

**THE ROYAL CANADIAN MOUNTED POLICE**

**APPLICANT**

**AND**

**EUROCOPTER CANADA LTD**

**RESPONDENT**

**SUPPLEMENTAL AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR AN ORDER FOR THE CONTINUED SEALING OF SEARCH WARRANT INFORMATION**

I, Insp. A.K. Mathews, of the City of Ottawa, in the Province of Ontario, a Peace Officer with the RCMP "A" Division, MAKE OATH AND SAY AS FOLLOWS:

1. THAT on April 24, 2001 I swore an Affidavit, which I incorporate herein, in support of an Application for an Order for the Continued Sealing of Search Warrant Information in respect of searches conducted between December 13 and 15, 1999 at

Eurocopter Canada Ltd., located at 1100 Gilmore Road in the  
Town of Fort Erie in the Province of Ontario L2A 5M9;

2. THAT this Affidavit of April 24, 2001, and the matter to which it refers, came before Mr. Justice Then of the Superior Court at Toronto, Ontario, on April 24, 2001 and subsequently. The Affidavit contained at Appendices "1" and "2" two documents of which I am the author, entitled, respectively, *Vetting Proposal for Unsealed Information to Obtain Search Warrants Executed at Eurocopter Canada Ltd., et al*; and *Vetting Proposal for Unsealed Affidavits in Support of Detention and Sealing Applications re Warrants Executed at Eurocopter Canada Ltd., et al*. These appendices set out a description of the overriding circumstances in respect of specific content proposed to be vetted or redacted from Search Warrant Information materials before the court.
3. THAT on April 24, 2001 the complete Search Warrant Information was submitted to the court in both redacted and non-redacted form, and in redacted form to parties and interested persons to whom Notice have been given and who attended in court on that day.
4. THAT on October 4, 2001 this Court granted standing to the parties and interested persons to whom Notice had been given, and will shortly address the merits of the Application,

including continued sealing of search warrant information, as varied by the Application of April 24, 2001.

5. THAT the purpose of this present Affidavit is threefold, namely:

- A. To extend the scope of the material for which no redaction or vetting is necessary, and which consequently can be disclosed . To effect this I am submitting a companion Affidavit to this one, which companion Affidavit sets out this additional material for which no redaction or vetting is necessary. I am attaching to this present Affidavit, however, as Appendix "A" and "B" two documents entitled *Revised December 14, 2001 Vetting Proposal for Unsealed Information to Obtain Search Warrants Executed at Eurocopter Canada Ltd., et al;* and *Revised December 14, 2001 Vetting Proposal for Unsealed Affidavits in Support of Detention and Sealing Applications re Warrants Executed at Eurocopter Canada Ltd., et al.* These set out the revised rationale for which redaction or vetting still remains necessary. These new Appendices effectively take the place of those submitted April 24, 2001 as fewer redactions are sought, and;
- A. To provide this court with new information, and;
- B. To set out Grounds for Sealing and Additional Grounds for Sealing of search warrant information.

### Grounds for Sealing

6. THAT there still remain overriding circumstances which require that information edited from the existing Search Warrant Information, and from the documents relating to it as described above, respecting the searches of the said premises, including this present Affidavit, be and remain confidential, and secure from examination by either the public or interested persons, including Eurocopter Canada Ltd., until such time as the Court may vary or rescind its order upon notice to Crown Counsel and the RCMP, subject to further extension upon cause being shown, without which the ends of justice would be subverted. These circumstances were set out fully in the *Affidavit in Support of An Application for An Order for the Continued Sealing of Search Warrant Information*, submitted by me to this court April 24, 2001, which I incorporate herein. In summary these continuing circumstances are as follows:

- A. DISCLOSURE would compromise the identity of a confidential informant, whose privilege I am obliged to protect, pursuant to Section 487.3 of the *Criminal Code of Canada*, and as further described in detail at paragraph 19 a. of my Affidavit of April 24, 2001, and;
- B. DISCLOSURE would compromise the nature and extent of an ongoing investigation. This investigation has experienced the consequences of the disclosure of the 1995 Letter of Request to Switzerland. This resulted in public attention and speculation of the highest degree and on an international scale that continues to this day, as described in detail at paragraph 19 b. of my Affidavit of April 24, 2001, and;

- C. DISCLOSURE would compromise the nature and extent of an ongoing investigation as described in detail at paragraph 19 c. of my Affidavit of April 24, 2001. A warrant in relation to another and later search target in this investigation is subject to a separate sealing order of Mr. Justice Fontana, and this search is not before this Court, and;
- D. DISCLOSURE would prejudice the interests of an innocent person as described in detail at paragraph 19 d. of my Affidavit of April 24, 2001, namely to the continued employment of a single parent who fears an economic reprisal. This person repeated the fear to S/Sgt. Alexander on December 7, 2001.

### New Information

7. THAT in addition to the above information, I believe myself obligated to advise the Court of several other ongoing developments in order to bring the Court up to date pertaining to the circumstances described in preceding Affidavits as being a rationale for sealing or continued sealing, namely;

A. That in respect of the rationale for continued sealing set out in the *Affidavit in Support of An Application for An Order for the Continued Sealing of Search Warrant Information*, submitted by me to this court April 24, 2001, as amended by the companion Affidavit identified at paragraph 5 above, to wit a reference to paragraph 16 e. of my previous *Affidavit in Support of Detention past One Year and for a Sealing Order of December 8, 2000*, the following new information is provided:

i. On April 26, 2001 I received 565 pages of detailed bank transaction materials, pursuant to a Letter of Request to Switzerland, dated September 29, 1995. After examination of the material I have determined that the RCMP has now received substantially the whole of the banking materials requested, as referred to in paragraph 16 e. of my previous Affidavit of December 8, 2000, a copy of which is at Document number 29, preceding the tabbed attachments in the material before the Court. Some further material, however, including a witness interview, still remains outstanding from this Letter of Request. On May 1, 2001, I submitted a report of this to the Federal Department of Justice, who communicated this to Switzerland on June 14, 2001. Switzerland advised the Department of Justice on August 13, 2001 that it will commence the necessary evidence gathering after certain further clarifications were provided by Canada. I have coordinated these clarifications, which have since been transmitted to Switzerland.

B. That in respect of developments relating to the overall RCMP investigation, the following further information ought to be disclosed to the Court, under seal. This information has previously been alluded to briefly and without detail in several previous Affidavits in support of Sealing and Detention submitted in respect of this matter, namely those of:

March 10, 2000 Affidavit in Support of An Application for An Order for Further Detention of Things Seized, at paragraph 10d;

March 10, 2000 Affidavit in Support of An Application for An Order for Sealing Search Warrant Information, at paragraphs 2a, 2e and 3;

June 12, 2000 Affidavit in Support of An Application for An Order for Sealing Search Warrant Information, at paragraphs 2c, and 3;

December 8, 2000 Affidavit in Support of An Application for An Order For Further Detention of Things Seized and In Support of An Application for An Order Sealing Search Warrant Information, at paragraphs 16c and 19d.

i. These Affidavit references each pertain to investigative techniques as a rationale for continued sealing and detention of search materials. I have considerable apprehension in disclosing the following information for security reasons, and recognize how unusual the present circumstances are. I am concerned that any disclosure of the information below effectively destroys the operation described, and has potential to put police officers at risk, even if minimally so, and has ramifications concerning international enforcement cooperation of the nature described below.

### **BACKGROUND**

The RCMP is conducting an undercover operation which targets Karlheinz Schreiber as a key figure of our ongoing criminal investigation. The following material now describes an ongoing undercover operation which, since May 9, 2001 has resulted in four (4) meetings with Karlheinz Schreiber.

Information concerning undercover contact with Mr. Schreiber, either directly or by telephone, remained exclusively within police circles until September 6, 2001, when its existence was briefly outlined to Crown Counsel.

### **OBJECTIVE**

The goal of the undercover operation has been to seek a plausible introduction to Schreiber, to establish a relationship on the pretext of business initiatives of mutual interest, to develop this relationship by various methods of ingratiating, and to sustain it for a period of time sufficient to gather evidence germane to allegations under investigation.

RCMP investigators, in cooperation with a foreign agency, have sought to infiltrate Schreiber as a target, by way of an introduction from secondary individual(s). The principle undercover operator (UCO) in this scenario has now successfully approached Schreiber portraying an entrepreneur engaged in various export/import enterprises. The principle UCO is supported by others, however only the principle UCO is in contact with Mr. Schreiber.

Following a lengthy period of establishing *bona fides* with persons other than Schreiber, a telephone introduction was obtained on March 23, 2001, which was followed by the first face to face contact with Schreiber on May 9, 2001. Subsequent personal meetings have occurred on July 31 and on October 3 and 4, 2001, with occasional telephone exchanges prior to each meeting concerned with the logistics of meeting.

Initial steps in the undercover operation involved establishing contact with a former associate of Schreiber through whom it was hoped an introduction could occur. The approach was accomplished in turn through an associate of this party. These initial steps occurred between November 2000 to March 2001. The pacing of events has been dictated by the need to create and sustain plausible scenarios at each stage, and by the practicalities of a significant geographic separation between Mr. Schreiber and the UCO.

### Additional Grounds for Sealing

8. THAT there are overriding circumstances, in addition to those set out at paragraph 6 above, which require that the new information contained in this Affidavit be and remain confidential, and secure from examination by either the public or interested persons, including Eurocopter Canada Ltd., until such time as the Court may vary or rescind its order upon notice to Crown Counsel and the RCMP, subject to further extension upon cause being shown, without which the ends of justice would be subverted;

A. DISCLOSURE of this investigative technique at this time would compromise the nature and extent of an ongoing investigation, pursuant to Section 487.3 of the *Criminal Code of Canada*, which technique's existence I believe it is now prudent and appropriate to disclose to the Court. Further disclosure of this investigative technique would render all further investigation of this nature nugatory.

B. DISCLOSURE of this investigative technique could also endanger the security of a person engaged in this particular intelligence gathering technique, pursuant to Section 487.3 of the *Criminal Code of Canada*. Mr. Schreiber, in possession of the above knowledge could identify the UCO and others. I note that in my June 12, 2000 *Affidavit in Support of An Application for An Order for Sealing Search Warrant Information*, at paragraph 2d, I stated:

“(i) A March 2, 2000 article in the German news magazine *Die Zeit*, which I have read in translation, quotes Schreiber, in the company of the German reporter in Ottawa, speaking of the cost of a hired killer in Canada. In the same article, Schreiber is later quoted, in respect of Giorgio Pelossi, a witness in these matters, as stating that the cost of a bullet is outrageous”

On April 4, 2000 Insp. John Dickson of the RCMP recorded that he brought this interview to the attention of Mr. Greenspan, counsel for Mr. Schreiber. I know of no history of violence on the part of Mr. Schreiber in either Canada or Germany, but the attribution of knowledge of such matters in Canada to Mr. Schreiber raises the possibility of risk to the safety of officers and others.



DISCLOSURE of this investigative technique, I believe, would also compromise another sufficient reason, pursuant to Section 487.3 of the *Criminal Code of Canada*, as it would be contrary to the public interest as being injurious to international relations in respect of the exchange of police undercover personnel generally in such circumstances, and Canada's inherent obligation to protect and preserve from possible harm foreign enforcement officers when engaged in a Canadian investigative operation.

9. THAT I am executing this present Affidavit for the purpose of an Application for an Order for the continued Sealing of Search Warrant Information commenced April 24, 2001 and for no improper purpose.

SWORN before me at the City of \_\_\_\_\_, Ontario  
 this \_\_\_\_ day of December, 2001.

\_\_\_\_\_  
 Signature of Affiant

\_\_\_\_\_  
 A Commissioner for taking affidavits, etc.