

MOTION ON NOTICE

7. **City of Vancouver Led Efforts to Assist the Province of B.C. to Prevent and Report Money Laundering in Vancouver and the Lower Mainland**

MOVER: Councillor De Genova

SECONDER: Councillor Ball

WHEREAS

1. Peter German's report titled "Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos conducted for the Attorney General of British Columbia";
2. The media reported that Mr. German estimates over \$100 million dollars has been laundered in B.C.;
3. In "Dirty Money" Mr. German states in his executive summary "It is about those who purchase illegal drugs, counterfeit products, and stolen property, as well as those who operate in the underground economy and subvert tax laws. It is our problem, not China's problem";
4. 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. Mr. German's review specifically references federal reporting and provincial reporting. He also references Joint Illegal Gaming Investigative Teams (JIGIT) and their plans to work with municipalities. "JIGIT is drafting a plan to engage with and assist municipalities to better leverage and conduct inspections of residences suspected to house illegal businesses, including gaming houses, and enforce by-laws";
6. The City of Vancouver implemented an amendment to the zoning by-law for Medical Marijuana Related Use (MMRU) Licenses in 2015. License fees collected range between \$1000 and \$31,824 annually and the City of Vancouver has collected fines ranging from \$250-\$1000 from dispensaries without a MMRU license;
7. Although the City of Vancouver does not require MMRU operators or businesses operating without a license to show the source of the funds that pay for the license or fees, it is possible that this money collected by the City of Vancouver could be from the sale of illegal drugs; and
8. The City of Vancouver Empty Homes Tax (Vacancy Tax By-law No. 11674) was implemented in 2017 by City Council, collecting 1% of the property's assessed taxable value if the property is left vacant. Currently, there is no system to confirm if the money collected by the City is directly or indirectly linked to money laundering.

THEREFORE BE IT RESOLVED

- A. THAT the Mayor write a letter on behalf of Council to the Attorney General of British Columbia, and affirm the City of Vancouver's support to work with the Province of B.C., the Joint Illegal Gaming Investigative Teams (JIGIT), and when appropriate, the Vancouver Police Department and the Royal Canadian Mounted Police 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; and

FURTHER THAT Council direct staff to work with the Attorney General's office, the Province of B.C. and the appropriate police authorities to identify a system where the City of Vancouver can share pertinent information with the appropriate authorities to prevent and deter money laundering.

- B. THAT Council direct staff to review the possibility of a system that would help to identify funds received by the City of Vancouver that are more likely to be a result of money laundering or from the proceeds of crime. Furthermore that staff report back in September 2018 with any recommendations as to how the City of Vancouver can share this information with the Province of B.C. and the appropriate police agencies.

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