

OOP FOI PREM:EX

From: Holmwood, Jen PREM:EX
Sent: March 7, 2019 10:53 AM
To: Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX
Subject: FW: Public Inquiry into money laundering
Attachments: Letter to Premier - John Horgan - Public Inquiry into Money Laundering in BC - 2019-03.06.pdf

FYI

From: Rochon, Jake PREM:EX
Sent: Thursday, March 7, 2019 10:30 AM
To: Holmwood, Jen PREM:EX <Jen.Holmwood@gov.bc.ca>; Howlett, Tim GCPE:EX <Tim.Howlett@gov.bc.ca>
Cc: Farmer, Susan PREM:EX <Susan.Farmer@gov.bc.ca>; Huycke, Kayla PREM:EX <Kayla.Huycke@gov.bc.ca>
Subject: FW: Public Inquiry into money laundering

Hi all!

Please find the attached letter from Mayor Stewart calling for an inquiry into money laundering. We will request AG prepare a response. If you'd like any additional or different action please let us know. Thank you!

From: Stewart, Kennedy <Kennedy.Stewart@vancouver.ca>
Sent: March 7, 2019 10:25 AM
To: OfficeofthePremier, Office PREM:EX <Premier@gov.bc.ca>
Cc: Minister, AG AG:EX <AG.Minister@gov.bc.ca>; Minister, FIN FIN:EX <FIN.Minister@gov.bc.ca>
Subject: Public Inquiry into money laundering

Dear Premier Horgan,

Please see attached letter for information.

Sincerely,
Kennedy Stewart
Mayor, City of Vancouver



MAYOR KENNEDY STEWART

March 06, 2019

The Honourable John Horgan, M.L.A.
Premier of British Columbia
PO Box 9041 STN PROV GOVT
Victoria, BC
V8W 9E1

Dear Premier Horgan:

I am writing on behalf of Vancouver City Council to call for a Commission of Public Inquiry into money laundering in British Columbia, focusing on the impacts on Vancouver real estate, and the overdose crisis. A copy of the final motion approved by Vancouver City Council on February 13, 2019 is included as an appendix to this letter.

We respectfully recommend that the Inquiry begin after Peter German's review of money-laundering is completed in March, and request that the terms of reference for this Commission of Public Inquiry include the following components:

- Investigation into money laundering in Vancouver real estate that may have deepened the city's housing affordability crisis;
- Investigation into links between organized crime, money laundering, and the overdose crisis, which resulted in the deaths of nearly 1500 people across BC in 2018, including an estimated 353 people in Vancouver.

We recognize the severity of the impacts that money laundering has had in our city. Our Council passed a motion on January 29, 2019, to affirm our support to work with your government, the Vancouver Police Department, the RCMP and appropriate investigative teams to prevent money laundering that could be directly or indirectly linked to businesses operating with or without a business license in the city of Vancouver, including cryptocurrency ATMs. We have also invited Mr. German to present to our Council later in the spring.

An estimated 353 overdose deaths have occurred in Vancouver in 2018, which is almost on par with the 369 overdose deaths that occurred in 2017, despite the extensive harm reduction investments in Vancouver. Vancouver continues to have the highest rates of death per capita in BC, with 58 deaths per 100,000 people this year, and Vancouver continues to be the most impacted city of the overdose crisis in Canada.



Vancouver's housing affordability crisis has skyrocketed over recent years. Data from the Real Estate Board of Greater Vancouver shows that the average price of a single-family detached home in Greater Vancouver increased as much in 2016 as it did from 1981 to 2005. Local housing costs far exceed local incomes, and the gap between housing costs and local incomes increased sharply between 2011 and 2016.

The City of Vancouver urges you to call for a public inquiry into money laundering in British Columbia, focusing on the impacts on Vancouver real estate, and the overdose crisis.

We look forward to hearing back from you and your Cabinet colleagues on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Kennedy Stewart".

Kennedy Stewart
Mayor, City of Vancouver

Encls: Appendix.

Cc: Honourable Carole James, M.L.A., Minister of Finance and Deputy Premier
Parliament Buildings, Victoria, British Columbia V8V 1X4

Honourable David Eby, M.L.A., Attorney General, Parliament Buildings, Victoria,
British Columbia, V8V 1X4

Appendix

Vancouver City Council Motion
February 13, 2019

Call for a Public Inquiry into Money Laundering in B.C. and Impacts on Vancouver Real Estate and the Overdose Crisis

WHEREAS

1. Peter German's 'Dirty Money' report commissioned by B.C.'s Attorney General, revealed significant money laundering taking place in Lower Mainland casinos, estimating over \$1 million has been laundered in B.C.;
2. The work of local investigative journalists, including findings from an RCMP study, has revealed links between money laundering, fentanyl distribution, and Vancouver real estate. These reports estimate that over \$1 billion could have been laundered through Vancouver homes;
3. The Provincial Government continues to investigate these links, through an Expert Panel on Money Laundering, an anonymous tip portal, and a second study by Peter German to be completed in March 2019;
4. Vancouver City Council passed a motion on January 29, 2019, submitted by Councillor De Genova, on Deterring and Preventing Money Laundering and the Business of Organized Crime in the City of Vancouver. That motion included that:
 - a. Page 16 of the Dirty Money Report, recommendation "R45" suggests "That the Province undertake research into allegations of organized crime penetration of the real estate industry";
 - b. In "Dirty Money" Mr. German states "79. Part 2 overviews the phenomenon of transnational organized crime and the unique position in which Vancouver finds itself. It describes the 'Vancouver Model', which provides a very practical framework for what has occurred in recent years. A primer is included on money laundering";
 - c. Mr. German also states in his report the most lucrative crimes in Vancouver are related to illegal drug sales. The drugs of choice cover the spectrum, from natural products such as cannabis, cocaine and heroin, to chemical creations such as opioids and hallucinogens;
5. As of December 16, 2018, an estimated 353 overdose deaths have occurred in Vancouver in 2018, which is almost on par with the 369 overdose deaths that occurred in 2017, despite the extensive harm reduction investments in Vancouver. Vancouver continues to have the highest rates of death per capita in BC, with 58 deaths per 100,000 people this year, and Vancouver continues to be the most impacted city of the overdose crisis in Canada;
6. Vancouver's housing affordability crisis has skyrocketed over recent years. Data from the Real Estate Board of Greater Vancouver shows that the average price

of a single-family detached home in Greater Vancouver increased as much in 2016 as it did from 1981 to 2005. Local housing costs far exceed local incomes, and the gap between housing costs and local incomes increased sharply between 2011 and 2016;

7. Charbonneau Commission deputy chief prosecutor Simon Tremblay has stated that an inquiry could exist side-by-side with any other investigation in B.C., as happened in Quebec. Meaning that existing investigations needn't be a barrier to beginning a larger Public Inquiry; and
8. British Columbians are in favour of a public inquiry into money laundering. A Research Co. poll last August showed that three-in-four residents (76%) believe the provincial government should "definitely" or "probably" call a public inquiry.

THEREFORE BE IT RESOLVED

- A. THAT Council endorse a call for the Provincial Government to launch a Commission of Public Inquiry into money laundering in B.C. to begin after Peter German's review of money-laundering in B.C. real estate, due in March 2019.
- B. THAT the Mayor write a letter to the Premier, the Minister of Finance, and the Attorney General, communicating the City of Vancouver's support for a Commission of Public Inquiry.
- C. THAT Council request the terms of reference for this Commission of Public Inquiry include:
 - i. Investigation into money laundering in Vancouver real estate that may have deepened the city's housing affordability crisis; and
 - ii. Investigation into links between organized crime, money laundering, and the overdose crisis, which resulted in the deaths of nearly 1500 people across BC in 2018, including an estimated 353 people in Vancouver.
