



HOW DRUGS MOVE ACROSS NORTH AMERICA

Processes, Routes, Criminal Networks, & Financial Systems

TRANSNATIONAL ORGANIZED CRIME & DRUG TRAFFICKING: CANADA'S ROLE IN EXPANDING GLOBAL ILLICIT ECONOMIES



THE IMPACT OF DRUG TRAFFICKING

Deaths, Crime, Societal Consequences, & Economic Toll

Canada is the most important partner for international merchandise trade with the United States. In 2024, the United States and Canada traded \$762.1 billion in goods and a significant amount in services. The U.S. exported \$349.4 billion worth of goods to Canada in 2024. The U.S. imported \$412.7 billion worth of goods from Canada in 2024.

Illicit Drug Flows INTO Canada

- Mexican cartels smuggle cocaine, heroin, and methamphetamine across the U.S. border into Canada.
- China is the primary source of fentanyl precursors and pill presses which it exports to Mexico and directly to Canadian labs for fentanyl production including through international mail and Express Consignment Operations.
- Illegal drugs move through Vancouver, Toronto, and Montreal—key organized crime-controlled zones.

Illicit Drug Flows OUT of Canada

- Canada-produced fentanyl is largely for domestic consumption but a significant amount is trafficked to Australia, New Zealand & parts of Asia.
- Synthetic opioid shipments leaving via air cargo, postal services & maritime routes.
- Domestic fentanyl & nitazene production increasing, driven by Mexican cartel expansion.

The Biggest OC Threat in Canada is Money Laundering

Almost all (98%) of illegal fentanyl is intercepted at the southwest border with Mexico. Less than 1% was seized across the northern U.S. border with Canada. The remainder was from sea routes or other US checkpoints. There are more northern illicit flows of fentanyl, weapons, and illegal migrants from the U.S. into Canada than the other opposite direction. Canada's biggest national security threat is the laundering of tens of billions of dollars each year from the dirty monies generated by other criminal activities across illicit economies in Canada, and globally.

Major Drug Smuggling Routes

- Fentanyl Precursor Chemicals from China → Mexico → U.S. → Canada
- Cocaine & Methamphetamine from Mexico → U.S. → Canada
- Fentanyl Produced in Canada → Australia, Asia, U.S.

The Rise of Punjabi Gangs

Punjabi gangs have become major players in a billion-dollar drug supply network, trafficking heroin and methamphetamines from India to North America and Europe through Canada.

Hells Angels: Controlling Domestic Drug Distribution

In Canada, the distribution of methamphetamine, cocaine, and synthetic opioids is dominated by outlaw motorcycle gangs, with the Hells Angels being the most influential. This group acts as a key intermediary between international cartels and local street-level dealers, ensuring product movement through urban and rural markets. The Hells Angels also engage in violent enforcement tactics to maintain their control over Canada's illicit drug trade.

Iranian Crime Networks: The Silent Partner in Fentanyl Smuggling

While less visible than cartels or motorcycle gangs, Iranian crime organizations have established significant control over fentanyl trafficking networks, particularly in the financial and cybercrime sectors. These groups facilitate cross-border money laundering through fraudulent investment schemes and illicit financial transactions that help disguise cartel proceeds. Iranian criminal elements are also linked to the trafficking of precursor chemicals used in fentanyl production.

The Great Lakes Region: A Critical Trafficking Hub

The Great Lakes region, spanning eight U.S. states, two Canadian provinces, and Indigenous Nations, has a combined GDP of nearly US\$8.0T, making it the world's third-largest economy if it were a country. It handles over 50% of U.S.-Canada cross-border trade, with 25% flowing through the Ambassador Bridge (Detroit-Windsor).

This economic significance makes the region a prime target for drug trafficking, money laundering, human smuggling, and organized crime, driven by its extensive border crossings, trade routes, and major urban centers.

- 5 of the top 10 U.S. land ports for cross-border trade by value are in the Great Lakes region, led by Detroit, Port Huron (MI), and Buffalo-Niagara Falls (NY).
- 6 of the top 10 U.S. land ports for passenger vehicles, buses, rail, and truck crossings along the U.S.-Canada border are located within the region.

- **Great Lakes Smuggling Hubs:** Detroit, Buffalo, Toronto, Montreal, Chicago are primary trafficking points for cocaine, meth, heroin, and fentanyl moving between the U.S. and Canada.
- **Cartel-Linked Drug Distribution:** Vancouver, Calgary, Toronto, Montreal serve as cartel-controlled drug distribution hubs, with Mexican cartels, Chinese triads, and outlaw motorcycle gangs managing supply chains.
- **Money Laundering Centers:** Ontario (Casinos) and Vancouver (Real Estate) are key laundering hubs where drug profits are cleaned through high-stakes gambling, luxury real estate purchases, and underground banking networks.

The U.S. and Canada operate Integrated Border Enforcement Teams (land) and Integrated Cross-Border Maritime Enforcement Teams (water) in the Great Lakes to combat cross-border crime.

Primary Drug Smuggling Methods

Land Borders	Hidden vehicle compartments, commercial trucks
Ports of Entry	Cargo containers mislabeled as legitimate goods
Airports	Drug mules, concealed substances in luggage
Postal & Courier Services	Small packages to avoid bulk seizures
Drug Mules	Via human or migrant smuggling across land borders.

Point Roberts WA Blaine, MI
Sumas, WA

How Criminal Networks Use Border Crossings to Move Drugs & Money

Organized crime groups use key land border crossings to move illicit drugs into and out of Canada. Commercial transport trucks, private vehicles, and small aircraft are all used to smuggle narcotics, precursor chemicals, and laundered money across the border. While much attention is placed on the U.S.-Mexico border, traffickers exploit vulnerabilities along the U.S.-Canada border, particularly in the Great Lakes region and the Pacific Northwest.

Chinese Triads: The Financial Backbone of the Drug Trade

Chinese transnational crime syndicates play a central role in financing and laundering the proceeds of the drug trade in Canada. These organizations manage money laundering networks that disguise cartel profits through casinos, real estate transactions, underground banking systems, and cryptocurrency exchanges. Vancouver and Toronto remain the primary hubs for these operations, with laundered drug proceeds often moving undetected across international financial systems.

Illegal Crossings

In 2024, 86% of illegal crossings from Canada into the U.S. occurred in the Great Lakes region, with the Swanton Sector accounting for 82% of these, primarily through Roxham Road (Quebec-Vermont). Other key routes include the International Railway Bridge (Buffalo, NY-Fort Erie, ON) and the Akwesasne First Nations territory (Ontario-New York), exploited by human smugglers.

Illegal Drug Smuggling

In 2024, Buffalo, Detroit, and Swanton sectors accounted for 66% of U.S. CBP land border drug seizures (7.6K pounds), mainly marijuana and cocaine (6.7K pounds) and 11 pounds of fentanyl. The Great Lakes Air and Maritime Operations (AMO) Unit seized an additional 243 pounds of cocaine and 66 pounds of fentanyl. In 2023, AMO seizures were higher, totaling 9.0K pounds—including 5.4K pounds of cocaine, 3.2K pounds of marijuana, and 75 pounds of fentanyl.

Akwesasne First Nations Champlain Rouses Point, NY
Massena, NY Roxham Road
Alexandria Bay, NY
International Railway Bridge
Port Huron, MI Buffalo Niagara Falls, NY
Detroit, MI

Who is Behind the Illicit Drug Trafficking and Laundering?

Mexican Cartels (CJNG, Sinaloa)	Controlling drug production & trafficking routes.
Chinese Triads & Money Laundering Organizations	Washing billions in drug profits through casinos, real estate, financial institutions, and from other criminalities.
Hells Angels & Outlaw Motorcycle Gangs	Handling local distribution & enforcement within Canada.
Iranian and Middle East Organized Crime Networks	Cyber laundering, fentanyl trade, and investment fraud linked to drug money

Mexican Cartels Are Expanding Operations in Canada

The CJNG and Sinaloa Cartel—two of the most powerful criminal organizations in Mexico—are now deeply embedded within Canada's drug trade. Initially focused on supplying cocaine and fentanyl from Mexico, these cartels have expanded into local production, establishing fentanyl synthesis labs in Canada and developing direct distribution networks. Their operations rely heavily on partnerships with Canadian criminal organizations, including outlaw motorcycle gangs like the Hells Angels.

The U.S. and Canada have designated some of the leading Mexican cartels and international criminal organizations involved in the illegal fentanyl trade and other cross-border criminalities as Foreign Terrorist Organizations (FTOs) and Specially Designated Global Terrorists (SDGTs).

Money Laundering and Financial Crime

Drug trafficking generates billions of dollars in illicit profits annually, much of which is laundered through legitimate financial systems to evade detection.

- **Real Estate Fraud:** Drug money is funneled into high-value property purchases, particularly in Toronto, Vancouver, and Montreal, where criminals use luxury real estate to clean illicit profits.
- **Casino-Based Laundering:** Criminals use high-stakes gambling transactions in British Columbia and Ontario casinos, often exchanging illicit cash for casino chips before cashing out as "winnings."
- **Trade-Based Laundering:** Criminal organizations exploit legitimate trade networks to move money internationally, often over- or under-invoicing goods to disguise the flow of illicit funds.
- **Underground Banking & Cryptocurrency:** Chinese underground banking systems, cryptocurrency exchanges, and shell companies enable traffickers to move millions of dollars across borders undetected.
- **E-Commerce & Postal Services:** Traffickers use e-commerce platforms and postal services to move small, high-value drug shipments and launder profits under legitimate transactions.

The Human Cost of Illicit Drug Trafficking

The illicit drug trade is not just a financial crime. It is a humanitarian crisis, fueling record-breaking overdoses, violent crime, and social instability. Criminal organizations prioritize profit over human life, pushing increasingly potent and lethal synthetic opioids into North America and beyond.

Key Statistics & Impacts

- 49,105 opioid-related deaths in Canada (2016-2024), with 84% of 2024 fatalities occurring in British Columbia, Alberta, and Ontario.
- Fentanyl seizures in Canada surged 775% in 2024, indicating increased availability.
- Cocaine seizures in Canada increased 168% in 2024, showing an expanding market for powerful stimulants.

Beyond Overdoses: The Societal Impact

- **Fueling Canada's Criminal Ecosystem:** A threat multiplier, money laundering fuels widespread criminality and corruption in Canada, with an estimated \$36-\$91 billion laundered annually, according to Canada's Criminal Intelligence Service. A 2022 U.S. State Department report highlights that proceeds from drug trafficking, fraud, corruption, counterfeiting, and tobacco smuggling drive this ecosystem, involving 175+ organized crime gangs, half with international ties.
- **Surge in Violent Crime:** Drug trafficking fuels homicides, kidnappings, and cartel wars.
- **Healthcare System Overload:** Opioid overdoses & addiction treatments strain public hospitals & emergency services.
- **Generational Trauma:** Children in drug-affected homes face higher risks of neglect & addiction.
- **Economic Drain:** The opioid crisis costs billions annually in healthcare, law enforcement, & social services.