Publisher's Note

An Update has Arrived in Your Library for:

Please circulate this notice to anyone in your office who may be interested in this publication. Distribution List

COMMERCIAL CRIME IN CANADA

Michael Brent Henderson Release No. 9, October 2025

This practical service compiles information regarding criminal liability arising from white collar crime in Canada. For each offence the full text of the specific legislation is provided together with an analysis of the important case law, the form of charge and cross-references to related legislation. There is detailed coverage of modes of criminal participation and the means available for pursuing proceeds of crime and restitution.

What's New in this Release

This release features updates to the case law and commentary in the following chapters: 2 (Criminal Fraud), 3 (Theft), 4 (Forgery), 6 (Securities Fraud and Market Manipulation), 10 (Income Tax Evasion), 12 (Proceeds of Crime), 13 (Possession of Property Obtained by Crime).

Thomson Reuters®	Customer Support
	1-416-609-3800 (Toronto & International)
	1-800-387-5164 (Toll Free Canada & U.S.)
	E-mail CustomerSupport,LegalTaxCanada@TR.com

This publisher's note may be scanned electronically and photocopied for the purpose of circulating copies within your organization.

Case Highlights

Recent case law introduced with this release includes the following:

- Criminal Fraud Extradition Telemarketing Scheme Elderly U.S. Residents Targeted — Claiming Arrears of Fictitious Magazine Subscriptions — Netting \$1 Million — ROC Containing Prima Facie Evidence of Fraud — Committal of Respondents Ordered — Where the ROC contained prima facie evidence that the respondents were engaged in a telemarketing scheme in Quebec that targeted U.S. residents, and knowingly engaged in dishonest conduct, and were aware that this conduct could result in the deprivation of another, their committal was ordered under s. 29 of the Extradition Act for the offence of fraud. In this case, the court was called upon to determine whether the Attorney General of Canada (AGC) had satisfied the preconditions required to justify an order of committal under s. 29 of the Extradition Act (the Act) against four individuals: JM, AE, ME and KG. These individuals were sought for extradition by the United States on federal fraud charges targeting behaviour alleged to have occurred between the years 2013 and 2015. Specifically, the United States alleged that the four respondents participated in a scheme whereby they contacted U.S. residents claiming that they were in arrears in the payment of fictitious magazine subscriptions and applied various pressure tactics to convince them to settle the claim in short order. It was estimated that this scheme netted at least \$1 million in illegitimate payments, most of them made by elderly targets. The respondents argued that the court should not order their committal on the offence of fraud. They argued that, while the evidence demonstrates that they did partake in telemarketing activities, the evidence of their criminal behaviour in undertaking these activities was lacking. AE also petitioned the court for leave to adduce evidence pursuant to s. 32(1)(b) of the Act in further support of his claim of innocence. The committal of the respondents was ordered: United States of Americav. Massouras, 2025 QCCS 1335, [2025] Q.J. No. 4838 (Que. C.S.).
- Proceeds of Crime Laundering Proceeds of Crime One Spouse Convicted of Drug Trafficking Charges — Large Stash of Money — Other Spouse Making Bank Deposits — Defence Evidence of Other Sources of Funds — Family Members and Friends Contributing Funds to Drug Trafficking Enterprise — Both Spouses Acquitted — Crown Failing to Prove That Funds **Derived From Drug Trafficking** — Although one spouse was convicted of drug trafficking charges, and there was evidence of a large stash of money, and cash deposits made by the other spouse, the spouses were acquitted of laundering the proceeds of crime as there was evidence of other sources of the funds. In this case, the co-accused, PP and JS, were common law spouses. PP was convicted of drug trafficking charges. His incarceration commenced on January 6, 2021, During his incarceration, JS and the couple's children, together with PP's mother, continued to reside in their home. PP purchased the residence in December 2013. His aunt, AL, provided the down payment for the purchase. The Crown alleged, for the period December 17, 2013 to December 31, 2018, the net worth of PP and JS was \$212,543 more than their reported earnings from their known income streams as landscaper

or construction worker (PP) and as a dental hygienist (JS). PP and JS were jointly charged, *inter alia*, with laundering the proceeds of crime. The Crown asserted that PP transferred the proceeds of his drug trafficking activity to JS, who then deposited the proceeds into her bank account. The Crown submitted there was compelling evidence so as to satisfy the court that PP and JS knew or believed that at least a part of the funds in issue were obtained or derived directly or indirectly as a result of drug trafficking. The defence evidence showed that PP was receiving substantial sums of money from family members and friends in relation to the drug trafficking enterprise through the time period covered by the alleged offences, which explained how he could have had substantial cash from otherwise unknown sources. The accused were acquitted of laundering the proceeds of crime: *R. v. Pavlovich*, 2025 CarswellOnt 8533, 2025 ONSC 3024, [2025] O.J. No. 2386 (Ont. S.C.J.).