

Montreal towing industry run by organized crime: inspector general



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Towing operation in Montreal in 2008. ALLEN MCINNIS / MONTREAL GAZETTE

Montreal towing companies responsible for removing damaged cars after accidents are mostly

run or backed by organized crime groups like the Hells Angels and the Mafia, who control their territories through intimidation, beatings and by setting competitors' trucks on fire.

Management at more than one Montreal towing firm were known to flash their colours to indicate they were "full patch" members of a biker organization as a warning not to work in their sector. Employees who towed a damaged car on someone else's domain would receive phone calls at home warning them away, or find themselves surrounded by three to five rival tow trucks, or be beaten with a baseball bat.

"It's hard to eat steak when you don't have any teeth," was one common piece of advice used to dissuade competitors.

According to a report issued by Montreal's inspector-general Denis Gallant on the towing industry Monday after months of investigation and interviews with more than 70 members of the towing industry, the investigative department determined that virtually every sector of Montreal — 18 out of 19 boroughs — was infiltrated by one or more towing companies that dealt with cars damaged in accidents or that were obstructing traffic.

Competing firms learned to stay away. Even those that had signed exclusive contracts with the city giving them the towing rights in certain sectors were intimidated by firms either run or backed by organized crime syndicates to give up their contracts. Some moved out of Montreal.

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Criminal gangs like the towing industry because it dovetails well with their other interests, including drug dealing, car theft, prostitution, money laundering and loan sharking.

“The territory of the city of Montreal is divided into zones that are, in fact, small kingdoms where certain entrepreneurs are king and hold firm control,” writes Gallant. The situation is so well known that entrepreneurs in the industry are hesitant to bid on towing contracts and collusion is widespread, Gallant said. Often the owners of towing companies are members of criminal organizations, and sometimes they have family links or friendships with members of these organizations. In other cases some territories “belong” to criminal groups and drivers have to pay a “cut” to tow there, ranging from \$75 to \$150 per towing, or a steady payment of \$500 to \$700 a week.

The mark-ups were passed on to citizens. In one case, a driver was charged \$488.64 for a 4.7-kilometre tow. The normal rate for a firm with a legitimate contract with the city would be \$105 plus tax.

Some towing companies had agreements to bring damaged cars to specific auto-body shops that paid them a 15-per-cent cut of the repair bill.

The inspector-general’s department decided to investigate all of Montreal’s towing industry after an investigation into two truck firms responsible for removing cars during snow-clearing operations found signs of widespread collusion (<http://montrealgazette.com/news/local-news/towing-companies->

barred-from-city-contracts-for-five-years) among several firms to fix prices and control territories.

Several witnesses had testified it was common knowledge the accident-towing segment of the industry was controlled by organized crime. Following its investigation, the department found that in areas of the city not covered by an exclusive towing contract with the city, collusion had existed for more than 10 years. Much of the problem, Gallant wrote, stemmed from the fact many areas of the city were not covered by exclusive contracts, allowing criminal elements to infiltrate the territories “with total impunity, and control the economic sector.”

The criminal cases have been referred to the Sûreté du Québec, the Montreal police force and Quebec’s tax department for investigation.

To combat the problem, Gallant suggested the city renew exclusive contracts for all sectors and open them up to public tender, and impose uniform towing fees. Competing firms and all their employees should be subjected to background security checks, and the city should continue its efforts to repatriate the responsibility for towing to the agglomeration council.

Mayor Denis Coderre said the inspector-general’s report showed his administration has already put in place tools that are working.

“Of course (the report) is scary, and you’re asking yourself what is going on here,” he said. But the fact the city already transferred the jurisdiction for towing from the city’s taxi bureau to the police force in 2016, and last year passed a motion at the agglomeration committee asking for a decree from Quebec so it can harmonize towing regulations island-wide, showed his administration is acting on the issue, Coderre said.

“I think for many years it’s been widely rumoured that organized crime is extremely present in the towing industry, so I wasn’t shocked,” said Alex Norris, security critic for opposition party Projet Montréal. “What did disturb me was the passivity of the Coderre administration in tackling the problem,” particularly in the lack of exclusive contracts.

“It’s kind of a Wild West situation where people go in and use intimidation and violence and threats to gain control, which reinforces the climate of thuggery and violence in this industry.”

The city should consider returning some of these services to the public sector, Norris said.

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