accessible.

Assuming 700–1,000 kilograms (700,000–1,000,000 grams) consumed annually, at a price of approximately $85 CAD per gram, the market size is considerable. The lower bound, 700,000 grams × $85 equals a cocaine market valued at **$59.5 million CAD**. The upper bound, 1,000,000 grams at $85 equals a cocaine market valued at **$85 million CAD**.

If we account for higher consumption estimates (e.g., including unreported use or exports) and assume 1,500 kilograms (a conservative upper bound based on seizure trends), the market value could reach **$127.5 million CAD** (1,500,000 grams × $85).

Methamphetamine Market in Canada

Prevalence and Use

Methamphetamine/amphetamine use was reported by 0.5% of Canadians (approximately 142,000 people) in 2019, though data for earlier years were not consistently reportable. Use is higher among specific populations, such as people who inject drugs, with 43% of this group reporting methamphetamine injection between 2017–2019, up from 6.8% in 2003–2005.

Methamphetamine use is more prevalent in Western Canada (e.g., Edmonton, Prince Albert, Saskatoon), with wastewater data showing higher per capita levels in these cities compared to Eastern Canada. Prince Albert had the highest average levels in 2022–2023. Wastewater analysis indicates stable methamphetamine use from 2020 to 2022, unlike cocaine, which saw increases. Canadian cities rank among the highest globally for methamphetamine levels in wastewater, alongside cities in the U.S., Australia, and New Zealand.

Production and Supply

Canada is a significant producer of methamphetamine, with large-scale labs operated by organized crime groups. A 2024 bust of a “superlab” in Canada seized meth, MDMA, cocaine, and chemicals capable of producing fentanyl, highlighting industrial-scale production. Canada has long been a major exporter of methamphetamine, with 83% of Australia’s seized methamphetamine in 2007 originating from Canada and 62% of Japan’s. Seizures in 2007 reached 1.54 metric tonnes, though earlier years saw as low as 60 kilograms. The availability of chemical precursors and skilled chemists in Canada supports large-scale production, particularly in British Columbia.

Economic Scale and Market Size

The 2019 Canadian Alcohol and Drugs Survey (CADS) estimated 0.5% of Canadians aged 15+ (approximately 142,000 people) used methamphetamine/amphetamines in the past year. This is likely an undercount, as methamphetamine use is concentrated in specific populations (e.g., people who inject drugs).

Wastewater analysis (2020–2023) shows high methamphetamine levels in Western Canadian cities (e.g., Edmonton, Prince Albert, Saskatoon), with Prince Albert having the highest per capita use. National consumption estimates are scarce, but wastewater data suggests stable use, unlike cocaine’s increase. Assuming a conservative per capita consumption rate similar to cocaine (340 grams per million people per week, adjusted for lower prevalence), annual consumption might range from 200–500 kilograms (200,000–500,000 grams) nationwide.

Methamphetamine prices are less documented but typically lower than cocaine. Based on limited data from North American markets and posts found on X, prices range from $20–$50 CAD per gram, with higher purity in Canada due to domestic production. For this estimate, we'll use an average of $35 CAD per gram.

Assuming 200–500 kilograms (200,000–500,000 grams) consumed domestically per year, based on wastewater trends and lower prevalence than cocaine, the lower bound on the market size is $7 million CAD (200,000 grams × $35). The upper bound for the meth market in Canada is approximately $17.7 million CAD (500,000 grams × $35)

If we account for underreported use, polysubstance trends (e.g., with fentanyl), and potential domestic consumption closer to 750 kilograms (considering Canada's production capacity), the market value could reach **$26.25 million CAD** (750,000 grams × $35).

Illegal Tobacco Market in Canada

Estimating the market value of Canada's illicit tobacco market is challenging due to its clandestine nature and reliance on indirect data such as seizure reports, survey-based consumption estimates, and industry analyses. Below is a synthesis of available evidence to provide a reasoned estimate, drawing on data from government reports, industry studies, and academic research.

Consumption and Prevalence:

Illicit tobacco, primarily cigarettes, is estimated to account for a significant portion of the Canadian tobacco market. Studies suggest that **approximately 32.5 percent of cigarettes consumed** in Canada are illicit, with peaks in provinces like Ontario (up to 40–69%) and British Columbia (up to 45%) between 2007–2023.

Source and Operational Details

Illegal cigarettes in Canada are primarily produced in concentrated regions. Based on available information, the key locations include:

First Nations Reserves: A substantial portion of illegal tobacco originates from manufacturing operations on Aboriginal reserves, particularly in Ontario and Quebec. Notable reserves include:

- Akwesasne: Straddling the Canada-U.S. border, this reserve is a major hub due to its geographic position, facilitating cross-border smuggling. Both small-scale and sophisticated plants operate here, some using reconditioned cigarette-making machines.
- Kahnawake: Near Montreal, this reserve has been linked to illegal cigarette production, with operations ranging from makeshift setups to advanced facilities.
- Six Nations Reserve: Located near Brantford, Ontario, this reserve hosts manufacturing operations contributing to the illegal market.
- Tyendinaga Reserve: Near Belleville, Ontario, it is another site for illegal cigarette production.
- Ontario as a Whole: Ontario is described as the "national epicentre" for illegal tobacco manufacturing, with estimates of over 50 illegal cigarette factories and 300 smoke shacks, mostly in Ontario and Quebec.
- Quebec: Alongside Ontario, Quebec is a major hub, with high rates of illegal tobacco sales (around 40-50% of the market). Clandestine manufacturing sites in the province contribute to both local and national distribution.
- Other Regions: While less dominant, illegal cigarettes are also produced in British Columbia and Alberta, often distributed from central Canada (Ontario and Quebec) through organized crime networks. Some reports suggest up to 30-50% of tobacco sales in B.C. are illegal.

These operations vary from small, ad-hoc setups in garages or shacks to fully equipped plants using high-speed machines like Mark-9s, capable of producing thousands of cigarettes per minute. Organized crime groups, including an estimated 175 criminal gangs, are heavily involved, exploiting these sites for profit and using proceeds to fund other illegal activities like drug and weapons trafficking. Some cigarettes are counterfeit, while others are genuine but untaxed, lacking proper stamps (e.g., the “ON Duty Paid Canada” stamp).

Pricing:

Illicit cigarettes are significantly cheaper, costing about 40% of the price of legal cigarettes. A legal carton (200 cigarettes) in British Columbia costs ~$155 CAD, while illicit cartons sell for $30–$50 CAD. A pack of 20 illicit cigarettes costs $5–$7 CAD vs. $15–$21 CAD for legal packs. Recent seizures in Alberta (2024) included 111,300 cartons (22.3 million cigarettes) valued at $18 million CAD and 28,000 cartons (5.6 million cigarettes) valued at $5.3 million CAD, suggesting a street value of ~$0.80–$0.95 CAD per cigarette. These values reflect retail-level estimates, but wholesale prices may be lower, closer to the $0.30 per cigarette range. For this estimate, we'll use an average price of $6 CAD per pack (20 cigarettes) or $0.30 CAD per cigarette for illicit tobacco, based on reported ranges.

Tax Revenue Losses:

Illicit tobacco sales cost provinces significant tax revenue. From 2019 to 2022, British Columbia lost $215–$591 million CAD, Ontario lost $990 million—$1.8 billion CAD, and Newfoundland lost $25–$81 million CAD. Alberta's losses from 2021 to 2023 were $262.6 million CAD. Total losses across five provinces (including Manitoba and Nova Scotia) reached $2.47 billion CAD over four years. These losses suggest a substantial illicit market, as taxes comprise 70% of legal cigarette prices.

Economic Scale and Market Size

Legal cigarette sales in 2021 were 20.9 billion sticks. Assuming illicit cigarettes account for 32.5% of total consumption, the total cigarette market (licit + illicit) is 27.7 billion sticks, 6.79 billion sticks being illegal. Using $0.30 CAD per cigarette (based on $6 per pack of 20, consistent with reported illicit prices) would put the total value of the illicit tobacco market at **$2.03 billion per year**.

Evidence of Cartel Activity

According to the International Coalition Against Illicit Economies the illicit cigarette trade in the Americas has become an extremely lucrative business, directly fueling organized crime, drug cartels, and even terrorist groups. Notably, illegal Canadian-made tobacco is smuggled into the U.S. and Mexico, with criminal organizations, including Mexican cartels, playing a central role in its distribution. In fact, it's stated that Canada is responsible for about 12% of the lost tax revenue in Mexico due to smuggled cigarettes.

Illicit cigarettes are so profitable in the Americas that violent criminal gangs, drug cartels, and terrorist groups, including the PCC in Brazil, Maras in El Salvador, the Zetas and Sinaloa in Mexico, and Hezbollah, actively traffic illegal tobacco. According to the Criminal Intelligence Service of Canada, over 83 illegal brands produced in Canada are distributed and sold nationally and internationally.

Additionally, the Criminal Intelligence Service Canada has also reported that there are links between Mexican cartels and illicit tobacco producers in Canada, with cartels bringing drugs and guns into Canada in exchange for cigarettes. According to the Mackinac Center for Public Policy, there is a significant volume of illegal trade in cigarettes from Canada to the USA.

It is alleged that companies established in Six Nations have introduced up to 500 million cigarettes a year illegally into Mexico without paying taxes in either country. Reports from other Central American countries have also found links to Canada's illegal tobacco trade.

The U.S. Drug Enforcement Administration (DEA) has noted First nations' involvement in such cross-border illicit trade in drugs and tobacco through reservations in Ontario and Quebec. U.S. law enforcement agency officials have also underscored how the smuggling of non-duty-free cigarettes across the southern and northern borders has links to organized crime, supplies the illicit tobacco market in Mexico and Canada

FROM STREET DEALERS TO ONLINE MARKETS

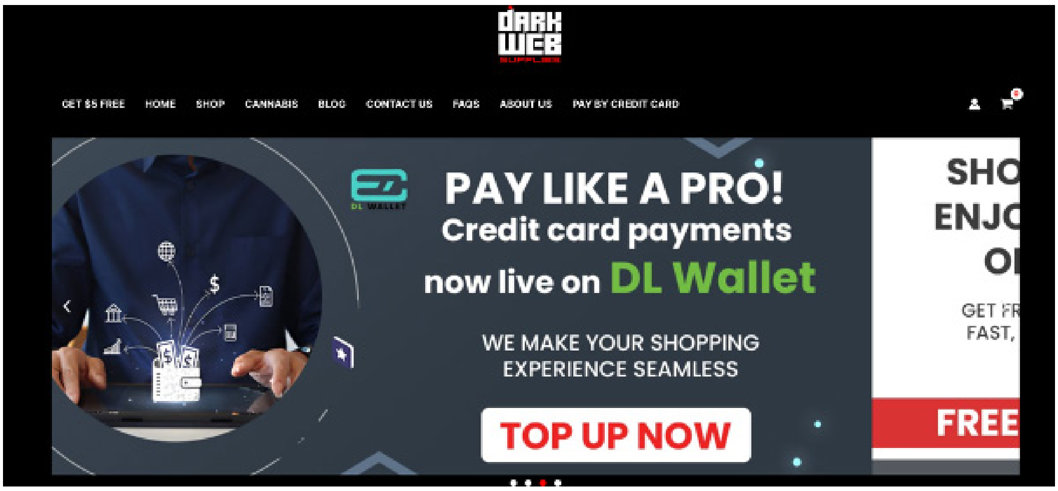
Research suggests illegal drug markets in Canada are increasingly moving online, with retail platforms that mirror legal online marketplaces for goods that are not illegal. The evidence leans toward synthetic drugs like fentanyl fueling this shift, with online platforms offering discreet shipping, often through Canada Post or private shipping options (FedEx, Purolator etc), and paid for via E-Transfer (Interac) or major credit card companies (Visa, Mastercard, AMEX).

The rise of potent synthetic opioids like fentanyl, easy to produce and ship discreetly, has aligned with online retail, exacerbating the overdose crisis. Online platforms offer anonymity, ease of use, and a wider selection, attracting users who value safety and convenience. Criminal groups increasingly use online markets and postal services, reducing reliance on street-level operations. Canada's role in international drug trafficking has grown, facilitated by online platforms.

Organized crime groups (OCGs) have adapted to this shift by increasingly utilizing online markets and postal networks, reducing reliance on street-level intermediaries. A 2022 Public Safety Canada report notes that OCGs exploit social media and alongside dark and surface web platforms. This adaptation allows for broader reach and lower operational risks, as seen in the increasing involvement of OCGs with online sales. Using fail-safe networks and cloning marketplaces maintains vendor contacts, ensuring resilience despite law enforcement disruptions.

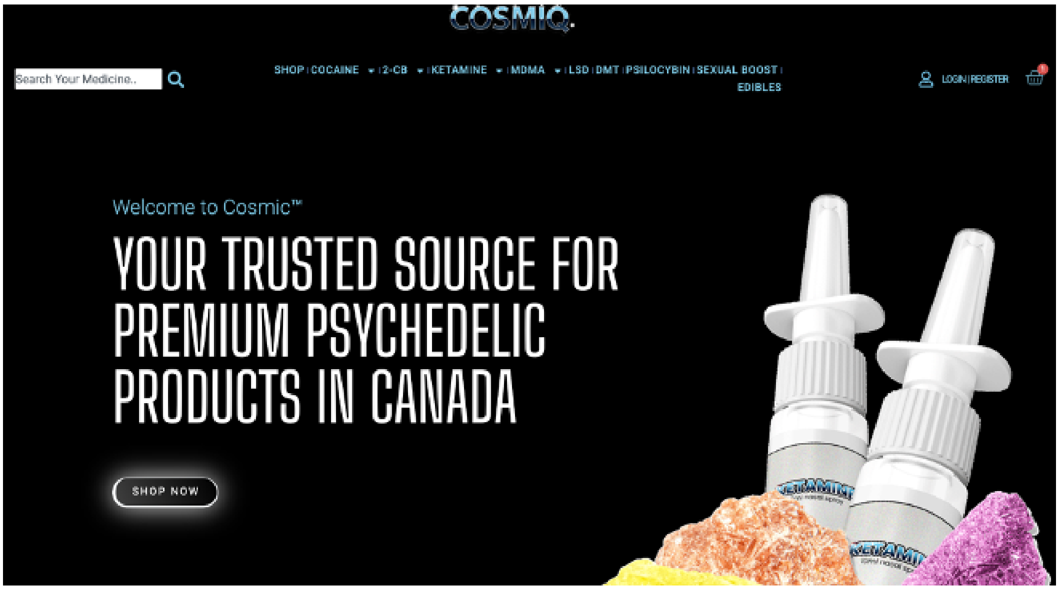
Not only is there a growing shift to online marketplaces, but these marketplaces often sell illicit drugs and illegal tobacco. Below is a sample of five examples of online retailers. Refer to Appendix 1 for a comprehensive list of online retailers shipping illegal products within Canada, including their mode of shipping and payment options.

Dark Web Supplies



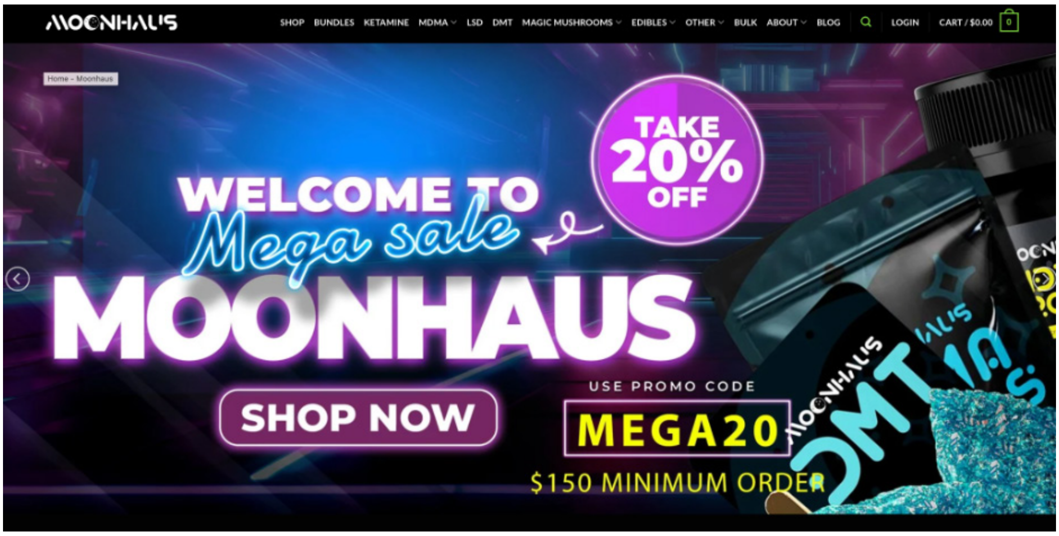
Dark Web Supplies is an online retailer that offers cocaine, meth, illegal tobacco, cannabis (flower and edibles), vapes, and nicotine pouches. While some of these products are legal products, these are all being illegally sold. The website accepts payments via E-Transfer, major credit card (through DL Wallet), and ships directly to a buyer's house via Canada Post. Dark Web Supplies offers shipping insurance via Canada Post, where credits are offered to the buyer's account with Canada Post, requiring a signature upon delivery.

Cosmiq



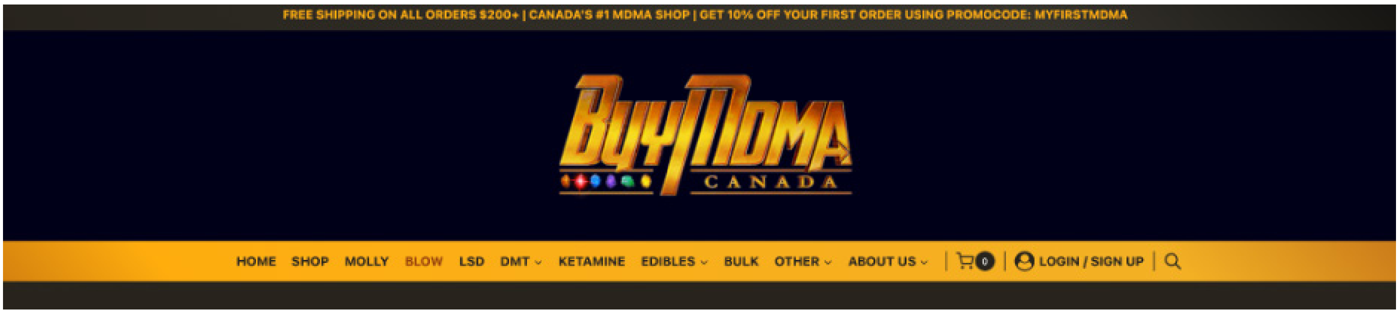
Cosmiq is an online retailer that offers cocaine, 2-CB, LSD, ketamine, MDMA, psilocybin, cannabis edibles, and sexual performance drugs. While some of these products are legal, they are all being illegally sold. The website accepts payment via E-Transfer, giving buyers detailed instructions on what to include and what not to include in the E-Transfer payment. The website ships directly to the buyer's house through Canada Post and includes "lab-tested" guarantees on their products regarding purity.

MoonHaus (formerly Moonhaus.ca)



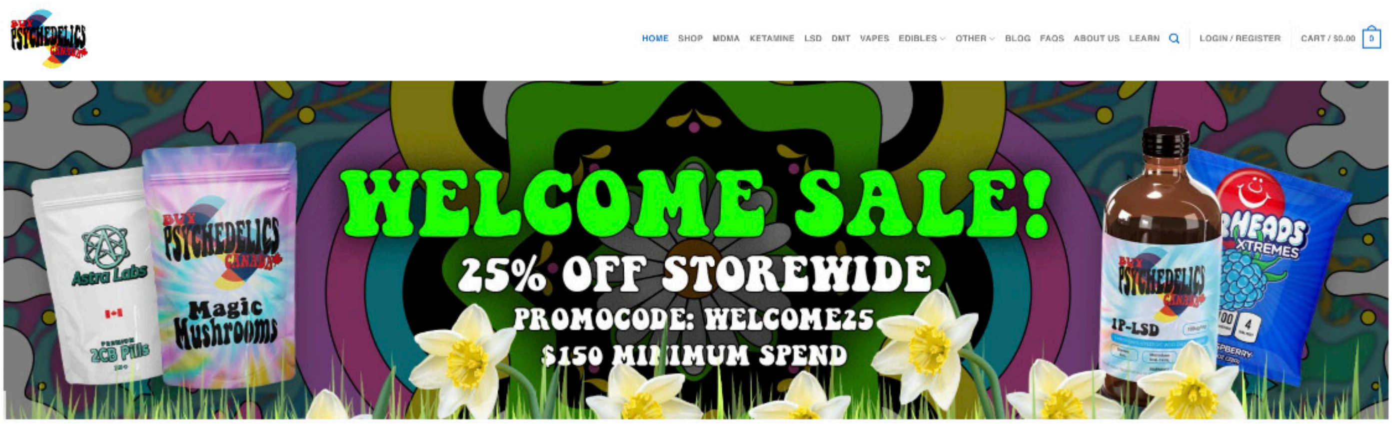
MoonHaus is an online retailer that offers ketamine, MDMA, LSD, DMT, Mushrooms, Edibles, and illegal tobacco. They accept payment via E-Transfer, Western Union, MoneyGram, Cash App PayPal, or Bitcoin. Credit card payments can be made via Western Union Online. The website ships directly to a buyer's house via Canada Post.

Buy MDMA Canada



Buy MDMA Canada is an online retailer that offers MDMA, cocaine, LSD, DMT, Ketamine, and illegal tobacco. The website accepts payment via E-Transfer and gives buyers detailed instructions on what to include and what not to include in the E-Transfer payment. The website ships directly to the buyer's house through Canada Post.

Buy Psychedelics Canada



Buy Psychedelics Canada is an online retailer that offers psychedelics, MDMA, ketamine, LSD, DMT, vaping products, and illegal tobacco. The website accepts payment via E-Transfer, giving buyers detailed instructions on what to include and what not to include in the E-Transfer payment. The website ships directly to the buyer's house through Canada Post.

For a more detailed list of illegal online retailers, please refer to Appendix A

IMPLICATIONS AND NEXT STEPS

The implications here are significant, especially given the listing of Mexican cartels as terrorist organizations. Given that there is clear evidence that many of the products being sold by these online retailers are tied to Mexican cartel activity in Canada, it is possible that numerous sections of the Criminal Code could be applied not only to the retailers but also to the banks, credit card companies, Canada Post, and Interac who facilitate these transactions.

In Canada, collaborating with a listed terrorist organization is a serious offence under the Criminal Code, with penalties varying based on the specific nature of the collaboration. The following outlines key provisions and associated penalties for such activities, based on the Criminal Code and related legislation.

Participating in or Contributing to a Terrorist Group (Section 83.18)

- **Offence**: Knowingly participating in or contributing to any activity of a terrorist group to enhance its ability to facilitate or carry out a terrorist activity. This includes providing logistical support, recruitment, or training.
- **Penalty**: Indictable offence with a maximum imprisonment of **10 years**.
- **Example**: Several individuals in Ontario were convicted under this section, with a maximum penalty of 10 years.

Facilitating a Terrorist Activity (Section 83.19)

- **Offence**: Knowingly facilitating a terrorist activity, whether directly or indirectly.
- **Penalty**: Indictable offence with a maximum imprisonment of **14 years**.
- **Note**: Facilitation does not require the terrorist activity to be completed.

Committing an Indictable Offence for a Terrorist Group (Section 83.2)

- **Offence**: Committing an indictable offence (e.g., fraud, theft, or violent crime) for the benefit of, at the direction of, or in association with a terrorist group.
- **Penalty**: Indictable offence with a maximum imprisonment of **life**.
- **Example**: Counselling to commit fraud over $5,000 for a terrorist group was cited as carrying a life sentence.

Instructing Terrorist Activities (Section 83.21)

- **Offence**: Knowingly instructing, directly or indirectly, any person to carry out an activity for the benefit of a terrorist group to enhance its ability to facilitate or carry out a terrorist activity.
- **Penalty**: Indictable offence with a maximum imprisonment of **life**.

Providing or Dealing with Property for Terrorist Purposes (Section 83.08)

- **Offence**: Knowingly dealing with property (e.g., money, assets) owned or controlled by a terrorist group, or providing financial or other services for their benefit.
- **Penalty**: Indictable offence with a maximum imprisonment of **10 years**.
- **Note**: Canadian financial institutions are required to freeze assets of listed terrorist entities, and it is a crime to knowingly deal with such property.

Additional Consequences

1. Asset Freezing: Property of listed terrorist entities is automatically frozen, and dealing with such property is prohibited.
2. Charitable Status Revocation: Organizations connected to listed entities may lose charitable status.
3. Inadmissibility to Canada: Association with a listed terrorist entity can render individuals inadmissible under the Immigration and Refugee Protection Act.
4. Consecutive Sentences: Sentences for terrorism-related offences (except life imprisonment) must be served consecutively to other sentences.
5. No Conditional Sentences: Terrorism offences with a maximum penalty of 10 years or more are ineligible for conditional sentences.

Banks/Interac: Nearly all of these illegal retailers are reliant on E-Transfer to facilitate the transaction, with many of them publicly listing the email address associated with the account. It can be reasonably assumed that those emails are linked to a deposit account at a Canadian bank, or similar financial institution. With these emails being public, compliance and regulatory departments at these institutions should be able to track transactions and shut down accounts accordingly.

Canada Post: Because these online retailers are using Canada Post for shipping, Canada Post has become a massive facilitator in the market for illegal drugs.

Credit card companies: Where applicable, credit card companies have an obligation to remove themselves from illegal transactions, especially when those transactions are public (with known email addresses). Given that the payment processing for many of these sites is public facing, credit card companies are fully capable of removing the retailer as a vendor and ending all transactions.

CONCLUSION

While it is not true that "Canada has been taken over by Mexican cartels" as suggested by senior Trump officials, it is clear that cartel activity in Canada is moving specific products, shifting to online marketplaces, and increasing their footprint in Canada. The Trump Administration's focus on criminal activity, and their claim, can be appropriately summed by Former federal minister Jason Kenney's response:

"Yes, we must do more to combat the biker gangs, Chinese triads, Mexican cartels, smuggling / illegal networks operating on certain First Nations reserves, etc. We need to end the failed experiment of legalizing hard drugs, increase CBSA resources & inspections, end the Liberals' revolving door justice system, tighten the porous US border against gun & drug imports, etc. But to claim that "Canada has been taken over by Mexican cartels" is obviously and utterly ridiculous."

The new Liberal Government will have to tackle the problem of cartel activity and the products they profit off of seriously, not just for our relationship with the United States, but for public safety coast to coast. The financial institutions implicated and Canada Post will also have to do their part in cracking down on facilitating these transactions, because if they don't, potential criminal terror related charges could cripple their operations.

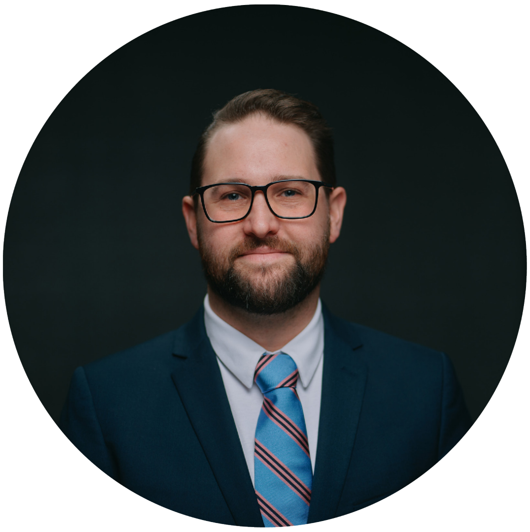
APPENDIX A

The following is a list of online retailers, selling a variety of illegal goods, to highlight the size and scope of the growing problem in Canada.

Online Retailer	Products Sold	Shipment Method	Payment Method	E-Transfer Email
Dark Web Supplies	Illicit Drugs, illegal Tobacco	Canada Post	Credit Card, E-Transfer	support@darkwebsupplies.com & info@darkwebsupplies.com
Cosmiq	Illicit Drugs, illegal Tobacco	Canada Post	E-Transfer	Provided after ordering
MoonHaus	Illicit Drugs, illegal Tobacco	Canada Post	Credit Card, E-Transfer	onlinepay.five@gmail.com
Buy MDMA Canada	Illicit Drugs, illegal Tobacco	Canada Post	E-Transfer	onlinepay.s54@gmail.com
Buy Psychedelics Canada	Illicit Drugs, illegal Tobacco	Canada Post	E-Transfer	Provided after ordering
Discount Smokes	illegal Tobacco, Vapes	Canada Post	Credit Card, E-Transfer	Provided after ordering
Prism LSD	Illicit Drugs (LSD)	Canada Post	E-Transfer	14582@paysteady.co
Rocket Chronic	Illicit Drugs (LSD & Mushrooms), Vapes, Cannabis	Canada Post	E-Transfer	02022@blitzpay.ca
Tobacco Road	illegal Tobacco, Vapes	Canada Post	E-Transfer	05001@blitzpay.ca, tbr@blitzpay.ca
Smoking Online	illegal Tobacco, Vapes	Canada Post	E-Transfer	04002@blitzpay.ca
Online Smokes Canada	illegal Tobacco, Vapes	Canada Post	E-Transfer	osc@blitzpay.ca
6ix Dispensary	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02035@blitzpay.ca
Atom Products	Cannabis, illegal Tobacco	Canada Post	E-Transfer	atm@blitzpay.ca
Bloom Shops	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02024@blitzpay.ca
Bud Hub Express	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02031@blitzpay.ca
Bulk Crop	Cannabis, illegal Tobacco	Canada Post	E-Transfer	04001@blitzpay.ca
Burnaby Buds	Cannabis, illegal Tobacco	Canada Post	E-Transfer	12503@Blitzpay.ca

Buy Low Buds	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02030@blitzpay.ca
Canabis Canada Shop	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02033@blitzpay.ca
CannaBlossom	Cannabis, illegal Tobacco	Canada Post	E-Transfer	12012@blitzpay.ca
CannaCured	Cannabis, illegal Tobacco	Canada Post	E-Transfer	14505@blitzpay.ca
Canada Cannabis Shop	Cannabis, illegal Tobacco	Canada Post and Same Day Delivery via private courier	E-Transfer	02033@blitzpay.ca
Cheap Buds	Cannabis, illegal Tobacco	Canada Post	E-Transfer	14502@Blitzpay.ca
Daily Marijuana	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02036@blitzpay.ca
Doob Dasher	Cannabis, illegal Tobacco	Canada Post and Same Day Delivery via private courier	E-Transfer	02014@blitzpay.ca
East Van Buds	Cannabis, illegal Tobacco	Canada Post and Same Day Delivery via private courier	E-Transfer	12506@Blitzpay.ca
Fraser Valley Buds	Cannabis, illegal Tobacco	Canada Post and Same Day Delivery via private courier	E-Transfer	12504@blitzpay.ca
Get Cannabis Online	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02020@blitzpay.ca
Headz	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02026@blitzpay.ca
Herb Heaven	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02019@blitzpay.ca
Just Cannabis	Cannabis, illegal Tobacco	Canada Post	E-Transfer	14507@blitzpay.ca & 14513@kodiakretail.ca
Kootenay Botanicals	Cannabis, illegal Tobacco	Canada Post	E-Transfer	94203@blitzpay.ca
Pacific Greens	Cannabis, illegal Tobacco	Canada Post	E-Transfer	14503@Blitzpay.ca
Project Canna	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02027@blitzpay.ca
Smart Budz	Cannabis, illegal Tobacco	Canada Post	E-Transfer	Provided after ordering
TakiTaki	Cannabis, illegal Tobacco	Canada Post	E-Transfer	12505@Blitzpay.ca
The Chrono	Cannabis, illegal Tobacco	Canada Post	E-Transfer	02017@blitzpay.ca

ABOUT THE AUTHOR



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David Clement is the North American Affairs Manager for the Consumer Choice Center and is based out of Oakville, Ontario.

David holds a BA in Political Science and an MA in International Relations from Wilfrid Laurier University. Previously, David was the Research Assistant to the Canada Research Chair in International Human Rights.

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The Consumer Choice Center is a non-profit organization dedicated to defending the rights of consumers around the world. Our mission is to promote freedom of choice, healthy competition, and evidence-based policies that benefit consumers. We work to ensure that consumers have access to a variety of quality products and services and can make informed decisions about their lifestyle and consumption.

As an independent nonprofit organization, the Consumer Choice Center relies on support and funding from private donors. As described in our Code of Ethics, we strictly maintain editorial independence and do not give our funders any influence on editorial decisions. Our support comes from corporations, individuals, and foundations. We have a tiered membership model available to members who support us on a yearly basis, equalling silver, gold, and platinum status.

In the past and currently, we have received funding from multiple industries, such as energy, fast-moving consumer goods, nicotine, alcohol, airlines, agriculture, manufacturing, digital, healthcare, chemicals, banking, cryptocurrencies, and fin-tech.

Find out more at www.consumerchoicecenter.org

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