

Detroit Field Division/International Affairs Office

774010-08-0011

Project Singer

(Adopted from IAO briefing paper and DFD SIRs)

Project Singer was an international firearms trafficking investigation involving the ATF Detroit Field Division, ATF International Affairs Office (Toronto), the Toronto Police Service, the Windsor Police Service, the Provincial Weapons Enforcement Unit (PWEU), the Canada Border Service Agency (CBSA), and the U.S. Immigration and Customs Enforcement (ICE). Project Singer was a proactive investigation into the smuggling of firearms into Canada in return for money and MDMA (ecstasy). The investigation was initiated on information developed by the PWEU and ATF Detroit field office. ATF identified individuals involved in transportation of semi-automatic weapons and drugs across the Detroit/Windsor border crossing. Two Toronto Police Service undercover officers infiltrated the organization and from February 2008 to June 2008, purchased a total of 37 firearms, including several Cobray Mac-11s, Intratec Tec-9, and a Commando Mark .45 machine pistol. The undercover officers were able to identify several of the couriers and were introduced to the main supplier of the firearms from Detroit. A total of six firearms were purchased from the suspects by undercover officers in Windsor, Ontario, Canada on two occasions (2/5/08 (2) and 3/18/08 (4)) following northbound cross-border surveillances. Southbound surveillances occurred following seven UC buys in Canada involving 21 firearms and two cash advances totaling \$2,900. Southbound surveillances occurred following seven UC buys in Canada involving 21 firearms (2/5/08 (2), 2/13/08 (4), 4/9/08 (3), 5/12/08 (4), 5/13/08 (4), 6/2/08 (3)) and two cash advances totaling \$2,900 (2/5/08 \$2,200 and 4/29/08 \$700). None of the surveillances involved suspects acquiring firearms directly from an FFL. The final phase of the investigation concluded in Detroit, MI, on June 4, 2008, with an undercover exchange / buy-bust of 50,000 sham ecstasy pills for 10 handguns with the promise that additional firearms would be delivered in the future. Three search warrants were served, two in Detroit, MI and one in Royal Oak Township, MI, where a small amount of suspected ecstasy and residency documents were seized. All suspects were arrested, with six defendants indicted in the U.S. and two in Canada. Charges were dismissed against one of the individuals arrested in Canada. All defendants have been convicted on charges in the U.S. or Canada. .

BACKGROUND

In October 2007, the West Region PWEU team received confidential source information about individuals trafficking illegal handguns from Detroit to Windsor, Ontario. Ultimately, the handguns were destined for Toronto area gang members.

In December 2007, in an effort to advance the investigation, cross-border investigative activity began. Operational planning on both sides was discussed and agreed upon. Physical surveillance, phone records, and other intelligence gathering led investigators to identify a female courier who smuggled firearms across the border in various vehicles (four to six guns per trip). ATF and CBSA analyzed the courier's border crossing history and observed that she was crossing regularly for short durations (sometimes as little as 40 minutes). For several months,

investigators developed critical information on the group trafficking the firearms, which, in a short period of time, was involved in three retaliatory drive-by shootings and other incidents of violence. In January 2008, investigators started to infiltrate the organization by utilizing undercover Toronto Police detectives to attempt to purchase weapons directly from the organization. After several telephone calls and meetings, the undercover officers cultivated a relationship with members of the organization and successfully began to purchase firearms.

SMUGGLING OPERATION:

The undercover officers met with the subjects in Windsor, Ontario. The firearms were delivered to Windsor by a female courier, who would collect the funds from the undercover officers, and then travel across the border via the Detroit/Windsor Tunnel into Detroit to meet with the supplier and turn the funds over to him. Law enforcement officers on both sides of the border worked diligently with one another to facilitate these operations. Joint cooperation proved critical to the success of the exchanges. ATF and ICE agents in Detroit provided surveillance from the U.S. side of the border and obtained intelligence on the source of the firearms. Canadian law enforcement officers from the PWEU and the Windsor Police Service conducted surveillance and covered the operations on the Canadian side. From February 2008 to June 4, 2008, undercover officers purchased a total of 37 firearms, including several Cobray Mac-11s, Intratec Tec-9, and a Commando Mark .45 machine pistol. A total of six firearms were purchased from the suspects by undercover officers in Windsor, Ontario, Canada on two occasions (2/5/08 (2) and 3/18/08 (4)) following cross-border northbound surveillances. Southbound surveillances occurred following seven UC buys in Canada involving 21 firearms (2/5/08 (2), 2/13/08 (4), 4/9/08 (3), 5/12/08 (4), 5/13/08 (4), 6/2/08 (3)) and two cash advances totaling \$2,900 (2/5/08 \$2,200 and 4/29/08 \$700). None of the surveillances involved suspects acquiring firearms directly from an FFL.

ENFORCEMENT OPERATION

At the outset, the main target of the organization [ATF] asked the undercover officers if they could supply his organization with ecstasy in exchange for the firearms rather than cash. After a couple of successful firearm transactions, undercover officers asked to meet with [ATF] along with his associate, to negotiate future transactions, including the drugs for guns exchanges. [ATF] met with the undercover officers inside a Detroit hotel, while an ATF undercover officer posing as [ATF] of one of the gun buyers provided close cover of the meeting. [ATF] took responsibility for all of the previous gun deals and made arrangements to begin trading guns for large quantities of ecstasy.

On June 4, 2008, the final transactions took place. [ATF] exchanged 10 handguns for 50,000 sham ecstasy pills and two "buy and bust" operations took place in Detroit. [ATF] and one of the female couriers were all arrested. Also, three search warrants were served, two in Detroit, MI and one in Royal Oak Township, MI, where a small amount of suspected ecstasy and residency documents were seized.

All the firearms purchased through the investigation have been traced by the ATF National

Tracing Center. Analyses of the traces indicate that a majority of the firearms came from sources throughout the U.S.; the majority from Michigan and Ohio. There does not appear to be one specific source or trend, which leads investigators to believe that **ATF** was obtaining firearms from secondary markets. Two of the weapons were traced back to a reported theft from a Federal Firearms Licensee in Georgia. Follow up on each U.S.-sourced firearm was conducted and collateral investigations were initiated in Ohio, North Carolina and Georgia, which are known to be source states for Michigan guns.

JUDICIAL STATUS

The United States Attorney's Office for the Eastern District of Michigan fully supported this investigation. AUSA Mark Chasteen handled all affidavits in support of Federal search and arrest warrants and provided advice on legal issues during the investigation. Six individuals were indicted by a Federal grand jury in the Eastern District of Michigan. **ATF** requested a trial, and AUSAs Louis Gabel and Justin Letts prosecuted the case. Both U.S. and Canadian officers provided testimony about their role in the investigation. Excellent cooperation and joint trial coordination between the countries led to a smooth process, which resulted in a very successful outcome.

- On July 15, 2010, **ATF** was found guilty by a Federal jury on 18 counts for Conspiracy to Deal in Firearms Without a License, being a Felon in Possession of a Firearms, Attempted Possession with Intent to Distribute Ecstasy, and Using a Firearm in Relation to a Drug Trafficking Offense. On February 22, 2011, Coles was sentenced to 15 years in prison. During this investigation, Coles sold 35 firearms to Toronto (Canada) police officers during undercover operations.
- **ATF** Pled Guilty to one count of conspiracy to smuggle and traffic in firearms, in the United States. Sentenced to 37 months imprisonment in recognition of his extensive cooperation.
- **ATF** Female courier, pled guilty to one count of aiding and abetting firearms trafficking in the United States. Sentenced to a term of probation given her limited involvement and extensive cooperation.
- **ATF** Female courier, indicted on 11 counts in Canada, was arrested in Windsor, in June 2008. Sentenced to 6 years in prison
- **ATF** Female courier, pled guilty to three firearms trafficking counts in the United States. Sentenced to 5 years imprisonment in recognition of her extensive cooperation.
- **ATF** Female courier, pled guilty to one count in the United States. Sentenced to 1 year imprisonment in recognition of her extensive cooperation.

CURRENT GUN SITUATION

Traces in Ontario, Canada conducted over the past two years have shown a dramatic increase in the number of gun-related crimes that involve guns that originate from Michigan. Between 2007 and 2009, Michigan has been the number one source area for guns from the U.S. used in Ontario crimes. Due to the high demand for firearms in Canada, a cheap handgun that can be purchased in Michigan for \$150-200 can be sold in Windsor for \$800-1,000. That same firearm can be sold for upwards of \$2,000 in Toronto, where a majority of the guns coming from Michigan are used in drug- and gang-related crimes. In this case, 18 handguns were purchased by law enforcement for \$1,100 each. The Mac-11s and Tec-9s were purchased for \$2,200 each, which is considered inexpensive on the black market, considering that these firearms will sell for up to \$5,000 on the streets of Toronto.

Analysis of the firearms trafficking trends on both sides of the border has indicated that this type of activity is increasing at an unusual rate. The ATF Detroit Field Division has observed an increasing number of firearms traffickers willing to increase their profit margin by smuggling firearms into Canada.

This case had substantial impact on both sides of the border in the Detroit/Windsor area. Many of the guns finding their way into the hands of Ontario drug organizations originate in the U.S., and this investigation serves as an excellent example of this trend. Canada and the U.S. are cooperating with one another to tackle this problem, and law enforcement officers agree that there is a "shared responsibility between the two countries." The success of Project Singer clearly demonstrates a successful execution of that responsibility.
