



Prosecuting Canada's fight against money laundering and organized crime: Jeffrey Simser and Gary Valiquette for Inside Policy

To confront transnational organized crime and money laundering effectively, Canada must pursue bold, innovative strategies that respect the rule of law and constitutional safeguards.

October 29, 2025 in [Back Issues](#), [Domestic Policy](#), [Inside Policy](#), [Latest News](#), [Justice](#) Reading Time: 6 mins read

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Image via Canva.

By Jeffrey Simser and Gary Valiquette, October 29, 2025

Organized crime in Canada thrives not because law enforcement is unaware, but because the system designed to stop it has withered. Money laundering – the critical back-office function of organized crime – fuels the fentanyl epidemic, corrupts legitimate markets, and undermines public confidence. Yet Canada's enforcement structure remains fragmented and chronically under-resourced, enabling billions in illicit proceeds to move with near impunity. Whether the announced [federal financial crimes agency](#) solves some of these challenges remains to be seen.

The [Cullen Commission](#), a judicial inquiry into money laundering, revealed just how deeply criminal money has infiltrated Canada's real estate, financial services, and gaming industries. Major organized crime figures are rarely prosecuted. And because criminal forfeiture is conviction-based, criminal assets are left untouched. These groups use strategic alliances and sophisticated techniques to hide their money. Cash collector networks and informal transfer value systems move billions of illicit assets across borders every year, largely undetected. Money laundering fuels and sustains the fentanyl crisis, a reminder that this crime is far from victimless.

Proceeds of Crime enforcement has collapsed – and organized crime grows stronger

Canada's anti-money laundering capacity has been hollowed out by decades of neglect. The RCMP, provincial, and municipal forces have scaled back or disbanded their specialized money laundering and proceeds of crime units. As a result, money laundering and proceeds of crime investigations are often an after-thought. Foot soldiers might go to jail, but the criminal organizations behind them keep their money.

24 per cent of serious organized crime investigations pursued money laundering offences as an operational goal, while over 50 per cent did not consider such charges at all. Canada has had only 316 money laundering convictions over 16 year period, a rate far below other jurisdictions like the UK and the US. Between 2015 and 2020, only three major RCMP investigations progressed to the charge approval stage, with one case concluding before trial and another failing to meet the charge approval standard.

The scale of laundering far outstrips Canada's enforcement infrastructure

Canada is facing a money laundering crisis of staggering proportions – one that dwarfs our weakened enforcement capacity to battle organized crime. The scale and scope of the crime is corroding the integrity of our financial system. Despite years of warnings, the volume of criminal proceeds circulating through legitimate channels continues to rise largely unchecked.

Canada's Department of Finance estimates that between [\\$45 billion and \\$113 billion](#) is laundered annually. The Criminal Intelligence Service has identified more than [4,000 organized crime groups](#) (OCGs) at the centre of this activity. Professional money launderers partner with these groups and deploy advanced technologies, and international connections to evade detection.

Transnational OCGs exploit Canada's financial system and trade networks to retain the lucre of trafficking. Fraud, commercial trade fraud⁵, trade-based money laundering and tax crimes follow similar pathways, as do those engaged in human trafficking, corruption, and ransomware.

The RCMP and FINTRAC identified fentanyl trafficking as a [major money laundering risk](#), with operational alerts specifically targeting the [laundering of proceeds from fentanyl sales](#). Fentanyl is inexpensive to produce, easy to conceal, and yields significant proceeds of crime, which are often laundered through cash collector networks, casinos and other methods. Fentanyl [kills 18 people a day](#) in Canada, a number that is thankfully decreasing. Still the deaths visit each urban centre, small town, and indigenous community with a tragic impact. This public health crisis is driven by criminal profits laundered beyond the reach of law enforcement and must change.

Canada's anti-money laundering regime pales in comparison to peer nations'

Canada's reputation as a secure and rules-based economy is at risk. While other advanced jurisdictions have modernized their financial crime regimes, Canada's anti-money laundering framework is a work-in-progress. FINTRAC, our financial intelligence unit, has taken a more aggressive posture with reporting entities over the past two years.

Canada's AML/ATF (anti-money laundering, anti-terrorist financing) regime is reviewed internationally by the Financial Action Task Force (FATF). The last full [FATF evaluation in 2016](#) identified significant vulnerabilities, including deficiencies in beneficial ownership transparency, low levels of money laundering prosecutions, and gaps in information sharing. These issues persist, and the [upcoming FATF review](#) is expected to highlight these ongoing weaknesses.

Canada's criminal justice system is at a critical juncture in its battle against money laundering. Money laundering not only facilitates criminal activities but also undermines the integrity of financial institutions and erodes public trust in the financial system. A multi-faceted approach is essential to effectively combat money laundering, combining legislative reforms, operational investments, public-private partnerships, and advanced technology.

Identifying the issues: Structural weakness and policy failure

Canada's fight against money laundering is undermined from within. Institutional drift, disbanded enforcement units, and rigid privacy barriers have eroded our capacity to pursue complex and transnational money laundering. The country lacks both the specialized infrastructure and the coordination mechanisms needed to disrupt the networks that move billions in criminal proceeds through our economy each year.

Money Laundering is a transnational problem that demands a coordinated, expert response. Canada must re-establish specialized, permanent Integrated Proceeds of Crime (IPOC) units to restore lost capacity. When the RCMP disbanded these teams in 2012, it severely weakened the country's ability to investigate and disrupt money laundering in this country. The shift in policing priorities and reorganization effectively diluted expertise and resources for complex organized crime and money laundering investigations across every province and territory – dismantling teams that once embedded advisory Crowns, the CRA, and forensic accountants working together in a unified effort. Creating a financial crimes agency won't solve this problem.

proactive information exchange. Effective collaboration allows investigators to trace illicit financial flows faster, connect networks across borders, and disrupt transnational crime in real time. Financial institutions play a central role in this effort, and initiatives like the Integrated Money Laundering Intelligence Partnership (IMLIP), launched last February, mark an important step toward stronger public-private collaboration.

Even in urgent cases, bureaucracy slows Canada's criminal law process and hinders law enforcement. Parliament should amend the *Criminal Code* to let Crowns obtain an urgent restraint order to "freeze" or preserve criminal assets while pursuing a full restraint order. Too often, proceeds of crime investigations lag behind the main case, leaving assets unprotected at the time of arrest. With the push of a key stroke, those assets can vanish offshore and beyond the reach of Canadian law. An "urgent *ex parte* restraint" – similar to emergency wiretap provisions – would allow oral authorization, followed by written documentation as soon as possible, ensuring that criminal profits are preserved for trial.

In addition, the process for seeking asset restraint orders is too slow and restrictive. Currently, Crowns must work with the highest (and busiest) level of trial court to get an order. Allowing any provincial or superior court to hear such applications would help expedite proceedings and improve the likelihood of seizing assets before they disappear.

Finally, Canada must also confront the international dimension of money laundering. Other jurisdictions, including the United States, often hesitate to share sensitive case information, particularly when it involves confidential informants at risk of serious harm. Money laundering is transnational and Canadian police and Crowns need statutory or judicial authority to protect confidential sources and methods in a cross-border cases that impact Canada. Achieving this will require a mix of legislative reform, judicial discretion, and international agreements.

Two key changes are essential: first, Parliament should limit the scope of [Stinchcombe disclosure obligations](#) by creating a national security exception for cross-border investigations; second, the Crown should have the authority to withhold information when disclosure would endanger national security, international relations, or the safety of foreign sources. To ensure fairness, such measures must remain subject to judicial oversight through in camera hearings that balance the accused's right to a fair trial with the need to protect sensitive

Conclusion: Confronting the scale of the challenge

To confront transnational organized crime and money laundering effectively, Canada must pursue bold, innovative strategies that respect the rule of law and constitutional safeguards. Incremental or half-hearted measures have consistently failed to address the scale of the problem. Some solutions demand a return to proven operational practices; others draw on lessons of past judicial inquiries or propose forward-looking reforms that challenge bureaucratic inertia. Still others are ambitious, forward-looking ideas that challenge conventional approaches. What is clear is that maintaining the status quo, or settling for modest adjustments, will leave Canada unable to meet its international obligations, protect its financial integrity, or fulfill its potential as a confident democracy and global economic power.

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