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**VANCOUVER 2010 INTEGRATED SECURITY UNIT  
JOINT INTELLIGENCE GROUP**

**SITUATION REPORT April 1st, 2007**

**FORWARD:**

The purpose of this Situation Report is to provide an overview of issues and threats that may adversely affect the Vancouver 2010 Olympic Games. The six threat factors currently monitored by the Vancouver 2010 Joint Intelligence Group (JIG) are: Financial Security/Organized Crime, Public Order, Emotionally Disturbed Persons (EDPs), Information Technology Security, Terrorism and Public Health. This report reflects investigations and issues from September 2006 to March 2007. Information for this report was obtained from JIG investigations, open source reports and law enforcement sensitive documents.

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VANCOUVER 2010 INTEGRATED SECURITY UNIT  
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SITUATION REPORT

April 1st, 2007

EXECUTIVE SUMMARY:

- This Situation Report is provided in support of the 2010 Olympic and Paralympic Games to be held in Vancouver, BC. As well as, the Olympic Torch Relay that will start to move throughout Canada in late 2009.
  - Olympic Torch Relay: November 2<sup>nd</sup>, 2009 to February 12<sup>th</sup>, 2010
  - Olympic Games: February 12<sup>th</sup> to 28<sup>th</sup>, 2010
  - Paralympic Games: March 12<sup>th</sup> to 21<sup>st</sup>, 2010
- **Financial Security/Organized Crime:** The most probable and immediate security risk associated to the Vancouver 2010 Olympic and Paralympic Games is their financial security. With millions of dollars at stake in construction and service contracts, both organized crime and individual criminals will seek to profit at the expense of the Games. Organized crime is expected to be a factor in the increase of sex-trade workers during the 2010 Olympics. There is a risk that the Vancouver area will become an increasingly attractive destination for criminal groups and individuals involved in trafficking persons for the purposes of prostitution.
- **Public Order:**
- **Emotionally Disturbed Persons (EDPs):** Although EDPs may not pose a specific threat and are often merely disruptive, it will be important to continue to identify these individuals and to assess their propensity for violence.
- **Information Technology Security:**

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- **Terrorism:** The RCMP's National Security Threat Assessment Section (NSTAS) is responsible for assigning threat levels associated to terrorism in Canada. The JIG Situation Report highlights the environmental scan on terror-related issues that impact the 2010 Games.

#### **Domestic Terrorism and Extremism:**

- **Public Health:** Health Canada is responsible for assigning threat levels to health related matters in Canada. The JIG Situation Report highlights emerging public health issues that may impact the 2010 Olympic Games. The most recent disease to cause fear of a global pandemic is the Avian Influenza (AI). AI is a contagious viral infection which can affect several species of birds and may, on rare occasions, cause disease in humans. Although human transmission has occurred to people having prolonged contact with heavily contaminated environments; human-to-human transmission of AI is extremely limited. The main concern is that the virus may mutate into a form that can easily pass between people and lead to a worldwide flu epidemic. The AI virus has appeared on several BC poultry farms in the last couple of years. Another highly contagious disease that is affecting the Lower Mainland is the recent outbreak of tuberculosis on Vancouver Island and Vancouver's Downtown Eastside. Water and food contamination are areas that require diligent monitoring during the

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Games. The heavy rainfalls in October 2006 led to the flooding of several Vancouver reservoirs resulting in the high turbidity of drinking water.

**THREAT MATRIX:**

| Issue                                   | Threat |
|---|--------|
| Financial Security /<br>Organized Crime |        |
| Public Order                            |        |
| Emotionally Disturbed<br>Persons        |        |
| IT Security                             |        |
| Terrorism                               |        |
| Public Health                           |        |

**THREAT DEFINITIONS:**

See **APPENDIX "A"** to this Threat Assessment.

**I. INTRODUCTION**

The XXI Winter Olympic and Paralympic Games will be held in Vancouver, BC from February 12<sup>th</sup> to 28<sup>th</sup> and from March 12<sup>th</sup> to 21<sup>st</sup> 2010. More than 5,000 athletes from 80 countries are expected to compete, and the Games will be attended by over 250,000 spectators from around the world, including Internationally Protected Persons (IPPs), government officials, VIPs, and the media.

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## II. 2010 OLYMPIC GAMES THREAT FACTORS

Threat factors examined in this Situation Report include: Financial Security/Organized Crime, Public Order, Emotionally Disturbed Persons, IT Security, Terrorism, and Public Health. The JIG will not assign threat levels to Terrorism or Public Health as those areas of responsibility lie with NSTAS and Health Canada respectively.

### 1. Financial Security/Organized Crime

- a. The most probable and immediate security risk associated to the Vancouver 2010 Olympic and Paralympic Games is their financial security. As previously reported, the threat of corruption is an inevitable by-product of the vast sums of money and multi-million dollar profits associated to the Games. According to the chairman of Transparency International, "nowhere is corruption more ingrained than in the construction sector."<sup>1</sup> Corruption imposes significant risks on any organization involved in a construction project. Many major cost overruns which are blamed on management inadequacies or changes in design, may in fact be due to corruption. Additionally, corruption may result in reputational risk, and can result in a wrongly specified, dangerous or defective project.
- b. According to VANOC's Quarterly Financial Report, the excess of deferred operating revenues over deferred expenses was in excess of \$34.1million (CDN) for the three months ended July 31,2006 and deferred operating revenues of \$35.2 million for the quarter ending Jan. 31, 2007<sup>2</sup>. According to the report "it is typical in Games organizing committees for this excess or deficiency to fluctuate as the timing of the receipt of revenues and the payment of expenses is dependant on specific contracts and does not follow a regular business cycle"<sup>3</sup>.

<sup>1</sup> <http://thebusinessonline.com>

<sup>2</sup> <sup>1</sup>The Vancouver Sun. Dated March 16, 2007

<sup>3</sup>Interim Financial Statements, VANOC Quarterly Report December 19, 2006. p.4.

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Since the 2006 construction season is effectively over in Whistler, VANOC is now focused on new sponsorship and revenue possibilities. Their business plan will reflect a \$1.7 billion (CDN) operations budget. The biggest single expense this quarter was \$7.2 million (CDN) for technology, an area that is going to be one of the biggest costs to the Olympics. On the sponsorship side, VANOC now has approximately 15 sponsors bringing in \$115 million (CDN), ranging from major partners like Bell Canada and HBC to suppliers such as Vincor Canada (wine supplier)<sup>4</sup>.

Vancouver 2010 Olympic organizers say construction costs have increased on eight of 11 projects, forcing it to take \$11.5 million (CDN) out of a \$66.8 million (CDN) contingency. In releasing its second quarterly financial results for 2006-2007, VANOC said it is showing a small operating surplus and is on track to finish 13 of 15 sporting venues by next spring. Organizers say they are on budget to finish building its venues for \$580 million (CDN) and will meet its target of giving Canadian athletes two full seasons of training on the completed venues. However, due to rising construction costs VANOC has been forced to dip into the contingency fund. The fund was created last year after VANOC approached the provincial and federal governments, saying it needed \$110 million (CDN) more than the original construction estimate of \$470 million (CDN). The two biggest increases on its projects this last quarter were on its two major Whistler venues, the Sliding Centre and the Nordic facility in Callaghan Valley. Each rose by \$5 million (CDN), pushing the Nordic site to \$119.7 million (CDN), and the bobsled and luge track to \$104.5 million (CDN). It also suffered minor cost increases on its hockey, speed-skating, and Cypress and Whistler ski venues<sup>5</sup>.

Activity in all of VANOC's major functional areas will increase over the next 12 months. Outdoor venue construction will ramp up in the Spring and Summer 2007 building season<sup>6</sup>. The majority of the venue expenditures are incurred from April to November as construction primarily takes place based on the more favorable building conditions during this period<sup>7</sup>. The venues that are expected to be completed by the end of 2007 are the: Whistler Sliding Centre, Whistler Nordic competition venue, Cypress Freestyle and Snowboard venue, Whistler alpine (Whistler Creekside) and Hastings Park Skating venue (Pacific Coliseum)<sup>8</sup>.

<sup>4</sup>The Vancouver Sun. Dated December 12, 2006

<sup>5</sup>The Vancouver Sun. Dated March 16, 2007

<sup>6</sup>Interim Financial Statements, VANOC Quarterly Report December 19, 2006. p.11.

<sup>7</sup>Interim Financial Statements, VANOC Quarterly Report December 19, 2006. p. 21.

<sup>8</sup>Interim Financial Statements, VANOC Quarterly Report December 19, 2006. p. 12.

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- c. Organized crime is expected to be a factor in the increase of sex-trade workers during the 2010 Olympics. Human rights advocates are concerned that the 2010 Olympic Games will generate a heightened demand for sexual services from foreign and domestic sex trade workers in Vancouver and surrounding areas. Historically, there has been an intrinsic link between prostitution and the Olympic Games. Spikes in prostitution demands have coincided with major international sporting events, such as the World Cup and previous Olympic Games (Torino, Athens and Salt Lake City). There is a risk that the Vancouver area will become an increasingly attractive destination for criminal groups and individuals involved in trafficking persons for the purposes of prostitution.<sup>9</sup>

A vocal lobby group in Vancouver has called for the legalization of prostitution. A "Living in Community" report has recommended safe zones and education programs for prostitutes<sup>10</sup>. Vancouver NDP MP, Libby DAVIES, says a parliamentary committee's recommendation to punish only prostitutes' customers and pimps is too simplistic because it ignores the reality that many prostitutes consider their work a business. Other local women's groups have held roundtable discussions on how to stop the legalization of prostitution. These groups state that prostitution is inextricably linked to the global trafficking of humans and the exploitation of women and children. The 2010 Olympics adds an urgency to address the issue of prostitution because such a sporting event can be fertile ground for traffickers<sup>11</sup>.

Human trafficking is a key issue confronting the Canadian Government. Immigration Minister, Monte SOLBERG, stated that immigration officers will issue Temporary Resident Permits (TRPs) for up to 120 days to victims of human trafficking. The permit will enable victims to begin the recovery process from the impacts of the crime and be eligible for health-care benefits under the Interim Federal Health Program<sup>12</sup>. The RCMP is currently working with the UN to eradicate human trafficking as Canada has been recognized for its development of initiatives to combat the problem. The UN is putting together a world-wide police officers' manual for identifying and protecting victims of human trafficking. The manual will be developed in multiple languages to be used by investigators in 192 UN countries<sup>13</sup>.

<sup>9</sup>CISC, Sentinel Watch List, 2005-11-01

<sup>10</sup>Living in Community, Balancing Perspectives on Vancouver's Sex Industry, Draft Action Plan

<sup>11</sup>The Province. Dated February 28, 2007.

<sup>12</sup>Citizenship and Immigration Canada May 11, 2006

<sup>13</sup>RCMP Media, /Communications "E" Division Dated March 3, 2007.

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- d. The Vancouver 2010 Integrated Security Unit - Joint Intelligence Group (JIG) has or is conducting several intelligence probes

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- f. Access to Information and Privacy (A-TIP) can adversely affect the security of the Games. Recent A-TIP requests to the 2010 Integrated Security Unit (ISU) has worked to publicize 2010 ISU-JIG capabilities, vulnerabilities and resources. Such information can be put to nefarious counter-intelligence use by terrorist or protest groups compromising the security of the 2010 Games. Access to such information should be deferred to at least two years after the Games in order to protect the integrity of security initiatives and personnel.

g. *Foreign Extremist Groups*

i. Islamic Extremists

- On September 11, 2006 a video statement released by Al Qaeda's, Ayman AL-ZAWAHIRI, called on Muslims to step up their resistance to the United States and warned that "new events" were on the way<sup>67</sup>. Then in October 2006, Hossam Abdul RAOUF, an Al Qaeda strategist warned Canada to 'withdraw its troops from Afghanistan or face terrorist attacks similar to 9/11, Madrid and the London transit bombings. The threat condemned Prime Minister Stephen HARPER for refusing to pull out of Afghanistan and Canada's support of the "Christian Crusade" against Al Qaeda. It further chastised Canada for its "fanatic adherence to Christianity" as well as its purported attempts to "damage the Muslims"<sup>68</sup>. Canada is viewed as a priority target because of the country's high-profile role in Afghanistan and its close relationship with the United States in the war on terrorism.

November 11, 2006 the RCMP's national-security branch released a statement that Al Qaeda terrorists intended to attack Canada,

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<sup>67</sup> CNN News

<sup>68</sup> The National Post

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however it was impossible to say whether the attack was imminent<sup>69</sup>. Canadian targets, home or abroad are particularly attractive because the country has not yet been hit. Canada alone of the five countries cited as enemies of Al Qaeda has yet been attacked by the terrorist group. The other four countries mentioned by Al Qaeda were the United States, Britain, Spain and Australia.

Recently, Al Qaeda called for terrorist strikes against Canadian oil and natural gas facilities to hurt the United States economy. An online message posted by an Al Qaeda organization in the Arabian Peninsula, declared: "We should strike petroleum interests in all areas which supply the United States . . . like Canada, the number one exporter of oil and gas to the US". The same group issuing the threat, claimed responsibility for last February's attack on the world's largest oil processing facility at Abqaiq (located in Saudi Arabia's eastern province). The threatening message can found on Sawt al-Jihad (Voice of Jihad), the group's online magazine. The three western countries targeted in the call to arms are; Canada, Mexico and Venezuela. Attackers have been instructed to target oil fields, pipelines, loading platforms and carriers. In the event of a major oil supply disruption, energy prices would drastically increase having a catastrophic impact on transportation.<sup>70</sup>

<sup>69</sup> The Globe and Mail

<sup>70</sup> The Vancouver Sun