



Via Email: [REDACTED]

June 9, 2020

Cullen Commission of Inquiry into Money Laundering in BC  
PO Box 10073  
601-700 West Georgia Street  
Vancouver, BC V7Y 1B6

Attention: Kelsey A. Rose

Dear Ms. Rose:

**Re: Cullen Commission of Inquiry into Money Laundering in BC**

We write in response to your letter dated April 17, 2020 seeking clarification on some of the information provided by the Office of the Superintendent of Real Estate (“OSRE”) in my letter dated April 9, 2020.

Before responding to the requests set out in your letter, we wish to correct information contained in two of the responses provided in my letter of April 9, 2020 as follows:

Information Request #1: The number of complaints received by OSRE per year, for the past 10 years:

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
197165	207174	247217	264	203	158	172	191	199	279	413

Document Request #1: Any statistics produced on the number of investigations OSRE conducts/has conducted over the past 10 years:

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
43098	439106	452122	147	81	67	108	112	132	230	325

With respect to the requests set out in your April 17, 2020 letter, OSRE’s responses are as follows:

1. With respect to information request 5, (with the exception of PRIME and FINTRAC reports) provide a brief description of which datapoints within each database listed would be assistive to OSRE’s Investigations team – e.g., within MLS, sales history tied to real estate agent – or whether it would be necessary to receive access to the entirety of the database:

- Property Taxation Branch (“PTB”) and Canada Revenue Agency (“CRA”)
  - Purchase agreement assignment details are collected by the PTB and CRA in relation to property transfer tax and capital gains tax, respectively. These details would support OSRE’s compliance function by helping to detect unlicensed trading services activity and test real estate licensee compliance with the “Assignment Restriction” provisions of the *Real Estate Services Act* (“RESA”).
  
- Residential Tenancy Branch (“RTB”)
  - The names of all rental property managers that participate in proceedings at the RTB on behalf of property owners. These names could be compared against the RESA licensee database to identify potential unlicensed rental property management services.
  
- Multiple Listing Service (“MLS”)
  - The details of any given real estate transaction as it relates to a licensee under RESA, and marketing by developers in compliance with the *Real Estate Development Marketing Act* (“REDMA”), including the following:
    - Property information (address, MLS #, parcel identifier, strata plan number, etc.)
    - Listing and sale date and price
    - Fiduciary relationships, i.e. whether licensee was acting for the seller (listing agent) or buyer (sometimes still referred to as the selling agent in board MLS systems)
    - Related brokerages (i.e. brokerages of licensees involved)
    - Commission amounts and splits (remuneration).
  
- BC Housing
  - Access to the database of builders licensed by BC Housing, in order to support compliance activities under RESA and REDMA.
  
- Land Title Survey Authority (“LTSA”)
  - Complete access to the database, including access to raw data.

2. With respect to document request 1, the request for statistics was not limited to the number of investigations conducted by OSRE, but would also include any breakdown of those investigations by source (i.e. complaint, referral, or otherwise), general subject matter, type of licensee investigated, and/or any other category:

Case management software limitations prevented automated data collection and analysis in relation to this request. OSRE staff manually gathered responsive data and conducted manual analysis for the previous three years. This labour-intensive process required a significant resource commitment, and we hope that the following response, which includes a breakdown of investigations by complaint source, legislation triggered and general matter under investigation for the previous three years is adequate in the circumstances.

Investigations - Source of Complaint/Referral			
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Industry Professional (agents, brokers, etc.)	36	34	35

Member of the Public	24	50	65
Internally Generated	18	6	3
Anonymous	8	7	7
Real Estate Council of BC	8	3	8
Real Estate Board	1	0	1
BC Securities Commission	1	3	0
[subject to privilege / immunity]	2	3	3
<b>Total</b>	<b>98</b>	<b>106</b>	<b>122</b>

2019		
Legislation	Subject Matter of Investigation	Number of Investigations
<b>Real Estate Services Act</b>	RESA - Licensee Conduct - Trading	10
	RESA - Licensee Conduct - Rental Property	2
	RESA - Licensee Conduct - Strata	0
	RESA - Unlicensed Activity - Trading	49
	RESA - Unlicensed Activity - Rental Property	26
	RESA - Unlicensed Activity - Strata	0
<b>Real Estate Development Marketing Act</b>	REDMA – Marketing, Disclosure and Deposit Trust Protection	11
	<b>Total</b>	<b>98</b>

2018		
Legislation	Subject Matter of Investigation	Number of Investigations
<b>Real Estate Services Act</b>	RESA - Licensee Conduct - Trading	11
	RESA - Licensee Conduct - Rental Property	1
	RESA - Licensee Conduct - Strata	1
	RESA - Unlicensed Activity - Trading	44
	RESA - Unlicensed Activity - Rental Property	34
	RESA - Unlicensed Activity - Strata	0
<b>Real Estate Development Marketing Act</b>	REDMA - Marketing, Disclosure and Deposit Trust Protection	15
	<b>Total</b>	<b>106</b>

2017		
Legislation	Subject Matter of Investigation	Number of Investigations

<b>Real Estate Services Act</b>	RESA - Licensee Conduct - Trading	21
	RESA - Licensee Conduct - Rental Property	1
	RESA - Licensee Conduct - Strata	0
	RESA - Unlicensed Activity - Trading	50
	RESA - Unlicensed Activity - Rental Property	35
	RESA - Unlicensed Activity - Strata	0
<b>Real Estate Development Marketing Act</b>	REDMA - Disclosure and Deposit Trust Protection	15
	<b>Total</b>	<b>122</b>

3. With respect to document request number 2, as there are no policy or guidelines on this subject, please advise whether employees or contractors in the employ of OSRE's Investigations team receive reimbursement for anti-money laundering training and/or certification such as ACAMs:

Employees of OSRE do receive reimbursement for approved training and certifications that support employees in market conduct and enforcement activities. ACAMS training and certification was approved and reimbursed by the Ministry of Finance.

Yours truly,



Chantelle M. Rajotte  
Barrister and Solicitor