



# **MONEY LAUNDERING & REAL ESTATE**

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# THE PROBLEM

- **Organized Crime (OC) generates huge amounts of cash**
- **OC must clean its money**
- **Casinos are a cash based industry**
- **China currency controls impact on the movement of money**

# TRANSNATIONAL OC

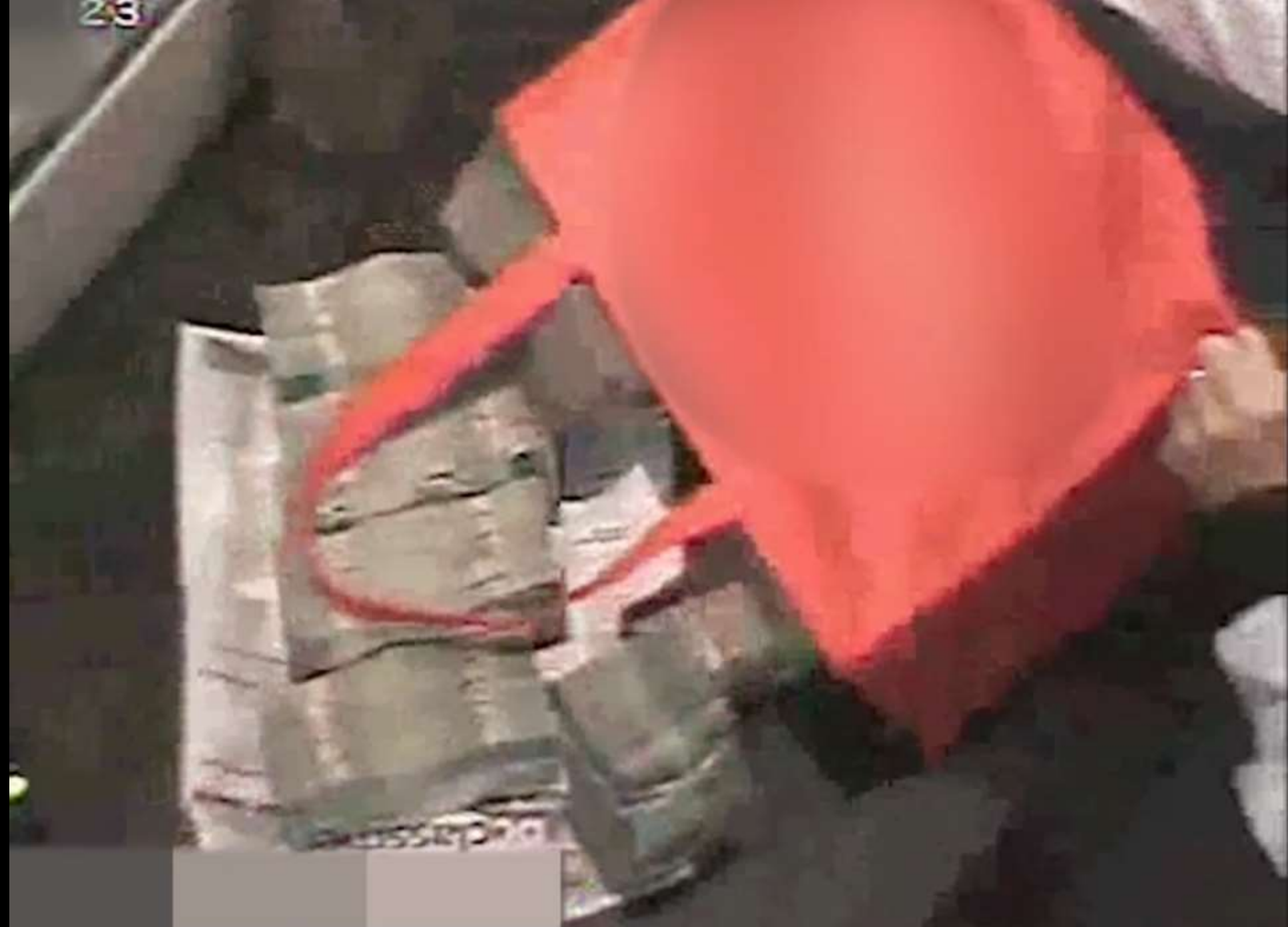


- **Not commodity specific**
- **Loose alliances**
- **Both legal and illegal enterprises**
- **State sponsored elements**

# VANCOUVER



- **Meeting point for Asia / North America - seaport, airport**
- **Modern banking facilities and communication**
- **Access to US / Mexico**
- **Ethnic diasporas**
- **Relatively mild criminal sanctions**
- **Existing OC networks**
- **Little enforcement of white collar crime**
- **City of choice for Asian investors and gamblers**

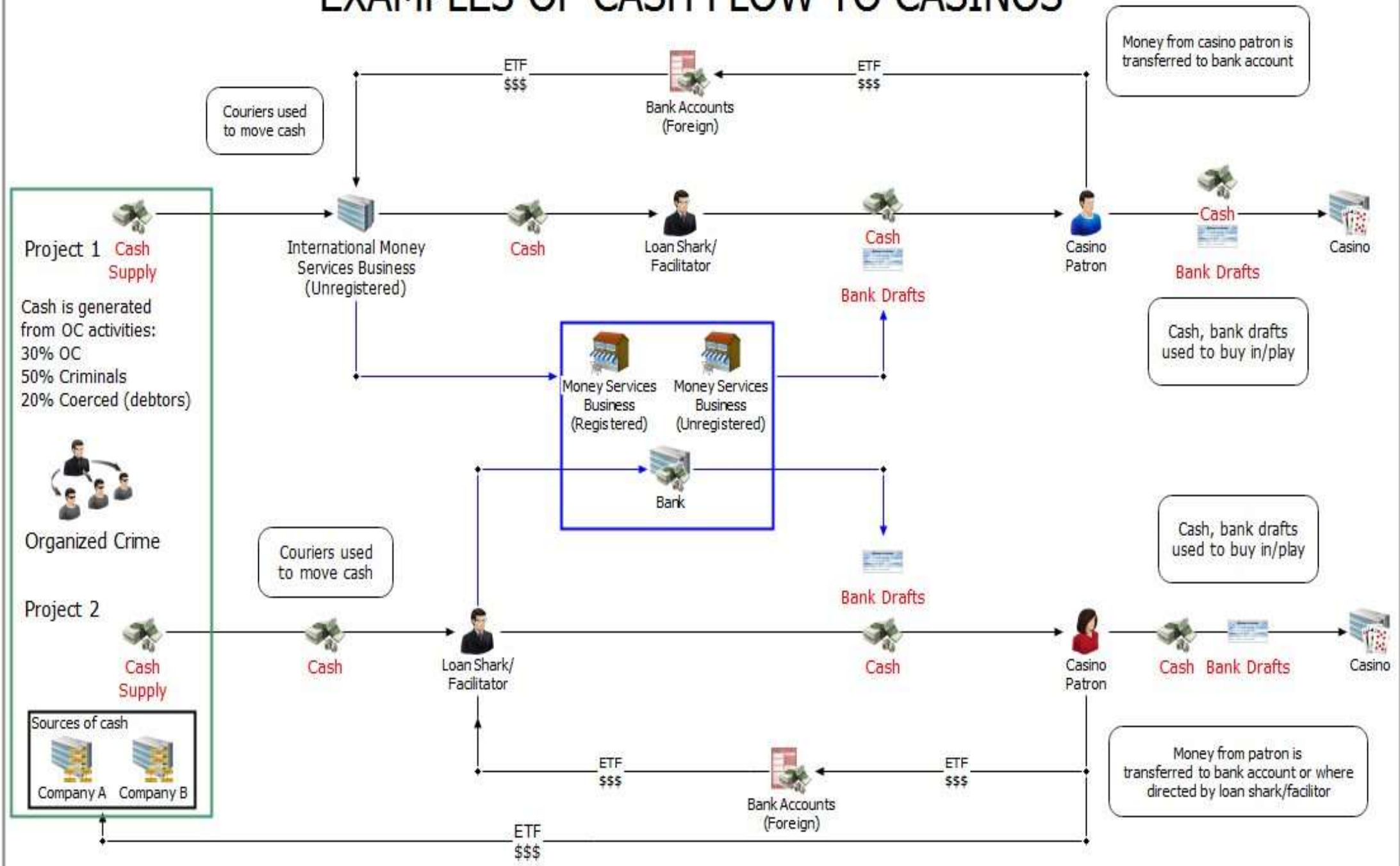


# VANCOUVER MODEL



- **Professor John Langdale, Macquarrie Univ.**
- **Facilitate laundering drug proceeds**
- **Facilitate moving money out of China**
- **OC clips its ticket at both ends, using underground bankers / money service businesses**

# EXAMPLES OF CASH FLOW TO CASINOS



# TERMS OF REFERENCE



- **October 2017 to March 2018**
- **160 persons interviewed**
- **Document review**
- **Ontario and Nevada visits**
- **Interim and final recommendations**
- **Report**
- **June 2018 - Public release**



# DIRTY MONEY

An independent review of anti-money laundering  
policies and practices in Lower Mainland casinos  
by Dr. Peter German



# BC's 'Dirty Money' Casino Investigation Shifts Focus to Housing Market Bubble





# REAL ESTATE



- **Real estate is much larger than Casinos and is at the core of the new BC economy**
- **Known high rollers and cash facilitators do own high value properties**
- **High value properties have been used for illegal gaming**
- **Lawyers and under reporting to FinTRAC**

# UNREGULATED SECTORS



- **In BC - no regulator for legal Money Service Businesses, except FinTRAC and none for illegal MSBs**
- **Luxury cars, boats and auction houses are not subject to FinTRAC reporting – potential for provincial regulation**



**THANK YOU**