



Mar. 17th, 2014

Dear KP Family,

This letter is to advise all Participants of a rough diamond seizure, valued at USD360,000 having occurred in Canada on Feb. 3, 2014.

The individual was charged and sentenced in court on March 7, 2014. The individual was sentenced to a period of 10 months of house arrest, with electronic monitoring for the entire 10 months, \$25,000.00 fine with 10 months to pay and forfeiture of the seized diamonds in accordance with section 28, of the Export and Import of Rough Diamonds Act.

In the attachment below you will find a Statement of Facts which describes the incident in some details.

Thanks for your attention.

Sincerely,

WEI Chuanzhong
KP Chair, 2014

Attachment:

**ONTARIO COURT OF JUSTICE
(CENTRAL WEST REGION AT BRAMPTON)**

B E T W E E N :

HER MAJESTY THE QUEEN

- and -

HELENE FRIEDA BODNER

AGREED STATEMENT OF FACTS

1. Helene Frieda BODNER is a citizen of Belgium who entered Canada at Lester B. Pearson International Airport, Terminal 3, on February 3, 2014. Ms. BODNER was travelling to Canada from Guyana on Caribbean Airlines, flight BW610. Her travel itinerary for the trip was as follows:

Travelling to Guyana:

Depart Brussels, Belgium Jet Airways	January 30, 2014 at 10:15
Arrive Toronto International, Terminal 1	January 30, 2014 at 12:55 Duration of the flight 08:40
Depart Toronto International, Terminal 3 Caribbean Airlines	January 30, 2014 at 22:30
Arrive Port of Spain, Trinidad and Tobago	January 31, 2014 at 5:10 Duration of the flight 05:40

Depart Port of Spain, Trinidad and Tobago Airlines	Caribbean	January 31, 2014 at 07:30
Arrive Georgetown, Guyana		January 31, 2014 at 8:40 Duration of the flight 01:10

Travelling to Belgium:

Depart Georgetown, Guyana Caribbean Airlines		February 3, 2014 at 06:15
Arrive Port of Spain, Trinidad and Tobago		February 3, 2014 at 07:15 Duration of the flight 01:10
Depart Port of Spain, Trinidad and Tobago Airlines	Caribbean	February 3, 2014 at 09:30
Arrive Toronto International, Terminal 3		February 3, 2014 at 14:35 Duration of the flight 06:05
Depart Toronto International, Terminal 1 Airways	Jet	February 3, 2014 at 18:15
Arrive Brussels, Belgium		February 4, 2014 at 07:45 Duration of the flight 07:30

2. On entering Canada, Ms. BODNER presented a Declaration Card (“E311”) to the Canada Border Services Officer (BSO) at the primary inspection line. The declaration card indicated that Ms. BODNER was visiting Canada for one (1) day. Ms. BODNER did not declare any goods. She answered, “No” by checking the box next to the question, “I am / we are bringing into Canada: Commercial goods, whether or not for resale (e.g. samples, tools, equipment).” on the declaration card. The BSO coded the declaration card “V222”, free to leave. Ms. BODNER was then referred to secondary.

3. During the secondary inspection, Border Services Officer Hopkins noted that Ms. BODNER was arriving from Guyana after having been there for only four (4) days. She was traveling on a ticket that had been purchased with a two (2) day lead and that the ticket had been paid for by cash. Ms. BODNER was carrying two passports; a Belgian passport and an Israeli passport. Both passports showed frequent travel to various countries including Argentina, South Africa, Brazil, and Botswana. The BSO further noted that Ms. BODNER was pacing, had a shaky voice, and that her body shook so much she leaned on the counter.

4. At various points during her examination, Ms. BODNER was asked about her travel and her sources of income. BSO officers observed that she provided contradictory answers on both topics. With respect to her travel, Ms. BODNER explained that she went to visit a boyfriend, that she wanted to see Guyana, and that she was thinking of retiring in Guyana. Later in the examination, she said that she went to Guyana to meet friends but, the friends didn't show up. Later, after the diamonds were expelled, Ms. BODNER advised BSO Vanini that she had lied to BSO Hopkins about her reason for travelling to Guyana indicating there were no friends and no married man to visit. She could not explain why she went to Guyana, except to say the travel agent told her it was nice. In relation to her sources of income, Ms. BODNER told BSO Holder that she had no source of income, that her family assists with money, and that she receives money from the government.

5. A search of her personal items showed that she had some involvement with jewelry. She carried a business card for Helene Bodner Exclusive Jewellery Design. A cursory search of one of her cellular telephones showed pictures of various pieces of jewellery, some that included diamonds. Ms. BODNER denied knowledge of the photos. A pocket book located in her belongings included numerous lists of jewellery with weights and values listed in Euros.

6. Throughout her examination, she professed innocence and begged to be let go so that she could make her next airplane to Belgium. BSO Hopkins detained Ms. BODNER for a personal search. Her clothing was examined and a pellet was located. Ms. BODNER was placed under arrest, cautioned and afforded her rights to counsel and Consular services. Ms. BODNER subsequently provided a total of three (3) condom-wrapped pellets that had been inserted in her body. The weight of the three (3) pellets totaled 353.8 grams. The contents of the pellets were examined and found to contain rough diamonds of various sizes and shapes. Initially when asked by the BSO what she had removed or inserted, Ms.

BODNER stated, *"I don't know."* Once the pellets had been expelled and examined by the BSO, Ms. BODNER stated, *"they are only diamonds, not drugs"* and *"I put them there for safety..."* Of note, the rough diamonds were not accompanied by a Kimberly Certificate nor were they located in a proper container.

7. The rough diamonds were examined by Warren Boyd ("Boyd") and Delene Daniels

("Daniels"), both Diamond Valuators with Algonquin Diamond Counsellor International.

Boyd and Daniels sorted and counted the diamonds, and provided the following Valuation Summary and comments:

	<i>Est. No</i>	<i>Est. Carats</i>	<i>Est. US\$</i>
	<i>Diamonds</i>	<i>Total Weight</i>	<i>Total Valuation</i>

<i>Lot 1</i>	<i>1</i>	<i>0.08</i>	<i>\$ 3.60</i>
<i>Lot 3</i>	<i>2211</i>	<i>432.06</i>	<i>\$ 114,820.11</i>
<i>Lot 6</i>	<i>3252</i>	<i>479.76</i>	<i>\$ 111,090.90</i>
<i>Lot 8</i>	<i>4738</i>	<i>633.74</i>	<i>\$ 133,784.90</i>
Total	10202	1545.64	\$ 359,699.51

** price based on market prices at the time of seizure. Price does not include any Goods and Services Tax or Provincial Sales Tax.*

All of the rough diamonds were quite pristine and undamaged which is a feature not commonly seen in diamonds from an alluvial source. There were a very few stones showing some alluvial abrasion so we concluded that this rough may have originated from multiple sources and compiled into a single market assortment. A lot of the rough diamonds showed green skins and green coatings commonly seen in "old" diamonds from more ancient alluvial and kimberlitic sources.

[...]

Boyd and Daniels cannot speculate on the country of origin of the diamonds except to comment that the parcel was not a run-of-mine assortment and represented a highly selected and refined assortment suitable for a diamond polisher and/or diamond manufacturer. Boyd and Daniels have concluded that this parcel of rough diamonds was sieved and sorted specifically for processing into polished diamonds. This conclusion was based on the almost complete absence of low yield rough (Clivage, Rejection & Boart), the dominance of higher yield rough diamonds forms (Sawable & Makeable), as well as the fact that there were no diamonds under sieve size of (<0.0256 carats or -3 sieve) which are too small for processing into polished diamonds greater than 0.01 carat each.

8. As noted in the above comments, the valuers would not speculate on the country of origin for the diamonds. There is no indication that the seized diamonds are conflict diamonds.

9. Ms. BODNER does not have a criminal history in Canada. She has been convicted of a similar offence in Belgium. On May 15, 2008, Ms. BODNER was convicted of diamond smuggling in conjunction with a criminal organization, by the Criminal Court of Antwerp, Chamber 5C. She received a sentence of ten (10) months, with five (5) years probation and a € 200,00 fine. It is agreed that the sentence was not served in a custodial facility and is comparable to a suspended sentence in Canada. Ms. BODNER did not appeal this sentence.

10. A total of fourteen (14) individuals were arrested as a result of that investigation. Ms. BODNER was one of a number of couriers who were smuggling diamonds on behalf the organization. The same *modus operandi* of smuggling that was employed in the Belgian scheme was employed in the scheme before this Court. Ms. BODNER has no record of breaching any of the supervision requirements of her sentence. She has no other convictions in Belgium.

11. The Crown has no evidence that the diamonds were destined for the Canadian market.