

Vancouver Public Meeting Summaries

Date: October 23, 2019
Time: 5:30 p.m. – 7:30 p.m. (approximately)
Venue: Fairmont Hotel Vancouver
Presentations: 13

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1. Introductory Remarks

The Commissioner welcomed the attendees and spoke to the purpose of convening a public forum. 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 noted that the Commission is currently at the stage of reviewing studies and news reports, conducting interviews and making document requests, all of which will lead to and inform evidentiary hearings planned to take place in 2020.

2. J.S.

J.S. explained that, as early as 2010, he attempted to inform municipal officials, the CRA and the RCMP as to what he saw as questionable cash dealings involving a municipal representative. He emphasized that there were other developers and officials who refused to disclose relevant information. He discussed his subsequent efforts to conduct his own investigation, and his hopes that the Commission would assist in investigating the problem.

J.S. proposed a solution to monitor all wire transfers, reduce the amount of cash transactions and have officials act on complaints made by whistleblowers, and extend protections to those who offer up such information.

3. Ron Usher

Mr. Usher is General Counsel at The Society of Notaries Public of British Columbia (the “Society”). He expressed the Society’s appreciation for the grant of participant status, and outlined the training that Notaries receive in British Columbia and the regulatory and legal framework under which they operate.

Mr. Usher also emphasized the Society’s commitment to work with the Commission to assist in understanding the British Columbia housing market. He recommended literature to the Commission on the topics of money laundering, ethics, land and the Torrens system, and the housing crisis in British Columbia.

4. C.M.

C.M. is an inventor and licensed security-safety officer. He spoke to the roots of money laundering and emphasized, by compartmentalizing the issue of money laundering, the Commission runs the risk of allowing sophisticated corporations to shift their approach to laundering money in British Columbia. C.M. concluded his remarks by discussing the changing public sentiment against corporations and government, and lamented the lack of public consultation with respect to various levels of government passing legislation.

5. J.M.

J.M. is the manager of Plumbing Union Local 170. He read from a document regarding alleged criminal conduct, including collusion, conspiracy, perjury, fraud, breach of contract, breach of the peace, corruption, money laundering and breach of trust, in relation to acts against Union members and property.

6. A.M.

A.M. raised two primary points in her presentation.

The first was a request that the Commission compel the testimony of a former director of the Gaming and Policy Enforcement Branch who is currently subject to a non-disclosure agreement. She explained that this potential witness might supply the Commission with specific events, details and names relating to money laundering in British Columbia casinos.

A.M.’s second point related to the British Columbia Lottery Corporation (“BCLC”). She requested that the Commission examine policy documents from the City of Delta that it relies on to prevent money laundering. She emphasized that BCLC does not adhere to rules that prevent casinos from profiting from crime, as suspicious cash under this policy is segregated from players and returned as winnings. She expressed concern that a player might, after depositing cash with a casino, leave and take their chips, which are untraceable to that particular player.

7. K.S.

K.S. is a former employee of Great Canadian Gaming Corporation (“GCGC”), where he supervised dealers, buy-ins and check-outs in his role as “pit-boss.” He expressed his concern as to the systematic

corruption between BCLC and GCGC, and that many employees are likely afraid to come forward with relevant information.

8. C.R.

C.R. discussed her concerns over birth tourism in Richmond. Birth tourism is the practice of travelling to another country for the purpose of giving birth and subsequently obtaining birthright citizenship for a child. She emphasized that the connection between birth tourism and money laundering is that there are numerous empty multi-million-dollar homes in Richmond that have been converted to “birthing hotels.” She explained that, under this model, property owners offer accommodations, paperwork and food to those with sufficient financial resources who seek to have their child born in Canada.

C.R. discussed that these persons pay vast sums for these services, as non-residents are required to pay high fees in hospitals. After receiving the fees, C.R. explained, the property owners take the cash and continue to buy other properties in the area for further use as “birthing hotels.”

C.R. asked that the Commission investigate birth tourism, which she says is a problem not only in British Columbia, but throughout Canada.

9. B.C.

B.C. outlined three questions that he asked the Commissioner to investigate:

- (a) how homes are being torn down and rebuilt by way of cash financing;
- (b) the use of WeChat and other payment methods to launder money; and
- (c) why money laundering is not actively, or effectively, prosecuted.

B.C. further spoke to the need for the real estate industry to clarify its position on money laundering, and for the CRA to be involved in the Commission’s work. He closed his presentation by inquiring as to whether the government of Canada has provided funds to assist in the investigation of money laundering in British Columbia.

10. M.B.

M.B. identified himself as a practicing lawyer. He discussed the Law Society of British Columbia permitting lawyers to facilitate money laundering by not requiring the reporting of suspicious transactions flowing through their trust accounts to FinTRAC, in contrast to the requirements placed on regulated financial institutions.

He cited several other jurisdictions that allow lawyers to file reports to their FinTRAC-equivalent, and expressed concern that the Law Society does not inform authorities when it might be aware of money laundering through its members.

J.M.

J.M. works in the security industry. He spoke of the increase in crime on the streets of Vancouver, which he attributed to money laundering. He explained that foreign criminal entities produce drugs, smuggle those drugs into Canada, sell those drugs in exchange for small denominations of cash, and subsequently launder those funds by bringing them into the casinos.

J.M. expressed a desire for increased controls and monitoring with respect to foreign entrepreneurs. Namely, that those entrepreneurs declare the source of their funds brought into Canada. He requested that any assets seized under forfeiture proceedings be put up for auction to Canadian citizens, with the hope that those citizens might acquire the assets at fair market value.

11. I.K.

I.K. presented on the actors involved in money laundering in British Columbia. He stated that many levels of government have been involved in suppressing relevant information and evidence, and that lawyers demonstrate a similar level of involvement. He questioned why regulated banks do not investigate where funds used to purchase homes in British Columbia originate. I.K. also expressed concern as to the involvement of the Workers' Compensation Board and the Insurance Corporation of British Columbia in facilitating money laundering.

12. F.H.

F.H. worked in the construction and engineering fields before transitioning to earning income as a full-time poker player at casinos operated by Gateway Casinos & Entertainment Limited. He presented on his role as a victim of crime, including extortion in relation to contract engineering and construction work, by organized crime groups operating throughout casinos in British Columbia.

F.H. spoke to his efforts to inform authorities, including the RCMP, of his experiences with organized crime groups, which he explained have operated at casinos in Vancouver as recently as September 2019. He expressed concern over the authorities' refusal to investigate into the use of laundered funds to purchase real estate throughout British Columbia, and that organized crime groups have infiltrated the highest level of the casinos, including those responsible for monitoring security cameras.

13. C.P.

C.P. is a contributing editor to *The Tyee*. He asked the Commissioner whether he may compel any person to appear as a witness during the evidentiary hearings.

Mr. Brock Martland, Q.C., Senior Commission Counsel, replied that, under the *Public Inquiry Act*, S.B.C. 2007, c. 9, the Commission may compel evidence, including requiring witnesses to answer questions or the production of documents, if necessary to do so.