

Hot wheels recovered from 'new age' fraudster ring

By Wallace Pidgeon

It's a scene that could be taken right out of a mobster movie; containers full of luxury cars sitting on the docks in New Jersey or Baltimore ready to be shipped to Africa.

But, this wasn't *The Sopranos* or a Hollywood blockbuster. Instead, it was a year-long investigation between York Regional Police, Toronto Police Service, Peel and Durham Region Police, RCMP Financial Crimes Unit, Canada Border Service Agency, the United States Department of Homeland Security and the U.S. Customs and Border Protection agency to smash a fraud ring working out of York Region and the Greater GTA targeting high-end cars, car dealerships and banks.

Created last year, Project Windows recently made 14 arrests, issued 15 search warrants and laid 236 charges to Markham, Vaughan and other area members of the international fraud ring living in the GTA.

To date, 124 identified vehicles were stolen at a value of \$5.5 million with 89 vehicles totalling \$3.1 million being recovered and returned to their owners.

However, in this case, the owners were not individuals who had spent \$50,000, \$80,000 or over \$100,000+ in some cases for a premium car; including BMW's, Mercedes-Benz, Range Rovers, Acura, Honda, Chrysler and Toyota. Instead it was the financial institutions and car dealerships that were left holding the bag. And that's where this crime ring is 'new age' to investigators.

The syndicate, made up of both Canadian citizens and illegal immigrants, had years of experience in the car sales business, targeted luxury cars on-line at various dealerships across York Region and the GTA and were buying cars for their clients in Ghana and Nigeria.

Once they found the cars they were looking for, they would use 'straw buyers' to purchase these high end vehicles. They were well coached and versed by the kingpins known as 'Directors.'

By using fake identification, including credit cards, mortgage information, along with false employment records, and other fabricated identity they would purchase a car for the minimum down payment through various banks and other financial institutions.

The 'straw buyer' would never be seen again. Then, another contact or 'second level' from the organization would contact the dealership and make arrangements to pick the car up. That person would then have the keys given to them, drive the car off the lot and in most cases take it across the border to docks in New Jersey and Baltimore where they would then be shipped to Africa.

It wasn't until about the 50th car was moved that investigators experienced the 'light bulb' moment that what they were dealing with wasn't car theft, but very sophisticated fraud.

Payments started being missed. Follow-up found that no one existed who actually 'bought' the cars. They were not trackable.

'All of these occurrences were happening and they were titled as a fraud case, they were coming in three or four months later from dealerships and financial institutions that these cars were gone and nobody knew where they were,' explained Inspector Lou Malbeuf, from York Regional Police.

'And sure enough, our partners at Border Patrol were finding these cars at the border, were finding these cars in containers ready to be shipped to Africa. They weren't even reported stolen, because they weren't stolen, they were financed and not on our police radar because they weren't stolen yet,' he added.

20 full-time investigators plus full-time officers from across the law enforcement spectrum were involved in surveillance. And once the investigation progressed the police were then able to 'pick off' the cars before they reached their destination.

Malbeuf credits the team approach that was born out of the investigation as the reason they were able to work quickly once they realized what and who they were dealing with.

'We couldn't do this alone,' he said. 'And that's why it is a team investigation because they were so many people involved and that's why at the end they were working so well together the investigation was working like clockwork.'

This was one group of many that York Region and other law enforcement have focused on, but there are other groups in the region using sophisticated technology that dealerships and bank officials need to be on the look-out for.

'They are veteran fraudsters that know how to make money, they know all the loopholes of how to exploit our system when it comes financing,' explained York Regional Police Detective Constable Gregg Bailey and Co-Lead Investigator for Project Windows.

These individuals have been involved and working together for many years leaving Bailey and his team to believe that others like this ring are out there looking to do the same thing.

'Dealers and financial institutions need to be extra vigilant when people are coming to the dealerships to buy a car,' he added. 'For example, people don't walk into a dealership and within five minutes lay down that kind of money for a car, and the fact that they are able to finance the full amount of that vehicle is a big indicator,' he added.

This investigation is on-going.