

## Kelowna Public Meeting Summaries

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Date: October 29, 2019  
Time: 5:30 p.m. – 6:30 p.m. (approximately)  
Venue: Best Western Plus Hotel and Suites, Kelowna  
Presentations: 3

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#### 1. Introductory Remarks

The Commissioner welcomed the attendees and spoke to the purpose of convening a public meeting. He noted his hope that public input might assist the Commission in fulfilling its terms of reference. He emphasized that an essential part of the Commission’s role is to enlighten British Columbians as to the nature and scope of money laundering, bringing attention to the role it plays within British Columbia and its attendant social and economic harms.

The Commissioner explained that the Commission’s powers are set out in the *Public Inquiry Act*, S.B.C. 2007, c. 9, and do not include making findings of criminal or civil liability or misconduct.

The Commissioner noted that the Commission is currently at the stage of reviewing studies and news reports, conducting interviews and public meetings, and making document requests, all of which will lead to and inform evidentiary hearings planned to take place in 2020. Detailed notice of the hearings will be provided on the Commission’s website.

The Commissioner concluded by thanking the attendees, noting that an engaged community is the foundation of a well-functioning society.

#### 2. M.P.

M.P. is a former manager of a real estate company. M.P. expressed her concerns about the process for tracking money in real estate transactions, as well as the potential use of rental income for money laundering.

M.P. explained that during the two financial audits she was involved with through FINTRAC, she was told to design her own audit forms. M.P. recommended that there should be one standard audit form created by FINTRAC to make tracking money in real estate transactions easier.

M.P. also said that during her 20 years as a manager of a real estate company, she never took any cash. However, she explained that real estate professionals are now expected to track the source of money by asking for people’s bank account details if they provide certified cheques or money orders. M.P. said

that this was unrealistic because people would not provide their bank account information, and it also meant the real estate industry was being held to a higher standard than the banks.

M.P. also shared her concern that money laundering could easily occur through rental income. M.P. explained that a property management company could claim to have a lease on a property and be receiving rental income in cash, none of which would be checked. M.P. said that she reported this concern to FINTRAC a year ago, and they said it was interesting but too difficult to deal with because it involved too many levels of government.

### **3. C.B.**

C.B. is a Kelowna resident who said he had seen a lot of different financial crimes through his experience with several start-ups.

C.B. said that one of the issues he sees is the inability of the BC Securities Commission to act, especially within the confines of the rule of law. He noted his concern that the BC Securities Commission could not properly regulate the market when it was involved in that same market through its pension plan.

C.B. expressed his view that the root of the problem is that regulators need more power, but that power must be checked to make sure it is not abused. C.B. emphasized that dealing with money laundering requires starting at the top, including with banks as well as the regulators themselves. C.B. explained that the conduct of banks is too often whitewashed, by labelling their actions “mistakes.”

C.B. also indicated that the Commission should look into the connection between pension funds and real estate.

### **4. Anonymous**

An individual who chose to remain anonymous said that he was a former RCMP officer with experience working with organized crime. He explained that organized crime and money laundering had infiltrated the community and that people wanted to speak but were afraid to do so out of concern for their safety. He indicated that the presence of cameras may dissuade people from sharing their concerns.

The individual emphasized that the Commission should not trust the RCMP or the government to tell the truth. The individual also expressed his view that it was a mistake for the Commission not to give formal standing status to Fred Pinnock, because it is important for the Commission to hear from individuals who do not have a vested interest with the RCMP.

### **5. Response by Commission Counsel**

Mr. Patrick McGowan, Senior Commission Counsel, responded that he understood that some individuals may feel reluctant to share their concerns in the presence of cameras, and encouraged those individuals to do so through the Commission’s website or directly with him after the public meeting. Regarding the standing ruling, Mr. McGowan encouraged people to read the ruling on the Commission’s website. Mr. McGowan discussed the criteria for becoming a formal participant and explained that the decision was in no way a rejection of the information or evidence Mr. Pinnock may have to contribute to the Commission. Mr. McGowan explained that there are a number of ways that individuals who are not granted participant status can participate in the Inquiry, and that individuals with relevant evidence to give can be called as witnesses whether or not they are formal participants.

## **6. Additional Submissions**

The Commission received written submissions through its website from a number of individuals from the community who were not able to attend the public meeting. Some of these emails were read at the public meeting, without identifying information being shared.

In addition, Mr. McGowan met with a number of attendees after the meeting, some of whom subsequently provided written submissions to the Commission.