

R. v. Kore, [2005] O.J. No. 6350

3½ years in addition to 3 months custody for major role in massive counterfeit lab

The accused pled guilty to conspiring in Hamilton between May 20, 2005 and September 7, 2005 to produce counterfeit money and to possession of a machine he knew had been used to make counterfeit money. The plea was entered at a very early opportunity, three months after Mr. Kore was arrested.

The investigation revealed that Mr. Kore and his accomplice, Mr. Aaron England, were at the head of a vast operation of production of counterfeit money. Mr. Kore was involved in the production of counterfeit bills and the supervision of others hired to print the counterfeit money. Two wiretap authorizations allowed police officers to monitor over 100 communications between Mr. Kore and Mr. England where they discussed in detail the nuances of the production of the counterfeit bills. When police officers searched they found large quantities of ink jet cartridges, a computer and sheets of potential counterfeit bills at the last place used for counterfeiting. The operation could have potentially produced \$600,000 of counterfeit bills a day. On the day of the arrest, police seized \$240,000.00 in counterfeit bills. According to an expert from the RCMP, the counterfeit notes were of excellent quality.

The offender was 24 years old and had a prior conviction for counterfeiting. A standard affidavit from the Bank of Canada was filed at the sentencing hearing. At the time of sentencing, the police had not yet estimated the total value of counterfeit bills put in circulation.

The judge noted in paragraph 1 of his reasons that Mr. Kore had pled guilty:

... to very serious charges involving what can only be described as offences which attack the underpinnings of the Canadian economy, calling into doubt the money which we are all involved with on our day to day business dealings.

The judge accepted the joint submission of counsel and sentenced Mr. Kore to 3½ years having given him double credit for the 3 months he spent in pre-trial custody.

ONTARIO COURT OF JUSTICE

HER MAJESTY THE QUEEN

v.

RYAN KORE

GUILTY PLEA AND SENTENCING

BEFORE THE HONOURABLE MR. JUSTICE A. ZURAW
on Thursday, December 1, 2005, at HAMILTON, Ontario

APPEARANCES

J. Neander
D. Paquette

Counsel for the Crown
Counsel for the accused

ONTARIO COURT OF JUSTICE

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Thursday, December 1st, 2005

...UPON COMMENCING

...UPON OTHER MATTERS BEING HEARD

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MR. NEANDER: Good afternoon, Your Honour. My name is John Neander, I'm a Crown visiting from another jurisdiction. I'm responsible for the Ryan Kore matter which will be a guilty plea. Mr. Kore's in custody and should be here forthwith; Mr. Paquette represents him.

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THE COURT: Mr. Paquette?

MR. PAQUETTE: Just to assist, Your Honour, it will be a plea, as indicated. We've had discussions about Mr. Kore's fate for many weeks and it also will be a joint submission for you.

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THE COURT: Very well.

MR. PAQUETTE: You received a case book?

THE COURT: Yes.

MR. PAQUETTE: You're familiar with the cases in any event, but it will make it shorter for you.

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MR. NEANDER: Now, I've spoken to Madam Clerk before Mr. Kore was brought down. There's two informations before the court that he appears on; on each of them, he's jointly charged with many people, but to be clear, he's going to be entering a plea of guilty on two counts out of three on the secondly sworn information - I think it ends with the number 75-96, I don't have the entire information number - facts regarding a third offence, possession of counterfeit money, are quite clearly necessarily incidental to the recital of facts I'm about to make. That charge, on the 75-96 information will be withdrawn at the
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end of today's proceedings. There's another proceeding - there's another information before the court and he has exactly the three - same three offences replicated. Indeed, that's a prior information. Once this sentencing is completed, as we anticipate it will be today, subject to Your Honour, perhaps, reserving on it, but once this sentencing is completed, the Crown will be withdrawing the counts against Mr. Kore on that information. But, to be clear, on both informations, on some of the counts, he's co-accused with Aaron England; the Crown's not withdrawing anything against Aaron England.

THE COURT: Very well.

MR. NEANDER: With that, we're ready to proceed.

COURT CLERK: How's the Crown proceeding?

MR. NEANDER: I think they're all indictable offences, but out of an abundance of caution, by indictment.

MR. PAQUETTE: You can waive election, Your Honour. He'll be electing before you, this court.

...INTERRUPTION BY COURT REPORTER: EQUIPMENT PROBLEM

COURT CLERK: Ryan Kore, you stand charged that on or between the 20th of May, 2005 and the 7th of September, 2005, at the City of Hamilton, in the said Central West Region and/or elsewhere in the province of Ontario, and/or elsewhere in the Country of Canada, did conspire together, with one - together, one with the other, and with unknown persons to commit the indictable offence of production of counterfeit currency, contrary to

section 449 and section 465(1)(c) of the Criminal Code of Canada. How do you plead to this charge, Sir? Guilty or not guilty?

THE ACCUSED RYAN KORE: Guilty.

COURT CLERK: Thank you. And further that you, on or about the 7th day of September in the year 2005, at the City of Hamilton, in the Central West Region and/or elsewhere in the Province of Ontario, without lawful justification or excuse, did have in his possession a machine that he knew had been used in making counterfeit money, contrary to section 458(d) of the Criminal Code of Canada. How do you plead to this charge, Sir? Guilty or not guilty?

THE ACCUSED RYAN KORE: Guilty.

COURT CLERK: Thank you. Have a seat.

THE COURT: Before we proceed, I should indicate, just to make sure that it's on the record, that it was indicated prior to arraignment that the - there was a waiver with respect to forum of choice and that that forum of choice would be this court. And secondly, I should point out that the information refers to Central West. In fact, pursuant to the *Courts of Justice Act*, this is Central South. I take it, no one is taking any issue with respect to that at this time?

MR. PAQUETTE: No, Sir.

MR. NEANDER: All right. Yes, Sir, I'm prepared to read in the facts, but I - also, they've been reduced to writing and in a format that I understand....

THE COURT: All right and I think that perhaps it

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can be filed as exhibit one, but I agree with you, that they should be read in.

MR. NEANDER: Yes, thank you very much.

COURT CLERK: Thank you. Exhibit one.

EXHIBIT NUMBER 1 - Summary of Facts - produced and marked.

THE COURT: Yes?

MR. NEANDER: I understand, of course, through counsel Mr. Kore admits to the following facts: From mid-May through early September 2005 Ryan Kore conspired with Aaron England to make counterfeit money. In particular, Mr. Kore's role in the enterprise was the production of the money itself or the direct supervision of others hired to print the counterfeit bills. Those conversations which constitute the conspiracy took place throughout many parts of Ontario, but most often the collaborators were speaking in places within - it's the Central South Region, that should be amended - the site of their residences. They produced their money at different locales in that region. The last place Mr. Kore used to print counterfeit money was 91 Wellington Street, in Hamilton. Two authorizations to intercept private communications allowed the police to intercept Aaron England's phone conversations throughout the time frame corresponding to the conspiracy count on the information. Leave - add parenthetically, I think it's dated from May 20th to September 6th, 2005 - throughout the approximately 120 days ending with their arrests on the 7th of September, the two men committed -

communicated hundreds of times over intercepted lines and many of those conversations concerned the business of counterfeit production. The exchange of phone calls was frequent, especially on one of Mr. England's cell phone lines, and this despite Mr. England's repeated expression of concern that the police were intercepting his phone calls which caused him to suggest in person meetings or the purchase of new cell phones. I'm going to pause a moment. Your Honour will no doubt have seen - there's references to various calls in this document. I'm not proposing to file those as exhibits to supplement this exhibit one. That was mostly for the benefit of counsel so they could see the origin of any of the statement of facts. Continuing: Many of the conversations described Aaron England's impatience at the pace of the production that Mr. Kore and his associates were able to manage and his pungent and profane exhortations that they do better. Some calls described how either Mr. England or Mr. Kore needed to hire personnel to perform brushing and various other tasks required to produce the simulated currency. The two men spoke often and in detail about the nuances of what ink to favour, its correct colour and shade, the use of latex gloves, the required cartridges, and the best techniques to avoid unwanted streaking and other secrets of the illegal trade. It was Aaron England who employed and directed Ryan Kore by commanding the production of the money, setting deadlines and directing Kore to work the manual

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labourers harder and longer. Aaron England said he did not want to lose Ryan Kore's services. In turn, it was most often Kore who supervised the teams of workers at the site as they worked shifts producing sheets of counterfeit money. In particular, two associates named Dave and Harley performed much of the labour for Kore by doing such tasks as the printing, the foiling and the cutting. At times, the conspirators coped with unexpected problems. An anticipated visit from a landlord seems to have required Mr. Kore to move his equipment to another place. Mr. Kore and Mr. England maintained vigilance over the actions of the employees; for example, in the anxious days from the 20th of August 2005, Aaron England and Kore were apprehensive that the employee Dave had either been stealing from them or had access to computer information from a laptop. Kore assured England that he'd use violence to keep Dave in line. In the end, by the 28th of August, Mr. Kore seemed satisfied that Dave had not made his own counterfeit money. On a distinct occasion, Aaron urged Ryan to ensure to make a backup CD; prepared in case Ryan went to jail. Aaron England apparently at times needed the money produced for his own uses and at other times supplied other customers. One customer was his brother, Philip England, who used the counterfeit monies in part as partial payment in his cocaine trafficking deals; for example, Philip England placed one order for two million of the bills. While it's not known how much money Kore helped England

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produce, Kore and England spoke to suggest it was feasible for two workers to produce 60,000 - 600,000 currency, rather, in a one day, ten hour shift. That is Harley and Dave, the two workers, working ten hours producing 30,000 dollars an hour each. At other times Philip showed himself an especially impatient client and Aaron would communicate the urgency of Philip's needs to Mr. Kore in threatening language. In the days preceding the September arrests, the two England brothers - well, sorry, the arrest of Mr. Kore and the two England brothers, they were all arrested on September 7th - Philip England needed some counterfeit currency. On the second, Kore told Aaron, I can get your brother 250. On the 6th of September, 2005, Philip was not satisfied that 60,000 of what he received was sufficiently good despite Aaron's assurances that quote: There's nothing better out there, end quote. Later the same day Aaron phoned Kore to report the dissatisfaction with the approximately 60,000. Even later, Aaron England and Ryan Kore met Phil in Toronto. Phil passed the box to Aaron. Upon the arrest of all three persons after midnight on the 7th of September, the same box was recovered in the car Aaron was using and found to contain about 58,000 of counterfeit currency. In a search of Philip's hotel room at roughly the same time, by warrant, uncovered about 180,000 more of the counterfeit bills. The 7th of September was also the date that the police executed a warrant at the above-mentioned 91 Wellington Street in Hamilton

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premises that Mr. Kore had last used to produce the money. The police found a large quantity of ink jet cartridges, a computer and sheets of bills that were potential counterfeit currency. Ryan Kore had boasted to Aaron that the bills could withstand ultraviolet scrutiny and were, quote, perfect, so that one could not tell the difference between them and real currency. In fact, the officer in charge of the investigation, Paul Hamilton, of the OPP Organized Crime Section, who's in court today, reports the following: A staff sergeant Tim Booth of the RCMP examined the two discrete seizures from the day of the arrest after they were seized, that is the 58,000 dollar bundle and the 180,000 dollar bundle, Sergeant Booth, I understand, reported to the - investigating the police, the investigating police, that the bills were, in fact, counterfeit. There's a scale of one to four with sort of ascending quality. The bills ranked as a three, the next to the top on the scale. And I should add - well, as the agreed statement of facts, says: There's no final analyst's certificate issued. Were it not for the - or much less, the admission by plea of the accused - but the other circumstantial evidence strongly suggesting these are counterfeit currency, that we wouldn't rely alone on Sergeant Booth's preliminary analysis. And certainly, as you see here, we're unable to say yet, as some times one sees in cases, that all the places that bills of this description might have been used, because that work hasn't been

undertaken yet. Indeed, I tried to defer the plea to see, if it were possible - but there's no immediate prospect that's going to happen, so it was decided not to defer Mr. Kore's plea any longer. Those are the facts that I believe are agreed upon. I can give Madam Reporter a copy of this, it might be of assistance for her down the road.

MR. PAQUETTE: Those facts are acknowledged, Your Honour.

THE COURT: Stand please, Mr. Kore. On your plea and on the facts, I find you guilty of those offences. You may sit down.

MR. PAQUETTE: There is a record and there's - my friend has prepared a statement of actually Mr. Kore's criminal activities which I consent to being filed as representative of his conduct.

MR. NEANDER: Yes, thank you. First of - there's a few exhibits I wish to file and none of which are objected to as I understand it, to supplement the record for sentencing. The first is an affidavit from Mr. Perrara [ph] of the Bank of Canada and that deals with the frequency and the gravity of cognate offences - all varieties of offences involving false currency - and I propose that, if the agreed statement of facts is exhibit number one, that this could be exhibit number two, please?

THE COURT: Yes.

COURT CLERK: Thank you. Exhibit two.

EXHIBIT NUMBER 2 - Affidavit - produced and marked.

MR. NEANDER: The conventional record itself, that the - from the RCMP which I'm sure Mr. Paquette has seen, if that could be exhibit number three?

COURT CLERK: Thank you. Exhibit three.

EXHIBIT NUMBER 3 - Criminal Record - produced and marked.

MR. NEANDER: And the final factual matter on the sentencing here, Mr. Paquette has mentioned that I've prepared a document. I've done this, rather than attach all the relevant court documents, some of which have extraneous information, but there's a document called *Ryan Kore Chronology* and its main purpose is to supplement the record of convictions by demonstrating that the first conviction you see from 2001 upon which he received a conditional sentence of imprisonment, he, in fact, breached that conditional sentence twice - was found to have breached it twice - and that the printout of the record doesn't reflect that. So, if this could exhibit four?

COURT CLERK: Thank you. Exhibit four.

EXHIBIT NUMBER 4 - Ryan Kore Chronology - produced and marked.

MR. NEANDER: I think subject to the submissions themselves, that's all the facts at the sentencing hearing and as Your Honour knows, a case book was filed; that was before Mr. Paquette and I knew we would be recommending a joint submission for Your Honour's consideration.

THE COURT: Yes?

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MR. PAQUETTE: That's true, Your Honour. Mr. Kore has been in custody since September the 7th, just shy of three months. He did not conduct a bail hearing. I indicated to my friend, very early on, that Mr. Kore was prepared to enter a plea of guilty and gave him that information even prior to there being any meaningful disclosure, that Mr. Kore was totally realistic about his expectation of being convicted and wanted to proceed as expeditiously as possible and, as my friend has suggested, this matter has, in fact, been postponed somewhat by Mr. Neander's wish to obtain further information. I have reviewed the cases, both the ones filed by my friend, my own research and realized that a significant principle of dealing with counterfeit money and the impact it has on Canadian financial institutions and on retailers, results in the court taking a serious view of this offence and that deterrence is a significant principle of sentencing in dealing with this. To that end, I can advise the court that my friend and I have had, as I said earlier, a number of discussions towards concluding this matter. The position that is being taken, Your Honour, is the - an appropriate sentence, subject to pretrial custody, is four years and that with appropriate credit for pretrial custody, three months, that the sentence that's jointly being submitted as appropriate is three and a half years. I submit to you that would balance the need to have a sentence that reflects deterrence as a primary principle. It gives recognition in this case to Mr. Kore's acceptance of guilt, his early plea and I submit he is the first out of a

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project called *Bulldog* that has entered a plea of guilty. His approach to his arrest has been one that commends itself in terms of his saving the public the expense of proving his guilt and recognizing the inevitable: That he would be convicted, and attempting to move matters forward. What I will do, Your Honour, because I think for purposes of the record when it goes to the federal parole board, I will file with the court a presentence report that was prepared November - before November 5th, 2001, before Justice Gerrard [ph] when he was sentenced to a conditional period of custody. My client's smart. He turns 24 in two weeks, December the 15th. He hopes to resume his relationship with Stephanie Dillon [ph], his girlfriend, who is present in court. He's largely alienated from his parents who are both law abiding people who are teachers in the teaching profession. He comes from a middle class upbringing, a fine upbringing, went to school. He perhaps didn't achieve the expectations that his parents had set for him, but nevertheless, was a capable student. He's - obviously, he has some gifts, unfortunately, they've been applied to the offence, offences that are reflected both today, in his record and make a connection today in his record. So, I'd file that. It gives Your Honour some insight into his background and I think the parole board will benefit from having that in terms of classification in terms of assessing his appropriateness for release. So, that could be exhibit number six, is that correct?

COURT CLERK: Exhibit five.

MR. PAQUETTE: Number five?

EXHIBIT NUMBER 5 - Presentence Report - produced and marked.

MR. PAQUETTE: I can also, and I'll wish to put on the record, I spoke to Officer Hamilton who was identified as an OPP officer; he's a Hamilton Police Service officer. That this plea by Mr. Kore represents the conclusion of any and all charges that might have been contemplated against Mr. Kore arising out of this investigation. He wishes, through me, to indicate he makes no claim to any of the equipment or counterfeit materials that were seized as a result of the investigation. They will be required to be kept for purposes of ongoing prosecutions involving others; that there may be property that needs to be returned to him that isn't relevant to any prosecution and is not part of contraband. So, I'll deal with Mr. Neander on that in the future. But, I'd ask you to examine this from the perspective that two experienced counsel who spent some time reviewing this matter, assessing the appropriate principles and the appropriate facts and have reached a conclusion that proper disposition is three and a half years.

THE COURT: Stand, please, Mr. Kore.

R E A S O N S F O R S E N T E N C E

ZURAW J. (Orally):

Mr. Kore, you have pleaded guilty to very serious charges involving what can only be described as offences which attack the underpinnings of the

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Reasons for Sentence - Zuraw J.

Canadian economy, calling into doubt the money which we are all involved with on our day to day business dealings.

It is unthinkable that this is not the first time, but that you have done this before and have been sent to jail for this. It is hard to believe that you are only 24 and that you have been involved in this business in the fashion that you have.

Having said that, you have pleaded guilty and you have pleaded guilty at a very early opportunity. The submissions of counsel, joint submission, cannot and should not be discounted unless the suggested sentence is something that can be said to be unconscionable and that is not the case here; this length of time for a non-violent offence is significant, but appropriate, bearing in mind the offence and bearing in mind the case law that is binding upon me.

I suppose I could go on and on and tell you just how much this affects the Canadian economy, but I am sure you have heard it all before; and all I can do is impose the sentence that is appropriate and hope that you learn that the next time, should there be one, could be curtains for you.

You are sentenced to the four year sentence suggested, but bearing in the mind the time in custody which is to be given on a two for one basis, as suggested. It will be time served

Reasons for Sentence - Zuraw J.

calculated at three months, plus three and a half years. I will waive the surcharges.

MR. PAQUETTE: Thank you.

MR. NEANDER: Thank you. Just a couple of things in the way of housekeeping, although I have said this already, all the other charges against Mr. Kore are withdrawn. And about Mr. Paquette's reference to matters seized, we are certainly mindful of 462 of the Criminal Code which makes not only the counterfeit currency, but anything used to make it, the property of Her Majesty; but, we're not seeking the forfeiture order now, because clearly that section contemplates it may be required for other proceedings, as manifestly it is, in this case. And about the filing of the presentence report, of course, because of his breaches of conditional sentence order, other reports were prepared for each of those allegations of breach and there's other information available to the authorities also. That's my only matter before the court. If I could be excused?

THE COURT: Thank you.

MR. PAQUETTE: Thank you, Your Honour.

THE COURT: Yes. Thank you, gentlemen.

...UPON OTHER MATTERS BEING HEARD

C O U R T A D J O U R N E D
