

## MEMORANDUM

January 22, 2019

TO: Vancouver City Council

FROM: Tina Hildebrandt, Meeting Coordinator

SUBJECT: UNFINISHED BUSINESS - Deterring and Preventing Money Laundering and the Business of Organized Crime in the City of Vancouver

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On January 16, 2019, Vancouver City Council, at its meeting immediately following the Standing Committee on City Finance and Services, referred debate and decision on the above-noted motion to the Regular Council meeting on January 29, 2019, as Unfinished Business.

The attached motion refers.

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## MOTION

### 5. **Deterring and Preventing Money Laundering and the Business of Organized Crime in the City of Vancouver**

On January 16, 2019, Vancouver City Council, at its meeting immediately following the Standing Committee on City Finance and Services, referred debate and decision on the following Motion to the Regular Council meeting on January 29, 2019, as Unfinished Business.

Submitted by: Councillor De Genova

#### WHEREAS

1. The Attorney General commissioned 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 Fall 2018, Attorney General David Eby and Minister of Finance Carole James, announced the Expert Panel on Money Laundering will be reviewing British Columbia's real estate sector and offering solutions to prevent market manipulation and money laundering. The panel consists of three members, who offer experience and knowledge pertaining to government policy, real estate and money laundering;
4. 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";
5. 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";
6. 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;
7. 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 B.C. Provincial government and when appropriated, the Vancouver Police Department and the Royal Canadian Mounted Police 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.
- B. 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.
- C. THAT Council direct staff to review the powers available in the *Vancouver Charter*, including but not limited to:
  - i) The ability of the City of Vancouver to require voluntary stringent financial reporting; including but not limited to requiring audited financial statements, from businesses, individuals, corporations and companies when paying specific taxes, business licensing or any type of fee charged by the City of Vancouver in areas of business or property ownership that are more likely to attract money laundering and/or organized crime;
  - ii) The ability of the City of Vancouver to share information related to property ownership, and the collection of fees collected by the City of Vancouver, with senior levels of government, and appropriate agencies, including police agencies and specific investigative teams, in the interest of preventing and deterring money laundering.
- D. THAT staff report back to Council by the end of Q4 2019, including any recommendations.

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