

From: [Aaron, Sage PREM:EX](#)
To: [LP PREM Directors; Holmwood, Jen PREM:EX; s.22](#) [McConnell, Sheena PREM:EX; Smith, George PREM:EX](#)
Subject: RE: german part 2 NR and BG
Date: May 7, 2019 11:09:36 AM
Attachments: [DRAFT.pdf](#)

Final draft of the NR

From: Aaron, Sage PREM:EX
Sent: May 7, 2019 10:27 AM
To: LP PREM Directors ; Holmwood, Jen PREM:EX ; McConnell, Sheena PREM:EX ; Smith, George PREM:EX
Subject: german part 2 NR and BG
FYI. These versions are last night's and pre-copy edits, in case you some stray formatting errors.

NEWS RELEASE

Not Approved
May 7, 2019

Ministry of Attorney General

Second German report finds money laundering in B.C. luxury car market

VICTORIA – British Columbia’s luxury car sector is being used to launder the proceeds of crime, according to an independent review on money laundering through luxury cars and horse racing by former senior RCMP officer Peter German.

German's report, released Tuesday, May 7, 2019, is the first detailed examination of money laundering in luxury car sales in Canada.

The review found car dealers in B.C. reporting that individuals were bringing bags of money or orchestrating multiple small international wire transfers to different accounts to buy cars. Individuals with high-level criminal records are alleged to be principals in some used luxury car dealerships in the province. The report also uncovered a complicated luxury-vehicle export scheme involving hundreds of “straw buyers”. This is a grey market that German says is ideal to facilitate trade-based money laundering.

“This report is disturbing confirmation that money laundering in B.C. is a problem that goes beyond our casinos,” said David Eby, Attorney General. “In the luxury car market, there is no financial reporting of large cash purchases, no oversight of international bank wire transfers and no apparent investigation or enforcement. It’s all a recipe for exactly what happened here – Vancouver becoming North America’s luxury car capital, generally, and perhaps North America’s used luxury car export capital too.”

The new report describes individuals known as straw buyers who help facilitate the transaction of vehicles between sellers and exporters, and the dramatic increase in the use of the provincial sales tax (PST) refund, which applies to vehicles purchased in B.C. to be sold abroad.

Before 2014, fewer than 100 vehicles a year received the refund. In 2016, the PST was rebated on 3,674 vehicles. Since 2013, almost \$85 million in PST refunds have been paid by government for the export of vehicles. The source and destination of funds for the buyers and sellers, and any income tax reporting by any of these individuals or entities, is unknown.

“We have not waited to take action on this report. The Ministry of Finance is reviewing Dr. German's findings, **and** vehicle exporters' use of the PST refund program. Details of allegations made in the report have been forwarded to police, ICBC and the Vehicle Sales Authority. We are also preparing plans for regulation of the luxury car sector,” Eby said. “Our government is committed to stamping out money laundering and the damage caused by organized crime – and building an economy that works for people in B.C.”

The impact of money laundering on the luxury car market is only part of German’s full report that will also include his findings on B.C.’s real estate sector. The full report will be released soon.

“Vancouver has an international reputation for being a desirable location for the activities of organized crime,” German said. “Our review of these sectors has shone a spotlight on how significant money laundering is in B.C., including in the luxury car sector. I am grateful for all the information I received from members of the public, government agencies, industry insiders and law enforcement during my review. I hope the report provides a window into money laundering in our province because it is a problem that can no longer remain unchecked.”

Learn More:

Link to report (luxury car, horse racing sections only): XXXXXXXXXXXXXXXXXXXX

Review finds zero dedicated federal anti-money laundering police officers working in B.C.: <https://news.gov.bc.ca/releases/2019AG0031-000599>

Province cracking down on money laundering: <https://news.gov.bc.ca/releases/2018AG0052-001297>

Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos: https://news.gov.bc.ca/files/Gaming_Final_Report.pdf

Province launches probe into dirty money in real estate (news release, updated Sept. 28) 2018): <https://news.gov.bc.ca/releases/2018FIN0072-001884>

A backgrounder follows.

Contact:

Ministry of Attorney General
Media Relations
778 678-1572

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUND

Not Approved
May 7, 2019

Ministry of Attorney General

Highlights of Peter German's report findings

In September 2018, Peter German was asked to examine potential money laundering in the real estate, luxury car and horse racing sectors. Government has released sections of German's report pertaining to luxury cars and horse racing.

German's review found that, "organized crime figures are unhindered in their ability to launder the proceeds of crime through high-end, luxury vehicle purchases within Greater Vancouver," (p. 22).

German examined several areas of involvement of organized crime in luxury cars:

- the use of vehicle purchases to launder money in B.C., including luxury car resellers and lease companies;
- Grey market vehicle exports, a form of trade-based money laundering;
- the export of stolen luxury vehicles for profit; and
- the use of luxury vehicles as crime vehicles to facilitate other organized criminal activities.

German's findings on luxury cars include:

There are few barriers to laundering the proceeds of crime through luxury vehicle purchases within Greater Vancouver (Chapter 3-3)

- Some vehicle dealers have accepted large sums of cash from suspicious individuals with unknown sources of income, to pay for luxury vehicles.
- Dealers and luxury car resellers are not required to report large cash or suspicious transactions to authorities such as FinTRAC and don't have to require proof of source of funds from prospective customers.
- There is no barrier to dealers accepting the total amount **of a vehicle purchase** in cash, by bank draft, by overseas wire, or on a credit card.

Organized crime is potentially receiving tax rebates for trade-based money laundering (Chapter 3-4)

- Organizations are moving laundered proceeds of crime across borders by exporting grey market luxury vehicles – a well-known form of "trade-based" money laundering.
- The Province has seen a dramatic increase in the uptake in the provincial sales tax (PST) rebate program for vehicles destined for sale abroad.
- Before 2014, fewer than 100 vehicles a year received the refund. In 2016, the PST was rebated on 3,674 vehicles.
- In 2016, a single "straw buyer" made 29 purchases, 48 straw buyers made between 11 and 29 purchases and 1,000 straw buyers were linked to one exporter.

- Since 2013, government has refunded a total of \$85 million in PST that is related to vehicle exports, \$83.8 million since 2014 alone.

Organized crime is reportedly exporting stolen luxury vehicles for profit (Chapter 3-1)

- 24% of luxury vehicles stolen in B.C. are not recovered by police, compared to 18% for all vehicles in B.C.
- The difference is believed to be shipped overseas for profit.
- Criminals are taking advantage of lax enforcement, which allows vehicles to be shipped with little scrutiny, as B.C. ports have no dedicated police presence.
- Internationally, this type of criminal activity is associated with the financing of terrorism.

German also examined money laundering in B.C.'s horse-racing sector. He found that horse racing is not currently high risk in terms of money laundering, but that it is a vulnerable sector in light of the absence of reporting to FinTRAC, a lack of training for staff and a lack of regulatory and law enforcement oversight (p. 90). In other parts of the world, horse racing has been used to launder the proceeds of crime through cash bets, purchasing race horses, race fixing and insurance fraud.

The full report, including his findings on the real estate sector, will be released soon.

Contact:

Ministry of Attorney General
Media Relations
778 678-1572

Connect with the Province of B.C. at: news.gov.bc.ca/connect

From: [Nash, Amber PREM:EX](#)
To: [Aaron, Sage PREM:EX](#)
Subject: RE: AML rollout
Date: May 3, 2019 3:31:45 PM

s.22

From: Aaron, Sage PREM:EX
Sent: May 3, 2019 7:52 AM
To: Nash, Amber PREM:EX
Subject: Fwd: AML rollout

Sage
778-678-0832
Sent from my mobile device

Begin forwarded message:

From: "Meggs, Geoff PREM:EX" <Geoff.Meggs@gov.bc.ca>
Date: May 3, 2019 at 7:50:27 AM PDT
To: "Eby, David AG:EX" <David.Eby@gov.bc.ca>, "James, Carole FIN:EX" <Carole.James@gov.bc.ca>
Cc: "Wright, Don J. PREM:EX" <Don.J.Wright@gov.bc.ca>, "Wanamaker, Lori FIN:EX" <Lori.Wanamaker@gov.bc.ca>, "Fyfe, Richard J AG:EX" <Richard.Fyfe@gov.bc.ca>, "Harder, Derrick AG:EX" <Derrick.Harder@gov.bc.ca>, "Spilker, Robyn FIN:EX" <Robyn.Spilker@gov.bc.ca>, "Lawson, Liam FIN:EX" <Liam.Lawson@gov.bc.ca>, "Howlett, Tim GCPE:EX" <Tim.Howlett@gov.bc.ca>, "Aaron, Sage PREM:EX" <Sage.Aaron@gov.bc.ca>, "Smith, George PREM:EX" <George.Smith@gov.bc.ca>
Subject: AML rollout

Good afternoon,
Good morning,

In response to a number of inquiries and after consultation with Don Wright, I'd like to confirm the following arrangements for next steps in the anti-money laundering file:

Timeline

May 7 – release of German chapters on luxury cars and horse racing (Minister Eby) subject to understanding that there will be no commitment to new resources, explicit or implied. Since there are no recommendations, this understanding will be an acceptable substitute for TB review.

s.12

May 9 – release of German and Maloney reports, Ministers James and Eby. Again, no commitment to new resources at this time, but report is a MoF document so possible future considerations are well understood.

s.12

s.12

I have asked for a meeting for PJH, MDE and MCJ to consider the final steps for Monday.

Thanks for your assistance

Geoff

GEOFF MEGGS

Chief of Staff, Premier's Office

West Annex, Parliament Buildings

Victoria, BC, V8V 1K7

250 387-1715

From: [Aaron, Sage PREM:EX](#)
To: [Meggs, Geoff PREM:EX](#)
Subject: AG release for Monday
Date: April 6, 2019 6:12:33 PM
Attachments: [attachment 1.docx](#)

Page 09 of 33 to/à Page 10 of 33

Withheld pursuant to/removed as

s.13

From: [Aaron, Sage PREM:EX](#)
To: [LP PREM Directors](#); [Holmwood, Jen PREM:EX](#); [McConnell, Sheena PREM:EX](#); [Smith, George PREM:EX](#)
Subject: german part 2 NR and BG
Date: May 7, 2019 10:27:24 AM
Attachments: [20190506 NR Horse Racing and Luxury Cars - Draft 12.docx](#)
[ATT00001.htm](#)
[20190506 BG Horse Racing and Luxury Cars - DRAFT 3.docx](#)
[ATT00002.htm](#)

FYI. These versions are last night's and pre-copy edits, in case you some stray formatting errors.

NEWS RELEASE

For Immediate Release
[release number]
May 7, 2018

Ministry of Attorney General

Second German report finds money laundering in B.C. luxury car market

s.13

“This report is disturbing confirmation that money laundering in B.C. is a problem that goes beyond our casinos,” said B.C. Attorney General David Eby. “In the luxury car market there is no financial reporting of large cash purchases, no oversight of international bank wire transfers, and no apparent investigation or enforcement. It’s all a recipe for exactly what happened here – Vancouver becoming North America’s luxury car capital generally, and perhaps North America’s used luxury car export capital too.”

The new report describes individuals known as straw buyers who help facilitate the transaction of vehicles between sellers and exporters, and the dramatic increase in the use of the Provincial Sales Tax (PST) refund, which applies to vehicles purchased in B.C. to be sold abroad.

Before 2014, less than 100 vehicles a year received the refund. In 2016, the PST was rebated on 3,674 vehicles. Since 2013, almost \$85 million in PST refunds have been paid by government for the export of vehicles. The source and destination of funds for the buyers and sellers, and any income tax reporting by any of these individuals or entities, is unknown.

s.13

The impact of money laundering on the luxury car market is only part of German’s full report that will also include his findings on B.C.’s real estate sector. The full report will be released soon.

“Vancouver has an international reputation for being a desirable location for the activities of organized crime,” said Dr. Peter German. “Our review of these sectors has shone a spotlight on how significant money laundering is in B.C. – including in the luxury car sector. I am grateful for all the information I received from members of the public, government agencies, industry insiders and law enforcement during my investigations. I hope the report provides a window into money laundering in our province because it is a problem that can no longer remain unchecked.”

Learn More:

Link to report (luxury cars, horse racing sections only)

Review finds zero dedicated federal anti-money laundering police officers working in B.C.: <https://news.gov.bc.ca/releases/2019AG0031-000599>

Province cracking down on money laundering: <https://news.gov.bc.ca/releases/2018AG0052-001297>

Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos: https://news.gov.bc.ca/files/Gaming_Final_Report.pdf

Province launches probe into dirty money in real estate (news release, updated Sept. 28) 2018): <https://news.gov.bc.ca/releases/2018FIN0072-001884>

Media Contact:

Ministry of Attorney General
778 678-1572

Backgrounder

s.13

Dr. Peter German's review found that "Organized crime figures are unhindered in their ability to launder the proceeds of crime through high-end, luxury vehicle purchases within Greater Vancouver" (p. 22).

German examined several areas of involvement of organized crime in luxury cars:

- The use of vehicle purchases to launder money in B.C., including luxury car resellers and lease companies
- Grey market vehicle exports, a form of trade-based money laundering
- The export of stolen luxury vehicles for profit
- The use of luxury vehicles as crime vehicles to facilitate other organized criminal activities

German's findings on luxury cars include:

There are few barriers to laundering the proceeds of crime through luxury vehicle purchases within Greater Vancouver (Chapter 3-3)

- Some vehicle dealers have accepted large sums of cash from suspicious individuals with unknown sources of income, to pay for luxury vehicles
- Dealers and luxury car resellers are not required to report large cash or suspicious transactions to authorities such as FinTRAC and don't have to require proof of source of funds from prospective customers.
- There is no barrier to dealers accepting the total amount in cash, by bank draft, by overseas wire, or on a credit card.

Organized crime is potentially receiving tax rebates for trade-based money laundering (Chapter 3-4)

- Organizations are moving laundered proceeds of crime across borders by exporting grey market luxury vehicles – a well-known form of "trade-based" money laundering.

s.13

- Before 2014, less than 100 vehicles a year received the refund. In 2016, the PST was rebated on 3,674 vehicles.
- In 2016, a single "straw buyer" made 29 purchases, 48 straw buyers made between 11 and 29 purchases, and 1,000 straw buyers were linked to one exporter.
- Since 2003, government has refunded a total of \$85 million in PST related to vehicle exports – \$83.8 million since 2014 alone.

Organized crime is reportedly exporting stolen luxury vehicles for profit (Chapter 3-1)

- 24% of luxury vehicles stolen in B.C. are not recovered by police, compared to 18% for all vehicles in B.C.
- The difference is believed to be shipped overseas for profit.
- Criminals are taking advantage of lax enforcement which allows vehicles to be shipped with little scrutiny, as B.C. ports have no dedicated police presence.
- Internationally, this type of criminal activity is associated with the financing of terrorism.

German also examined money laundering in B.C.'s horse racing sector. He found that horse racing is not currently high risk in terms of money laundering, but that it is a vulnerable sector in light of the absence of reporting to FinTRAC, a lack of training for staff and a lack of regulatory and law enforcement oversight (p. 90). In other parts of the world, horse racing has been used to launder the proceeds of crime through cash bets, purchasing race horses, race fixing and insurance fraud.

The full report, including his findings on the real estate sector, will be released soon.

From: [Aaron, Sage PREM:EX](#)
To: [LP PREM Directors](#)
Subject: NR AML RE reports Draft May8 805pm.docx
Date: May 9, 2019 12:16:47 PM
Attachments: [NR AML RE reports Draft May8 805pm.docx](#)
[ATT00001.txt](#)

NEWS RELEASE

For Immediate Release
[release number]
May 9, 2019

Ministry of Finance
Ministry of Attorney General

Billions in money laundering increased cost of housing for British Columbians, Expert Panel finds

VICTORIA – More than \$7 billion in dirty money was laundered in B.C. in 2018, hiking the cost of buying a home by about 5%, according to British Columbia’s Expert Panel on Money Laundering in Real Estate.

“Our housing market should be used for housing people – not for laundering the proceeds of crime,” says Carole James, Minister of Finance. “The amount of money being laundered in B.C. and through real estate is much more than anyone predicted. Our government is tackling the housing crisis head-on and taking action to combat the money laundering that has been allowed to drive up housing costs for British Columbians for far too long.”

The panel’s report, released today along with the remaining chapters of Peter German’s review into money laundering in real estate, luxury cars and horse racing, estimates that a total of \$7.4 billion was laundered in B.C. in 2018. The Expert Panel estimates that \$5 billion was laundered through the real estate market.

Dr. German’s report found thousands of specific properties worth billions as “high risk” for potential money laundering, tax evasion, or both. He also found that there was no agency or police force with adequate oversight or resources to investigate these suspicious activities. This builds on Dr. German’s first report into money laundering in casinos, and his work on luxury cars, demonstrating the pervasiveness of dirty money across B.C.’s economy.

“Wealthy criminals and those attempting to evade taxes have had the run of our province for too long, to the point that they are now distorting our economy, hurting families looking for housing and impacting those who have lost loved ones due to opioid overdose,” said David Eby, Attorney General. “By closing loopholes and enforcing improved laws, our government will ensure British Columbians will live in a province where families who work hard and play by the rules are rewarded, and those who break the law face appropriate consequences for their illegal activities.”

The Expert Panel’s report and recommendations address many of the troubling practices and problems German’s findings identify. The Minister of Finance and the Attorney General are reviewing the findings from both reports and will be taking further action to get dirty money out of B.C.

Government has already taken significant steps to make the real estate market more fair and transparent, and to fight dirty money.

“As a conservative estimate, we’re looking at money laundering on the scale of \$7.4 billion in 2018. That’s just for B.C., let alone the rest of Canada,” says Maureen Maloney, the chair of the Expert Panel on Money Laundering in Real Estate. “B.C. has taken a major step to prevent money laundering with its proposed registry of beneficial owners of land – the single most important measure that can be taken to combat money laundering in real estate.

One year since introducing its 30-point housing plan, government has taken the following actions to address tax fraud and close loopholes in the real estate market:

- Introduced legislation to establish Canada’s first public registry of beneficial owners to put an end to the hidden ownership of real estate in B.C.;
- Established Canada’s first online register for pre-sale condo sales to track assignments;
- Updated the property transfer tax return to uncover beneficial owners behind corporations and trusts;
- Enacted legislation to allow information sharing on the homeowner grant with federal tax officials to improve tax enforcement;
- Strengthened property transfer tax auditors’ ability to take action on tax evasion;
- Implemented the speculation and vacancy tax, which targets foreign owners and satellite families who own real estate in the province but pay little or no tax in B.C.; and
- Established a federal-provincial working group on tax fraud and money laundering.

Learn More:

Read the Expert Panel’s full report: [\[link\]](#)

Read Peter German’s report: [\[link\]](#)

See the Expert Panel’s presentation: [\[link\]](#)

See Peter German’s presentation: [\[link\]](#)

For more information about the Land Owner Transparency Act:

<https://news.gov.bc.ca/releases/2019FIN0037-000545>

Read “Homes for B.C.: A 30-Point Plan for Housing Affordability” here:

https://www.bcbudget.gov.bc.ca/2018/homesbc/2018_homes_for_bc.pdf

Media Contact:

Media Relations
Ministry of Finance
250 356-0543

Media Relations
Attorney General
778 678-1572

From: Meggs, Geoff PREM:EX
To: Aaron, Sage PREM:EX
Cc: s.17 Hockin, Amber PREM:EX
Subject: Re: For review: Op Ed - Public Inquiry
Date: May 22, 2019 7:03:03 PM

Looks good

Sent from my iPhone

On May 22, 2019, at 6:23 PM, Aaron, Sage PREM:EX <Sage.Aaron@gov.bc.ca> wrote:

For the usual papers.

Photo:

<https://www.flickr.com/photos/bcgovphotos/40891024553/in/photolist-25ipbYH-2eHfvue-2fV23d2-TLHLpW-2fV22Jr-2eHfuMG-S9rPNz-2fV22ei-2ew3Esp-S9rPgT-S9rPaR-25ipaGV-25ipazv-GbDa1M-GbDac8-GbDagr-FLwPvf-2fR9bap-2esagTM-2fR9aPV-2fLx6u7-2fR9aC2-2eDnV73-25exoBk-2fLx5Wo-TGSoEu-2eDnUwL-2eDnUem-TGSo8h-2fLx5fy-TFx6fU-2eC41XW-S4i2Mn-S4i2yM-2fKbpkL-2eqQ45K-2fK9Deb-QC7ycF-28JnifY-MJDEtn-2fPN57t-2buzc9r-Ls8nLw-Ls8nA1-Ls8nth-Ls8npj-27dd3mv-MJDEF8-28JnbHu-28zVJ3p/>

Caption: Premier John Horgan, Minister of Finance Carole James, and Attorney General David Eby, announce a public inquiry into money laundering that has distorted British Columbia's economy and inflated housing prices.

Evicting dirty money from B.C. homes

By John Horgan, Premier of B.C.

Many British Columbians were shocked when they heard the findings of the Expert Panel on Money Laundering in Real Estate. More than \$7 billion in dirty money was laundered in B.C. last year alone. About \$5 billion of that went through B.C.'s real estate market, driving housing prices up and hurting families, seniors and students. It is wrong that British Columbians are carrying the costs of crime.

Everywhere I go, people tell me the same thing: the rising cost of housing weighs heavily on their minds and pocketbooks. Our government refuses to let B.C. remain a hotbed for criminal activity. We are taking action to get dirty money out of our province, and we're working to make sure British Columbians can find a secure, affordable place to call home.

Since the day we formed government just under two years ago, we have worked to tackle the housing crisis and fraud that was ignored for over a decade. We have taken decisive action to stop these problems, but questions remain about how we got here, and people deserve answers.

This is why we announced last week that we are launching a public inquiry into money laundering in B.C.

This inquiry will be led by B.C. Supreme Court Justice Austin F. Cullen and will look at the full scope of money laundering in B.C., including real estate, gaming, financial institutions and the corporate and professional sectors. He will have the ability to interview witnesses and compel people to cooperate.

The fact that dirty money in B.C. real estate could be responsible for raising housing prices by 5% across the boards is unacceptable. That number could be as high as 20% in Metro Vancouver. This inflation could stand in the way of someone's ability to secure a down payment or get approved for a mortgage.

We also know that money laundering has contributed to drug trafficking, and the overdose crisis, which has taken the lives of so many loved ones.

The work we've done so far through the Expert Panel on Money Laundering in Real Estate and Peter German's work has shone a light into the dark well of money laundering in B.C. We have only scratched the surface. This inquiry will deepen our work to uncover answers about who knew what, and when, and who is profiting from money laundering in our province.

The inquiry will help us identify better protections to shut out money laundering and keep our economy strong and working for people, not organized crime. While it is underway, we will continue to engage with federal partners, enact legislation, work with the RCMP and implement solutions now.

I am optimistic that tackling money laundering in B.C. real estate will help make housing more affordable, but this inquiry is not a silver bullet. That's why we're tackling the housing crisis in a number of ways.

We implemented the Speculation and Vacancy Tax to target foreign and domestic speculators who own residences in B.C. but don't pay taxes here. We have passed world-leading legislation to establish Canada's first public registry to tackle hidden land ownership in B.C. And, we continue to implement our 30-point plan for housing affordability, in addition to making the biggest investment in housing in B.C.'s history. Money laundering is not a victimless crime. It has hurt, and is hurting, people in B.C. every day.

Since day one, our government has been working to make life better for people in B.C. Cracking down on money laundering is part of that work. Public safety, housing affordability and the strength of our economy is at stake, and we are committed to steering our province in a better direction.

Page 21 of 33

Withheld pursuant to/removed as

s.13; s.12

Page 22 of 33 to/à Page 28 of 33

Withheld pursuant to/removed as

s.12; s.13

Dunnett, Jennifer PREM:EX

From: Richards, Erin GCPE:EX
Sent: May 22, 2019 3:19 PM
To: Aaron, Sage PREM:EX
Cc: McGregor, Cara GCPE:EX; Dunnett, Jennifer PREM:EX; Dalzell, Danielle GCPE:EX; Hooper, Tyler GCPE:EX
Subject: RE: 20190517_Op-Ed_Public Inquiry_Money Laundering_V5_SA
Attachments: 20190522_Op-Ed_Public Inquiry_Money Laundering_V6.docx

Thank you! These have been incorporated and sent to Tyler.

Erin Richards
250-361-6901

From: Aaron, Sage PREM:EX
Sent: May 22, 2019 2:03 PM
To: Richards, Erin GCPE:EX <Erin.Richards@gov.bc.ca>
Cc: McGregor, Cara GCPE:EX <Cara.McGregor@gov.bc.ca>; Dunnett, Jennifer PREM:EX <Jennifer.Dunnett@gov.bc.ca>; Dalzell, Danielle GCPE:EX <Danielle.Dalzell@gov.bc.ca>; Hooper, Tyler GCPE:EX <Tyler.Hooper@gov.bc.ca>
Subject: 20190517_Op-Ed_Public Inquiry_Money Laundering_V5_SA

Edits requested, in comments. Then should be good to go.

Evicting dirty money from B.C. homes

By John Horgan, Premier of B.C.

Many British Columbians were shocked when they heard the findings of the Expert Panel on Money Laundering in Real Estate. More than \$7 billion in dirty money was laundered in B.C. last year alone. About \$5 billion of that went through B.C.'s real estate market, driving housing prices up and hurting families, seniors and students.

It is wrong that British Columbians are carrying the costs of crime.

Everywhere I go, people tell me the same thing: the rising cost of housing weighs heavily on their minds and pocketbooks. Our government refuses to let B.C. remain a hotbed for criminal activity. We are taking action to get dirty money out of our province, and we're working to make sure British Columbians can find a secure, affordable place to call home.

Since the day we formed government just under two years ago, we have worked to tackle the housing crisis and fraud that was ignored for over a decade. We have taken decisive action to stop these problems, but questions remain about how we got here, and people deserve answers.

This is why we announced last week that we are launching a public inquiry into money laundering in B.C.

This inquiry will be led by B.C. Supreme Court Justice Austin F. Cullen and will look at the full scope of money laundering in B.C., including real estate, gaming, financial institutions and the corporate and professional sectors. He will have the ability to interview witnesses and compel people to cooperate.

The fact that dirty money in B.C. real estate could be responsible for raising housing prices by 5% across the boards is unacceptable. That number could be as high as 20% in Metro Vancouver. This inflation could stand in the way of someone's ability to secure a down payment or get approved for a mortgage.

We also know that money laundering has contributed to drug trafficking, and the overdose crisis, which has taken the lives of so many loved ones.

The work we've done so far through the Expert Panel on Money Laundering in Real Estate and Peter German's work has shone a light into the dark well of money laundering in B.C. We have only scratched the surface. This inquiry will deepen our work to uncover answers about who knew what, and when, and who is profiting from money laundering in our province.

The inquiry will help us identify better protections to shut out money laundering and keep our economy strong and working for people, not organized crime. While it is underway, we will continue to engage with federal partners, enact legislation, work with the RCMP and implement solutions now.

I am optimistic that tackling money laundering in B.C. real estate will help make housing more affordable, but this inquiry is not a silver bullet. That's why we're tackling the housing crisis in a number of ways.

We implemented the Speculation and Vacancy Tax to target foreign and domestic speculators who own residences in B.C. but don't pay taxes here. We have passed world-leading legislation to establish Canada's first public registry to tackle hidden land ownership in B.C. And, we continue to implement our 30-point plan for housing affordability, in addition to making the biggest investment in housing in B.C.'s history.

Money laundering is not a victimless crime. It has hurt, and is hurting, people in B.C. every day.

Since day one, our government has been working to make life better for people in B.C. Cracking down on money laundering is part of that work. Public safety, housing affordability and the strength of our economy is at stake, and we are committed to steering our province in a better direction.

From: [Williams, Chelsea S](#)
Subject: FW: BC Liberals admit they knew anti-money laundering resources were inadequate but failed to act, says NDP's Kahlon
Date: April 8, 2019 4:12:02 PM
Attachments: [image001.png](#)

FYI - the following release went out this afternoon.

Website: <https://bcndpcaucus.ca/news/bc-liberals-admit-they-knew-anti-money-laundering-resources-were-inadequate-but-failed-to-act-says-ndps-kahlon/>

Twitter: <https://twitter.com/BCNDPCaucus/status/1115390619273191424>

Facebook: <https://www.facebook.com/BCNDPCaucus/posts/2333703290025856>



<http://bcndpcaucus.ca> 250-953-4992

For Immediate Release
April 8, 2019

BC Liberals admit they knew anti-money laundering resources were inadequate but failed to act, says NDP's Kahlon

VICTORIA - BC Liberal MLA [Mike Morris](#) [admitted today](#) that when he was Public Safety Minister, he knew vacancies were “50% or more” in RCMP positions dedicated to fighting money laundering. Despite his awareness that resources were inadequate, neither he or his colleagues raised concerns.

Today, Attorney General David Eby and Peter German released findings that the federal government currently has no full-time officers dedicated to fighting money laundering. Unlike Morris, Eby called publicly on the federal government to take action to address the situation.

Morris's admission that he was aware but refused to act further establishes a pattern of the BC Liberals failing to respond to clear warning signs, including:

- Eliminating the integrated illegal gaming enforcement team in 2009 ([Vancouver Sun](#))
- Minister Rich Coleman calling the RCMP to crack down on Inspector Barry Baxter for sounding the alarm publicly in 2011 ([CBC](#))
- Intervening to raise betting limits in 2014, against warnings from regulators ([Global News](#))

The BC Liberals have also continuously refused to provide cabinet documents to assist in the fight against money laundering.

BC NDP MLA Ravi Kahlon:

“The fact that the federal government has no resources dedicated to tackling money laundering is disturbing. It’s even more disturbing that the BC Liberals knew but failed to act. If Mike Morris knew that the federal government was failing on money laundering, why didn’t he say anything?”

-30-

Media contact: Chelsea Williams 250-953-4992