

**Money Laundering in British Columbia:  
An Annotated Bibliography**

Submitted to:  
The Cullen Commission of Inquiry into  
Money Laundering in British Columbia

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## INTRODUCTION

This annotated bibliography covers sources that are focused on describing and/or analyzing the nature of money laundering in British Columbia and, to a lesser extent, Canada. That is, the bibliography lists and annotates sources with information on the characteristics of money laundering, including the following:

- predicate offences that give rise to money laundering
- criminal offenders and groups involved in generating, disbursing and laundering the proceeds of crime
- the scope of money laundering
- the impact of money laundering (on society, the economy)
- the commercial sector used to launder the proceeds of crime
- specific products, assets, and services offered in the legitimate economy that are used to launder the proceeds of crime
- specific products, assets, and services offered in the underground (criminal, black market) economy that are used to launder the proceeds of crime
- specific techniques used to disburse and launder the proceeds of crime
- professionals used in the legitimate economy to facilitate the disbursement and laundering of the proceeds of crime

The information contained in the sources encompass theoretical and empirical data (including case studies) and is drawn from academic sources, government agencies, non-governmental organizations, multi-lateral government organizations, and the news media.

This bibliography is broken down into the following sections:

- Articles: Peer-reviewed journals, conference proceedings, edited volumes, magazines (Canada)
- Articles (United States and International)
- Books (Canada)
- Books (United States and International)
- Reports (B.C.)
- Reports (Canada)
- Reports (United States and International multi-lateral government organizations)
- News Media (B.C.)
- News Media (Canada)

In general, the sources included in this bibliography were published no longer than the last 20 years or are considered seminal works in the field of money laundering and terrorist financing. Sources that concentrate on money laundering *control* (enforcement, law and legislation, compliance, etc.) were not included, except for those that also provide sufficient detail on the nature and characteristics of money laundering. The bibliography includes only English-language sources.

## **ARTICLES: PEER-REVIEWED JOURNALS, CONFERENCE PROCEEDINGS, EDITED VOLUMES, MAGAZINES (CANADA)**

**Ducas, E., & Wilner, A. (2017). The security and financial implications of blockchain technologies: Regulating emerging technologies in Canada. *International Journal*, 72(4), 538-562.**

*Abstract:* Driven by advances in data analytics, machine learning, and smart devices, financial technology is changing the way Canadians interact with the financial sector. The evolving landscape is further influenced by cryptocurrencies: non-fiat, decentralized digital payment systems, like Bitcoin, that operate outside the formal financial sector. While Bitcoin garners attention for facilitating criminal activity – including money laundering, terrorism financing, digital ransomware, weapons trafficking, and tax evasion – it is Bitcoin's underlying protocol, the blockchain, that represents an innovation capable of transforming financial services and challenging existing security, financial, and public safety regulations and policies. Canada's challenge is to find the right balance between oversight and innovation. This paper examines these competing interests: the authors provide an overview of blockchain technologies, illustrate their potential in Canada and abroad, and examine the government's role in fostering innovation while concurrently bolstering regulations, maintaining public safety, and securing the integrity of financial systems.

**Duhaime, C. (2011). Money laundering at casinos – setting the record straight. Retrieved from <http://www.duhaimelaw.com/2011/04/20/money-laundering-at-casinos-setting-the-record-straight/>**

*Abstract:* The Proceeds of Crime (Money Laundering) and Terrorist Financing Act does not authorize casino staff to prevent criminals from laundering the proceeds of crime. What it does is require casinos to collect certain information in connection with prescribed transactions and report that information to the Financial Transactions Reports Analysis Centre (FINTRAC). Although it may seem odd, the reality is that if casino staff prevented criminals from laundering funds, there would be no reports submitted to FINTRAC from casinos, and criminal investigations in this country, which rely heavily on these secret reports, would be significantly hampered. It is also not true that casinos are “hiding behind the law.” Rather, casinos generally tend to properly report required transactions to FINTRAC.

**Duhaime, C. (2014). A \$15 billion annual tax evasion problem. Retrieved from <http://www.duhaimelawblog.com/2014/04/29/tax-policy-and-financial-crime-fixing-canadas-30b-annual-underground-economy/>**

*Abstract:* According to an article by the Canadian Press, a report submitted to Canada's tax agency, the CRA, estimates that the underground economy in Canada is worth over \$30 billion annually and, apparently, next to none of it is targeted for either tax collection or tax evasion prosecution.

**KPMG Investigation and Security. (2000). *Money laundering in Canada: A survey of financial service providers*. Toronto: KPMG Investigation and Security Inc.**

*Abstract:* In the summer of 2000, KPMG sent questionnaires to more than 1,900 companies in Canada's financial services sector, exploring the nature and scope of money laundering as well as internal prevention policies and programs. In total, 431 questionnaire results were examined as part of the survey. These questionnaires were completed by a range of financial services companies, including chartered banks, credit unions, *caisses populaires*, trust companies, investment dealers, insurance companies, mutual fund managers, financial advisors, and currency exchange firms. While on average, survey respondents believe that their industry is at a medium to high level of risk of exposure to money laundering, they reported that their company was at a low to medium level of risk. Chartered banks reported the highest level of industry exposure to money laundering, while insurance companies reported the lowest level of risk. Most survey respondents believe that they are knowledgeable about how money laundering can occur through their company. Currency exchange firms reported the highest average level of knowledge, while insurance companies reported the lowest level. Thirty-five percent of all respondents reported that their company had identified at least one suspicious transaction that they believe involved money laundering. Only 17 percent of survey respondents reported that they were aware of actual money laundering occurring in their company in the last five years. Respondents from chartered banks reported the highest level of awareness, while insurance companies reported the lowest level of awareness. For banks, depositing cash was by far the single most frequently used transaction to launder money. Other services that were frequently used include opening an account, exchanging currency, withdrawing funds, cashing a cheque, and transferring funds between accounts. Over three-quarters of all survey respondents stated that they had implemented anti-money laundering policies and programs. The most commonly cited anti-money laundering measure was reporting large cash transactions.

**Langdale, J. (2017). *Impact of Chinese transnational crime on Australia: Intelligence perspectives*. Lecture to the New South Wales Police Force's intelligence conference, Nov. 2, 2017**

*Abstract:* In a presentation to the New South Wales Police, Professor John Langdale of Macquarie University in Australia warns of various tactics employed by criminal gangs in Guangdong, China, to enable the illegal export of money, drugs and counterfeit goods from that country. Langdale discusses four case studies to outline the threat to Australia. One case study is what he calls the "Vancouver Model," which is implemented by "complex networks of criminal alliances." The Vancouver Model often begins with capital flight from China; that is, Chinese nationals who illegally move large sums of money to Canada. The Chinese nationals will typically make a deal with a private underground banker / money lender in Canada to provide the cash equivalent of the amount of money to be spirited out of China. The loan is made in cash which is then laundered in Canada via two main routes: casinos and the real estate market. The Canadian lender will correspond with a conspiring underground banker in China, who works with the original source of the money to repay the Canadian lender (with interest). Money laundering through casinos in Canada is facilitated by high rollers – often other Chinese nationals – with help from junket operators. The process financially benefits the Canadian lender in a number of ways: he/she earns a commission and/or interest from the loans in

Canada and receives a cut for laundering the illicit funds. The cash loaned and laundered through Canadian casinos may be the proceeds of drug trafficking.

**Public Safety Canada. (2015). *Emerging threats and trends in money laundering*. Ottawa: Public Safety Canada.**

*Abstract:* As part of its series entitled *Organized Crime – Research Highlights*, Public Safety Canada has summarized and collated the findings of three monographs examining money laundering internationally. The summary begins by providing estimates of the amount of illicit cash laundered: between (CDN) \$5 billion and \$15 billion annually in Canada and between (US) \$500 billion and 1 trillion worldwide. Drug trafficking continues as the major predicate crime for money laundering. The article identifies several emerging systems vulnerable to money laundering: new payment methods (NPMs), prepaid access cards, electronic money, and person-to-person loans. The article cites the FATF which concludes that NPMs are misused for laundering purposes in three ways: as a method of third-party funding (using straw men and nominees); as an exploitation of the non-face-to-face nature of NPM transactions; and as an exploitation of NPM providers and their employees. Gambling poses a significant money laundering risk; a launderer can go to a casino, place a few bets and then cash out, obtaining a cashier's cheque in return. Finally, the article discusses a FATF review of money laundering typologies in sports, concentrating on football (soccer). The FATF has "identified a number of AML risks associated with football (soccer) clubs. Using trade-based money laundering (TBML) schemes, Colombian cartels have laundered millions of dollars."

**Ross, A. (n.d.). *On our doorsteps: Money laundering in Canadian real estate*. Canadian Bar Association, B.C. Chapter, Retrieved from <https://www.cbabc.org>**

*Abstract:* Canada is fast becoming a destination of choice for money launderers worldwide, who are taking advantage of the country's under-regulated, loophole-riddled real property market to wash and hide billions in illicit wealth. Canada is both a desirable place to live and an attractive market in which to invest. But those looking to launder money or evade tax are equally attracted to the country's opaque ownership rules, its low levels of compliance with anti-money laundering (AML) regulations, and limited AML enforcement. Three factors make Canadian real estate particularly attractive for money laundering. First, Canadian land title offices do not hold information about beneficial owners of property, effectively granting them anonymity. Second, though the bar for AML compliance is set lower for real estate professionals than it is for most other reporting entities and individuals, the industry is still notoriously poor at complying with fulfilling its duties under Canada's AML laws. Third, the enforcement of those AML laws is so lax that there is little deterrent for those looking to launder money through Canadian property.

**Schneider, S. (2000). *Dirty money: How new money laundering legislation places an increased onus on insurance companies*. *Canadian Insurance*, 24-27.**

*Abstract:* Experts predict that the insurance sector will be increasingly vulnerable to money laundering. "Dirty" money is cleaned through commercial or financial transactions to conceal or disguise the nature, source, or ownership of cash or assets that are acquired through criminal activity. As the barriers that separate Canada's financial services sector continue to

disappear, insurance companies are gradually offering the type of banking services traditionally favoured by money launderers.

**Schneider, S. (2003). The incorporation and operation of criminally controlled companies in Canada. *Journal of Money Laundering Control*, 7(2), 126-138.**

*Abstract:* This article examines how the financial proceeds crime are laundered through criminally-controlled companies. While there are many reasons for setting up a legal business for money laundering purposes, the greatest attraction of criminally controlled companies is that cash proceeds of crime can be deposited into bank accounts under the guise of legitimate revenue. Especially attractive to money launderers are retail businesses that customarily handle a high volume of cash transactions, such as stores, restaurants, bars, currency exchange dealers, video arcades, and gas stations.

**Schneider, S. (2004). Money laundering in Canada: A quantitative analysis of Royal Canadian Mounted Police cases. *Journal of Financial Crime*, 11(3), 282-291.**

*Abstract:* The objective of this study is to analyze, in both qualitative and quantitative terms, how the money made from entrepreneurial criminal activity is disbursed through the legitimate economy in Canada. Central to this analysis is a discussion of how these revenues are “laundered,” which includes identifying how the illicit cash enters the legitimate economy; the commercial and financial sectors used to launder the funds; the products, services and expertise that are exploited within each of these sectors; as well as the techniques and guises expressly employed to facilitate the money laundering process. This study represents one of the first quantitative analyses of money laundering using a survey of police cases. The exclusive source of primary data for this study was a sample of Royal Canadian Mounted Police proceeds of crime case files.

**Schneider, S. (2006). Testing the limits of solicitor-client privilege: Lawyers, money laundering, and suspicious transaction reporting. *Journal of Money Laundering Control*, 9(1), 27-47.**

*Abstract:* The purpose of this article is to explore and critically examine how lawyers are used to launder the proceeds of criminal activity. Regulatory measures that compel legal professionals to report suspected money laundering, and the implications this has for solicitor-client privilege, are also addressed. The article summarizes the results of a study in which data were collected from a sample of RCMP proceeds of crime (POC) case files using a standardized questionnaire. A statistical analysis reveals that lawyers came into contact with the POC in 49.7 percent of all RCMP cases examined. Lawyers are implicated in money laundering (both wittingly and unwittingly) primarily through their role as an intermediary in a commercial or financial transaction. In the majority of these cases, lawyers were facilitating a real property transaction by an individual whose source of funds came from drug trafficking. Lawyers were also used by offenders or their nominees to incorporate companies, purchase securities, and conduct bank transactions, including those pertaining to legal trust accounts. Professional associations representing lawyers in Canada have vehemently resisted mandatory reporting obligation, arguing that it abrogates solicitor-client privilege. This paper supports the consensus that mandatory reporting for legal professionals should apply only to the financial and commercial transactions mediated by lawyers on behalf of clients.

**Simser, J. (2013). Money laundering: Emerging threats and trends. *Journal of Money Laundering Control*, 16(1), 41-54.**

*Abstract:* The author explores typologies and trends in money laundering, with a specific focus on Canada. Money laundering is found to pose a risk to financial systems, and the author addresses trends in ML by examining suspicious transaction reporting (STR) as documented in FINTRAC reports. Third-party involvement was the single most cited reason for filing STRs. Predominant predicate offences included drug and fraud offences. Cash was found to be the currency of choice and smurfing was the main structuring technique used to avoid large cash transaction reports. The author notes that Canadian financial institutions were better at identifying structuring and placement, but less effective at identifying layering and integration. Emerging money laundering vehicles include new payment methods (NPMs), including prepaid access cards, person-to-person loans (P2P), electronic transfers, and new payment technologies. They also assess emerging criminal activities, including online gaming, piracy (by actual pirates, not internet-based), ties to FIFA/football, and trade-based money laundering. The authors provide examples of international case studies that support their hypotheses (although none of these case studies demonstrate a Canadian dimension). It would seem that most relevant to the Canadian context are NPMs, given the discussion of FINTRAC data offered earlier in the article.

**Sterling, S. (2015). Identifying money laundering. *Journal of Money Laundering Control*, 18(3), 266-292.**

*Abstract:* This study aims to develop a newer, revised model of money laundering of general application, and to apply that updated laundering model to the use of cash in Canada. A wide-ranging analytical tool for identifying money laundering is described, which demands a comparative evaluation of available financial choices against choices made, concentrating on factors that matter most to economic enterprises: speed, cost and security. The model is applied to bulk cash money laundering and the use of cash in the Canadian context, a mature economy where cash is predominantly used for micro-payments. The inference of criminality to be drawn from bulk use of cash is explored. Documented standards of legitimate commerce and proven laundering behaviours provide more reliable evidence than voluntary disclosures from surveys. The model promotes an objective analysis of financial conduct either in conjunction with, or independent of extrinsic evidence, and can augment historic lists of laundering indicators and identify new laundering typologies. The speed, cost and security model moves towards a renewed paradigm for understanding laundering, beyond traditional cash-based models. This instructive model applies to the full spectrum of laundering, from frauds to cash-based street crimes. By examining the inherent characteristics of financial choices, investigations may proceed without tipping off targets. The model maximizes the investigative value of know-your-customer information.

**Tusikov, N. (2008). Mortgage fraud and organized crime in Canada: Strategic intelligence brief. *Trends in Organized Crime*, 11(3), 301-308.**

*Abstract:* The purpose of this article is to outline how mortgage fraud occurs and examine the nature and scope of organized crime's involvement in this fraud type in Canada. According to industry estimates, losses from mortgage fraud in Canada can be as much as hundreds of millions of dollars annually. Following the location of strong housing markets across the



country, mortgage fraud occurs nationally but is more concentrated in the large urban areas in Quebec, Ontario, Alberta and British Columbia. Numerous criminal groups across Canada are involved in a wide variety of mortgage frauds for profit or to further other criminal activities. Some undertake a limited number of relatively simple mortgage-related frauds while others commit multiple mortgage frauds involving anywhere from several dozen to over one hundred properties. Mortgage fraud is sometimes undertaken to facilitate other criminal activities such as marijuana grow operations, clandestine drug laboratories, and money laundering. The author briefly notes that criminal groups use a variety of techniques to launder their proceeds of crime through fraudulent real-estate transactions and mortgages. In a scheme known as “value tampering,” a criminal seeks a property owner who agrees to sell the property on paper for a price below its actual value and then surreptitiously accepts the difference in cash. The true nature of the financial transaction (i.e. purchase price, source of income, employment) would likely be misrepresented and this would constitute fraud). The criminal can then sell the property for its actual value in a transaction that has laundered the illicit funds. The cash proceeds of crime can also be used to make mortgage deposits and payments after the cash has been deposited into a deposit institution account.

## **ARTICLES (U.S. AND INTERNATIONAL)**

The following sources consist of recent articles that provide a general overview of money laundering, including coverage of issues that are particularly pertinent to what is known about money laundering in B.C. (e.g., use of real estate, luxury autos, casinos, Chinese capital flight and organized crime, the “Vancouver Model,” etc.).

**Fabian, M., & Teichmann, J. (2017). Twelve methods of money laundering. *Journal of Money Laundering Control*, 20(2), 130-137.**

*Abstract:* This paper aims to discuss how feasible it is for criminal offenders to circumvent existing anti-money laundering mechanisms. Based upon ten informal interviews with money launderers and their advisers, effective methods to launder money have emerged. The 12 methods identified in this article are: gold, jewellery, raw diamonds, antiquities, art, real estate projects, consulting firms, mergers and acquisitions, banks in Dubai, deposit boxes, private cash deals and currency exchange offices.

**He, P. (2010). A typological study on money laundering. *Journal of Money Laundering Control*, 13(1), 15-32.**

*Abstract:* The purpose of this paper is to provide descriptions of various money laundering techniques and to put forward more effectively and efficient counter-measures. This paper is based on 20 simplified money laundering cases, describes various money laundering techniques, analyses the reasons why these methods prevail and points out the future efforts to be made in the fight against money laundering. Money laundering techniques include cash smuggling, making use of banks or insurance companies, or making use of shell-companies. Criminals also turn to real estate, lotteries, international trade, and offshore companies to launder illicit funds. Sometimes lawyers and accountants are exploited by money launderers. With the wide use of electronic money and the Internet, criminals prefer to launder money through non-face to face transactions.

**Levi, M. (2015). Money for crime and money from crime: Financing crime and laundering crime proceeds. *European Journal on Criminal Policy and Research*, 21(2), 275-297.**

*Abstract:* This article – part of a special issue entitled “Financial Aspects of Organized Crime” – summarizes what is known internationally about how organized crimes are financed and how this differs from the financing of licit businesses. It notes that a key issue is the social capital of offenders and their access to illicit finance, which ironically, may be easier if controls make it harder to launder money. The article then reviews international evidence on how proceeds of crime are laundered, concluding with an examination of the implications of these observations for the study of organized crime and the effects of anti-money laundering efforts. There is a core contradiction between general economic policy pushed multilaterally for liberalization of financial flows and domestic crime control policies intent on hampering them. No one could rationally think that AML controls in general or financial investigations, in particular, will solve organized crime and money laundering: for there even to be a chance to achieve that, there would need to be a steep change in transparency and effective action against high-level corruption along all possible supply chains. However, more action (not just legislation) on these could facilitate interventions against the more harmful individuals, networks and crime enablers. The less complex financial activities of local drug-dealing gangs can be intervened against, without needing international cooperation or familiarity with sophisticated money laundering typologies.

**Naheem, M. A. (2017a). Money laundering and illicit flows from China – the real estate problem. *Journal of Money Laundering Control*, 20(1), 15-26.**

*Abstract:* This paper reviews some of the current challenges that international money laundering schemes are posing for the Chinese banking sector. Anti-money laundering (AML) systems in China are relatively new, and customer due diligence checks and other AML systems are underdeveloped in some areas. This paper considers the specific issues that laundering money through the real estate sector poses to the Chinese banking system and other global banks that could be in receipt of illicit funds from China. The paper also discusses the source of most of China’s illicit flows, which are believed to be from corruption and financial crime offences rather than drug or organized criminal gangs. The paper uses empirical evidence, including media coverage and academic studies and supports the need to develop stronger risk-based systems, as opposed to rules-based systems, for managing AML risk assessment. A basic framework for AML risk assessment is proposed. The paper concludes by reiterating the fact that China like all other countries is now operating in an international banking context, in much the same way that international organized crime is also operating at a global level. It also emphasizes that real estate remains a targeted sector for criminals seeking to launder funds.

**Naheem, M. A. (2017b). Trade-based money laundering: A primer for banking staff. *International Journal of Disclosure and Governance*, 14(2), 95-117.**

*Abstract:* This article provides an overview of the risks associated with trade-based money laundering (TBML), in particular, the use of free trade zones. The purpose of the article is to inform the development of risk-based assessments within the banking sector on trade-based money laundering. It offers findings from research conducted by the author and other

academic literature on areas to focus on risk assessment. The main findings from the analysis are that banks have a greater legal and regulatory responsibility towards detecting and reporting suspicious transactions than they would have previously considered. This includes identifying the source and purpose of fund transfers related to trade and shipping finance and establishing the beneficial ownership of clients and the businesses in which they are working. The article highlights the inherent risks associated with free trade zones and the need for a greater level of awareness across all units of the bank on risk assessment from TBML crimes. Finally, the article identifies numerous implications to the banking sector from addressing anti-money laundering (AML) deficiencies in that sector, especially the need to improve standards of beneficial ownership verification and checks for business clients involved in trading and shipping.

**Schneider, S. (2015). Unethical and unlawful behaviour by pathological financial institutions: Implications for human rights and social justice, *Fifth National Critical Perspectives Conference: Criminology and Social Justice*, University of Ottawa, Ottawa, Ontario, May 28 to 29, 2015.**

**Abstract:** This presentation describes and examines the following transgressions committed by large complex financial institutions (LCFIs) in recent years: (i) laundering billions of dollars generated from drug trafficking (and in the process failing to comply with anti-money laundering laws), (ii) circumventing U.S. government trade sanctions (by doing business with clients in countries subject to such sanctions), (iii) disregarding the links between correspondent banks and political extremist groups, (iv) facilitating capital flight and tax evasion by clients, (v) unnecessary risk-taking concerning investments and financial products (which contributed to the 2008 financial crisis), (vi) the misleading marketing and sale of certain financial products, (vii) manipulating the London Interbank Offered Rate, and (viii) manipulating foreign exchange rates. The largest known money laundering conspiracy involving a single bank in recent years centred on HSBC and, specifically, its American and Mexican subsidiaries. HBUS and HBMX provided money laundering services to South American drug cartels, including the bulk movement of cash from the HBMX to HBUS “with little or no oversight of the transactions” by the banks’ managers or compliance units. In addition to HBUS, other HSBC national units have been accused of facilitating money laundering. Numerous other American and European LCFIs have been penalized for facilitating money laundering and/or violating AML laws and regulations in recent years. Given the sheer variety of these transgressions, their serious nature, and their frequency of occurrence, this article applies theories and arguments that critically analyze whether LCFIs have internal organizational cultures that are pathological and even criminogenic, which and encourage wrong-doing.

**Shelley, L. (2013). Money laundering in real estate. In M. Miklaucic, & J. Brewer (Eds.), *Convergence: Illicit networks and national security in the age of globalization* (pp. 131-146). Washington, DC: NDU Press.**

**Abstract:** Based on a review of the literature, this article provides an overview of money laundering through real estate (MLRE) in various countries, including Canada. The author concludes that MLRE “is an enduring but insufficiently recognized international problem.” Both commercial and residential real estate is vulnerable to money laundering. MLRE is a favoured laundering vehicle for criminal offenders because it provides a tangible, secure and stable asset. In addition to laundering the proceeds of crime, MLRE may produce legitimate revenues for criminal

offenders. In North America, financial institutions are key intermediaries in MLRE due to suspicions that accompany the use of cash in the purchase of real property. Established criminal groups, such as the Japanese Yakuza and South American cocaine cartels have been active in real estate investments internationally. Some jurisdictions may turn a blind eye to the problem because such investments contribute to housing stock, construction jobs, and local economies. However, the investment of illicit funds into local real estate markets can corrupt real estate professionals and contribute to housing bubbles, which may price some prospective homebuyers out of the market.

## **BOOKS (CANADA)**

### *PEER-REVIEWED BOOKS*

**Beare, M. E. (2015). *Criminal conspiracies: Organized crime in Canada* (2<sup>nd</sup> Ed.). Oxford: Oxford University Press.**

*Abstract:* Based on recent research findings and examples, this textbook provides a concise introduction to the topic of organized crime in Canada. It has extensive coverage and critical analysis of money laundering issues (and the Canadian literature thereof), including definitions, Canadian research, estimating the scope and impact, sectors, professionals, and techniques used, and enforcement.

**Beare, M. E. (Ed.). (2003). *Critical reflections on transnational organized crime, money laundering and corruption*. Toronto: University of Toronto Press.**

*Abstract:* This volume explores the links between transnational organized crime, money laundering and corruption. The volume features several experts on money laundering – Margaret Beare, Michael Levi, Tom Naylor – as well as criminologists focusing on financial delinquency and organized crime. Given the subject matter, the scope of the book is global but the Canadian tilt is particularly useful in several essays. The volume is a far-reaching and a prescient contribution to the critical literature on money laundering; many of the essays take up issues that are still being discussed in the scholarship of more recent provenance. For example, a chapter by James Williams and Margaret Beare looks at how international financial institutions shape the discourse on corruption and transparency; James Sheptychki and Kyle Grayson separately challenge the “war rhetoric” that is a feature of law enforcement efforts against drugs trafficking; Vincenzo Ruggiero describes the role of professionals in transnational crime while Tom Naylor questions the prioritization of anti-money laundering efforts by law enforcement agencies. Collectively, the essays question the conflation of profit-driven crime with economic activity and the conceptual separation of white-collar crime from organized crime. Further, they demonstrate how Western economic logic pervades regulation theory in both the fields of anti-money laundering and counterterrorism financing as well as corruption and how it generates its own discourse.

**Beare, M. E., & Schneider, S. (2007). *Money laundering in Canada: Chasing dirty and dangerous dollars*. Toronto: University of Toronto Press.**

*Abstract:* Money laundering is the process of converting or transferring cash or other assets, generated from illegal activity in order to conceal or disguise their origins. In recent years, the

international community has decided that focusing on money laundering is an efficient strategy in policing organized crime and, now terrorism. This book brings empirical evidence to the study of money laundering in Canada, including a summary of original research based on an analysis of Canadian police cases. The book provides an overview of AML regulation in Canada and critically analyze the substance and politics of existing regulatory institutions. The authors analyze the rationale for anti-money laundering and counter-terrorist financing regulation by examining claims regarding its destructiveness, discuss why estimates regarding the volume of money laundering are invariably flawed and speak to why the regulations promise more than they deliver. The authors challenge the seemingly common-sense notion, fueled by political posturing and policing rhetoric, that taking the profits away from criminals is a rational law enforcement strategy. The final picture that the authors paint is of a good enforcement strategy run amuck amid conflicting interests and agendas, an overly ambitious set of expectations, and an ambiguous body of evidence as to the strategy's overall merits. Beare and Schneider contend that the impact of money laundering on economies, democracies, free markets and state revenues is often exaggerated.

**Naylor, R. T. (2002). *Wages of crime: Black markets, illegal finance, and the underworld economy*. Montreal: McGill-Queen's University Press.**

*Abstract:* Naylor provides a critical overview of the political economy of illegal finance and detailed accounts of historical trends in money laundering. While the overall skew of the project is international, Naylor's deep familiarity with the Canadian context is obvious. He debunks key myths about laundering and explains why anti-money laundering and counter-terrorist financing (AML-CTF) regulation has largely been ineffective in curbing crime. He argues that contrary to predominant narratives, most criminal groups are not hierarchical organizations; supply-side controls do not work in black markets; and rich, developed countries are the destination of laundered funds, not offshore islands. He also shows how AML-CTF regulation subverts basic rule of law requirements, violates criminal law principles, and threatens human rights. Particularly interesting are his discussions of how AML-CTF regulation derogates from due process, presumption of innocence, evidentiary requirements, onus of proof and reasonable suspicion. Naylor believes that the urgent discourse over money laundering was constructed to provide a rationale for inflating hiring within law enforcement agencies, to increase arbitrary policing powers, and to balance government budgets through the use of forfeited/ seized criminal proceeds. According to Naylor, the focus on money laundering reflects a fundamental change in criminology: the targeting of individual wrong-doers and personal vice. Outraged by recent encroachments on citizens' rights that have been justified by claims that new and more restrictive laws will combat the ravages of international crime, Naylor contends that no police campaign that fails to address the demand for illegal goods and services has ever succeeded. *Wages of Crime* makes a case to address the underlying economic and political factors that encourage criminal enterprises rather than relying on restrictive laws.

**Schneider, S. (2018). *Canadian organized crime*. Toronto: Canadian Scholars Press.**

*Abstract:* The over-arching goal of this textbook is to provide an introductory, yet in-depth examination and critical analysis of organized crime and its control in Canada. This goal is met by exploring, advancing, and critically analyzing definitions, descriptions, theories, research, case studies, criminal justice policies, and enforcement approaches related to organized crime in this country. This includes dispelling the numerous myths, sensationalized portrayals, and misinformation that have engulfed this topic for so many years. By implementing historical,

descriptive, conceptual, and theoretical perspectives throughout, Schneider provides readers with a broad understanding of the social, political, and economic forces that lead to the continued existence of organized criminal activities. The textbook briefly examines money laundering as a “tactical imperative” of organized crime and includes definitions, descriptions, case studies, as well as policies, law and legislation and other enforcement efforts.

### **OTHER BOOKS (TRUE CRIME NON-FICTION, JOURNALISTIC ACCOUNTS)**

**Deneault, A., & Browne, C. (2015). *Canada: A new tax haven. how the country that shaped Caribbean tax havens is becoming one itself.* Vancouver: Talon Books.**

*Abstract:* This book traces Canada’s relationship with Britain’s Caribbean colonies through the last half of the twentieth century, arguing that the involvement of Canadian financiers in establishing and maintaining Caribbean tax havens has predisposed Canada to become a tax haven itself. Canada was linked to Caribbean nations long before they became tax havens. In the 1950s, an ex-governor of Canada’s central bank attempted to establish a low taxation regime in Jamaica. In the 1960s, the transformation of the Bahamas into a tax haven characterized by impenetrable banking secrecy was shaped by a minister of finance who sat on the Royal Bank of Canada’s board of directors. A Calgary lawyer and former Conservative Party heavyweight drew up the clauses that transformed the Cayman Islands into an opaque offshore jurisdiction. For years, Canadian politicians have debated annexing tax havens such as the Turks and Caicos Islands, making them part of Canadian territory. Canada has signed a free-trade agreement with Panama and is currently seeking a wider agreement with the countries of the Caribbean political community. And, notably, Canada at one time shared its seat at the World Bank and the International Monetary Fund with a group of Caribbean tax havens. These exercises in fostering fiscal and banking leniency have predisposed Canada to become one of the most attractive tax havens to foreign interests. Not only does Canada offer one of the lowest corporate tax rates in the world, but several loopholes encourage companies to relocate to Canada as if it were Barbados or Bermuda.

**Francis, D. (1988). *Contrepreneurs.* Toronto: Macmillan of Canada.**

*Abstract:* Francis argues that “Canada has always been one of the capitals of stock market frauds,” and “the cases profiled here reveal links between this kind of scam and organized crime, drug smuggling and murders. They also show how several generations of impotent, corrupt or ignorant regulators have allowed criminals to operate in our stock market business.” For Francis, “the free enterprise system itself could be imperilled as the contrepreneurs grow in number.” She demands “a royal commission to probe the links between organized crime, money laundering and our stock market frauds ... Theirs is an evil empire that must be destroyed” by effective police and regulators, who “are the thin blue line separating capitalism from the jungle.” (From the book jacket)

**Mathers, C. (2004). *Crime School: Money laundering. True crime meets the world of business and finance.* Toronto: Key Porter Books.**

*Abstract:* The book describes what money laundering is and how the crimes behind it fit together. He addresses such broad questions as What is money laundering? How does it work? And why is it such a threat to any democratic society? This book examines the history of money

laundering from ancient times to the cocaine craze of the 1970s to the sophisticated techniques employed by today's organized criminals and terrorists. Mathers argues that organized criminals operating both domestically and internationally corrupt bankers and subvert national economies through the use of drug money. A former undercover police officer for the RCMP recounts his experiences in funning various money laundering sting operations. Written anecdotally, Mathers occasionally changes his viewpoint from that of the police officer to that of the criminal. If the book has a message, it is that crime can pay but if one is caught, the punishment can be severe.

**Possamai, M. (1992). *Money on the run: Canada and how the world's dirty profits are laundered*. Toronto: Viking.**

*Abstract:* Possamai explains why Canada and Canadian banks have historically been a refuge and transshipment point for drug money, gangsters, the Vatican and dictators. Some of the reasons are its proximity to the U.S., Canada's political and economic stability and its sophisticated and varied banking services. In addition, certain Canadian banks in the Caribbean were known to be unusually open to suspicious transactions, clients, and source of funds. According to a 1983 U.S. Senate study, the Caribbean-based Bank of Nova Scotia "has a consistent reputation for encouraging dirty money." U.S. Senator John Kerry, who was behind the push for stiffer banking regulations to prohibit drug operations in the U.S. and abroad has identified Canada's two major flaws: First, banks in Canada don't have to report large cash transactions. Second, money can be brought in and out of Canada without declaration, much of it through airports. Possamai quotes Rod Stamler, a former RCMP assistant commissioner: "Canada is the logical place to be used for laundering money. It's the easiest."

**Schneider, S. (2009). *Iced: The story of organized crime in Canada*. Mississauga: HarperCollins Canada.**

*Abstract:* This book traces the history of organized crime, from pirates and privateers of the 17<sup>th</sup> century to the cybercriminals of the 21<sup>st</sup> century. Throughout its history, Canada has been home to organized criminals and crime organizations that are adept at finding ways to make money illegally. The book includes numerous historical examples of how the proceeds of crime have been laundered by various criminal groups. The Canadian families who owned distilleries during American Prohibition, such as the Bronfmans, built vast fortunes through illegal smuggling (and money laundering) that were reinvested in corporate holdings. The American-based Cosa Nostra laundered millions of dollars through Canadian banks, companies and real estate holdings in Ontario. The Cotroni crime group of Montreal had extensive investments in local companies and securities markets. The Rizzuto mafia family controlled one of the largest heroin empires in the world, while also operating one of the largest international money laundering operations ever. Outlaw motorcycle gangs like the Hells Angels generated so much illegal revenue through cocaine and hashish trafficking that apartments were set up with accountants, spreadsheets, and money counting machines that operated 24/7. During the height of its power, Colombian cartels laundered millions through Canadian banks.

## **BOOKS (U.S. AND INTERNATIONAL)**

### **PEER-REVIEWED BOOKS**

**Benson, K. (2020). *Lawyers and the proceeds of crime: The facilitation of money laundering and its control*. New York: Routledge.**

*Abstract:* The role played by legal professionals in the laundering of criminal proceeds has become a priority concern for authorities at national and international levels. This book presents an empirical analysis of the nature of lawyers' involvement in facilitating money laundering and how it is controlled through criminal justice and regulatory mechanisms. It is based on qualitative research combining an analysis of cases of lawyers convicted of money laundering offences with interviews with criminal justice practitioners, members of professional and regulatory bodies and practising solicitors, and analysis of relevant national and international legislative and regulatory frameworks. The book reveals the complex and diverse nature of lawyers' involvement in laundering activity and shows that their actions and the decisions they take must be understood concerning the specific situational contexts in which they occur. It provides new insights into the criminal justice and regulatory response to professional facilitation of money laundering in the UK, raising questions about the effectiveness and appropriateness of the response and the challenges involved. The book develops a framework for future research and analysis in this area and proposes a range of potential strategies for controlling the facilitation of money laundering.

**Block, A. A., & Weaver, C. A. (2004). *All is clouded by desire: Global banking, money laundering, and international organized crime*. Westport, Conn.: Praeger.**

*Abstract:* This book explores the money laundering scandal that engulfed the Bank of New York in the late 1990s, which served as a microcosm for the confluence of international organized crime, money laundering, and the complicity between legitimate and illegitimate businesses in both the United States and the former Soviet Union. Block and Weaver examine the criminal dealings that led to the revelation that the Bank of New York's Eastern European Division laundered \$6 billion for Russian organized criminals and other disreputable organizations and individuals. Focusing on the dealings between Swiss banker Bruce Rappaport and Bank of New York executives, the book explains how they worked together with Russian banks to move and launder billions through channels that include off-shore banks, shady joint-ventures, and criminal organizations. Relying on primary sources the authors expose the various machinations that were instrumental in completing the financial schemes that would ultimately cause the downfall of two Bank of New York executives. Tracing their financial crimes back many years, Block and Weaver illustrate how the underworld of high finance, money laundering, mafia groups, CIA operatives, and legitimate banking institutions can clean dirty money and operate criminal enterprises that span the globe.

**Chambers-Jones, C. (2012). *Virtual economies and financial crime: Money laundering in cyberspace*. Cheltenham, UK; Northampton, MA: Edward Elgar.**

*Abstract:* In this book, Chambers-Jones examines the jurisprudential elements of cyber law in the context of economic crime and explains how it can take place in virtual worlds. She looks at the multi-layered and interconnected issues associated with the trend of global and virtual



banking via the “Second Life” MMOG (Massively Multiplayer Online Game). Through this case study, the author illustrates how virtual worlds have created a second virtual economy that transgresses into the real, creating economic, political and social issues. Loopholes used by criminals to launder money through virtual worlds (given the lack of jurisdictional consensus on detection and prosecution) are also highlighted. The importance of providing legal clarity over jurisdictional matters in cyberspace is a concern for policymakers and regulators, and this book responds to this need by discussing and examining new aspects of cyber law and virtual economics generally and in relation to money laundering.

**Cheng, H. (2016). Financial crime in China: Developments, sanctions, and the systemic spread of corruption. New York: Palgrave Macmillan.**

*Abstract:* Given China's rapid development, many observers assert that world economic growth and key economic indicators – including the prospects of the dollar, the Euro, oil prices, industrial commodities, global equity markets and bond prices – are now highly dependent on this country. On the other hand, China faces several major social and economic challenges that could undermine future growth, such as prevalent corruption, financial crime, and the relative lack of the rule of law. This book uses original research and examines the systemic spread of state-controlled corruption in the form of bank fraud, securities fraud, insider trading, and Ponzi schemes. Cheng examines financial crime in China by identifying the latest manifestations, analyzing empirical data and case studies, and drawing conclusions about the origin, characteristics, dynamics, and developmental features of financial criminality in the context of political economy.

**De Sanctis, F. M. (2013). Money laundering through art: A criminal justice perspective. New York: Springer.**

*Abstract:* The art world has been discovered by criminals as an effective way for money laundering and other clandestine activities on an international level. Unfortunately, in most countries, investigators, prosecutors, judges, and regulatory agencies are not equipped to accurately detect, investigate and prosecute this type of criminal activity. Also, regulation and international laws and treaties involving the art world have many loopholes that can potentially lead to the laundering of large sums of money. This book discusses the ways in which money laundering happens through illegal activities involving art. It is meant to serve as a guide for law enforcement, prosecutors, judges, and others involved in efforts to curb money laundering and financing of terrorism, addressing why new techniques used by criminals have been neglected by law enforcement in most countries. Drawing from his own experience with the matter in both Brazil and in the United States, the author makes a case for broader institutional and regulatory improvement, extending beyond mere regulation of the art market.

**De Sanctis, F. M. (2014). Football, gambling, and money laundering: A global criminal justice perspective. New York: Springer**

*Abstract:* Professional football (soccer) means many things to many people. For players, it means possible fame and fortune. For fans, a source of local or national pride, and perhaps the chance to score with a few bets. For criminal organizations, football is a cover for making millions in corrupt enterprises. In the world of gambling, this is no different. This book details the scope

of the problem, the layers of denial that allow sports-related financial crime to flourish, and the steps that are being taken – and that need to be taken – to combat illicit operations in the sports world. Expert analysis explains criminal activity in the context of football, and how sports governing bodies, the media, and others have created a culture that regularly turns a blind eye. International data and legal case studies shed light on the role of the Internet in the spread of gambling and money laundering as well as the strengths and weaknesses of current law enforcement, legislative, and sports-based efforts in fighting corruption. Topics covered in the book include: criminal activity in the sports world, financial crime and exploitation in football and gambling, legal wagering and illegal betting, illegal and disguised payment instruments used by organized crime, international legal cooperation in combating money laundering, and national and international proposals for improving the sports and gambling industries to prevent money laundering.

**De Sanctis, F. M. (2019). *Technology-enhanced methods of money laundering: Internet as criminal means*. New York: Springer.**

*Abstract:* This book identifies and examines how money is laundered internationally through illegal activities on the Internet, focusing on sales, payments, social media, online gaming, and tax misapplication. Technology-enhanced methods that enable money laundering are now a significant portion of malicious cyber activities and deterring its commission is a high priority for many governments. Although powered by modern tools, investigators, prosecutors, judges and regulatory agencies in most countries are not equipped to accurately detect, investigate, and prosecute this type of criminal activity. The book makes the case for broader institutional and regulatory improvement, formulating a basis for detecting evolving money laundering schemes with multiple focuses on sales, payments, social media, online gaming, and tax misapplication. Revealing the newest techniques used by criminals, currently neglected by law enforcement in most countries, the book discusses the best approaches to combat these crimes.

**Demetis, D. S. (2010). *Technology and anti-money laundering: A systems theory and risk-based approach*. Cheltenham: Edward Elgar.**

*Abstract:* Drawing on systems theory and seeing the control of money laundering particularly from the standpoint of technology as complex and integral to the proper and effective operation of financial institutions, the author addresses the design and management of risk-based compliance. The theory is tested, not only in terms of viable technology, but also in an actual case study involving real issues in a bank.

**Duyne, P. C., Harvey, J., & Gelemerova, L. (2018). *The critical handbook of money laundering: Policy, analysis and myths*. New York: Palgrave Macmillan.**

*Abstract:* The overarching aim of this book is to bring order to the subjects of money laundering and of the anti-money laundering frameworks that have been written over the past thirty years. It provides scholars, practitioners and policy-makers with a guide to what is known of the subject thus far. The book critically examines the underlying assumptions of research and of policy-making in the field and offers a systematic review of the most important policy and academic literature on the subject.

**Fabre, G. (2003). Criminal prosperity: Drug trafficking, money laundering and financial crises after the cold war. London; New York, NY: Routledge Curzon.**

*Abstract:* Drug trafficking is the most visible part of the profits of organized crime and has grown considerably since the end of the cold war. The mirror of history shows us the impact of the drug trade in the colonization of Asia. The post-cold war geopolitical context reproduces elements of the past, with new opportunities for drug trafficking in the globalization process, as can be seen in the example of China. With the growing role of offshore locations in the global financial system, criminal prosperity has even affected the economic stability of some countries. This book presents a heterodox interpretation of the post-cold war financial crisis, by focusing on the unexplored dimension of illicit actors. The Japanese crisis of the 1990s, for example, is examined in relation to the economic influence of the Yakuza on the real estate bubble, which had the effect of postponing necessary market adjustments. And the Thai crisis of 1997 is analyzed in the light of massive money laundering of institutional and criminal networks, whose undeclared profits represent about 10 percent of GDP.

**Masciandaro, D. (Ed.). (2004). Global financial crime: Terrorism, money laundering, and offshore centres. Aldershot, Hants, England; Burlington, VT: Ashgate.**

*Abstract:* The scope for financial crime has widened with the expansion and increased integration of financial markets. Money laundering, terrorism financing and tax crime have all changed in both nature and dimension. As new technologies reduce the importance of physical proximity to major onshore financial centres so a new generation of Offshore Financial Centres (OFCs) have emerged. This set of essays takes a political economy approach to the issue of terrorism financing, money laundering and offshore financial centres by reconsidering the relationship between the efficient allocation of resources and the safeguarding of the integrity of financial flows from contamination from terrorism and criminal sources. Straddling the disciplines of law, macroeconomics, financial policy, public policy and politics, the volume unpacks the postulates of the so-called financial war on terrorism and organized crime. These postulates are, first, the perceived vulnerability of the global financial and banking industry to terrorism financing risk; second, the misconceived conflation of terrorism financing risk with criminal capital laundering risk; and third, the erroneous identification of offshore financial centres as a catalyst of terrorism financing risk. This volume provides a deeper analysis of the economic, institutional and political features of the OFCs, in order to design the optimal international regulatory policy. Using a multidisciplinary approach with an international level of expertise, the book evaluates international policies regarding offshore countries based on a systematic analysis of their characteristics.

**Masciandaro, D., & Balakina, O. (2015). Banking secrecy and global finance: Economic and political issues. New York: Palgrave Macmillan.**

*Abstract:* A 2009 G20 official document stated that the era of banking secrecy is over, but is it? If banking secrecy is the result of market mechanisms, it suggests that worldwide demand and supply are likely to remain for a long time to come. Since the global financial crisis of 2008, many countries have fought to combat banking secrecy, yet it permeates both national and

international industries, and global efforts to prevent banking secrecy have been ineffective or at worst counterproductive. In this book, the authors show how the growth of criminal activity has systematically generated a demand for banking secrecy. They explore how national politicians and international banks have been motivated to supply banking secrecy through economic and political incentives and shed light on the economics and politics of banking secrecy. This book takes a multidisciplinary approach to reveal the variety of behaviours and processes involved in making dirty money appear clean, providing an in-depth study of financial transactions that are characterized by a special purpose: hiding the originally illegal sources. This work will be of interest to students and scholars of economics and finance, and those with an interest in banking secrecy, global finance, international banking, and financial regulation.

**Ruggiero, V. (2017). *Dirty money: On financial delinquency*. Oxford: Oxford University Press.**

*Abstract:* Ruggiero provides a history of financial delinquency from the 16<sup>th</sup> century to the present, with a particular focus on how discourse shapes and influences the understanding of delinquency. While the book focuses on white-collar crime in general, the chapter provocatively titled “The hidden wealth of nations” offers a sophisticated understanding of money laundering. Ruggiero debunks both the official and popular rhetoric of money laundering having primarily to do with crime and/ or drugs. Instead, he identifies other sources of money laundering such as tax evasion, corruption, bribes, capital flight, and proceeds of hidden economies. Like other criminologists, Ruggiero observes that the laundering of drug money isn’t a transnational phenomenon but a local endeavour involving real estate, construction, and accomplices in political and economic spheres including professionals (lawyers, accountants, etc.). Further, he provides a detailed analysis of structural deficiencies in the anti-money laundering/counter-terrorist financing (AML-CTF) measures. He argues that AML-CTF regulation fails to separate the revenues of organized crime and white-collar offenders and to prevent money laundering by states. Among the key contributions of the book to contemporary AML discourse is, first, Ruggiero’s criticism of the placement-layering-reintegration model of money laundering on account of its obsolescence. Second, Ruggiero highlights that AML-CTF legislation is predicated on the notion of suspicion, which fails to cover other types of financial delinquency (corruption by politicians, etc.).

**Sharman, J. C. (2011). *The money laundry: Regulating criminal finance in the global economy*. Ithaca N.Y.: Cornell University Press.**

*Abstract:* A generation ago, not a single country had laws to counter money laundering; now, more countries have standardized anti-money laundering (AML) policies than have armed forces. In this book, Sharman investigates whether AML policy works, and why it has spread so rapidly to so many states with so little in common. Sharman asserts that there are few benefits to such policies but high costs, which fall especially heavily on poor countries. The author tests the effectiveness of AML laws by soliciting offers for just the kind of untraceable shell companies that are expressly forbidden by global standards. In practice, these are readily available, and the author had no difficulty in buying the services of such companies. After dealing with providers in countries ranging from the Seychelles and Somalia to the United States and Britain, Sharman demonstrates that it is easier to form untraceable companies in large rich states than in small

poor ones; the United States being the worst offender. Despite its ineffectiveness, AML policy has spread via three paths. The Financial Action Task Force, the key standard-setter and enforcer in this area, has successfully implemented a strategy of blacklisting to promote compliance. Publicly identified as noncompliant, targeted states suffered damage to their reputation. Finally, international banks began using the presence of AML policy as a proxy for general country risk. Developing states have responded by adopting this policy as a functionally useless but symbolically valuable way of reassuring powerful outsiders. Since the financial crisis of 2008, the G20 has used the successful methods of coercive policy diffusion pioneered in the AML realm as a model for other global governance initiatives.

**Young, A. (Ed.). (2017). Trade-based money laundering: Overview, issues, perspectives. Hauppauge, NY: Nova Science Publishers.**

*Abstract:* The book captures the growing significance of trade-based money laundering as a technique of money laundering. Trade-based money laundering (TBML) involves the exploitation of the international trade system for the purpose of transferring value and obscuring the true origins of illicit wealth. TBML schemes vary in complexity but typically involve misrepresentation of the price, quantity, or quality of imports or exports. Financial institutions may wittingly or unwittingly be implicated in TBML schemes when such institutions are used to settle, facilitate, or finance international trade transactions (e.g., through the processing of wire transfers, provision of trade finance, and issuance of letters of credit and guarantees). TBML activity is considered to be growing in both volume and global reach. Although TBML is widely recognized as one of the most common manifestations of international money laundering, it is less understood among academics and policymakers than traditional forms of money laundering through the international banking system and bulk cash smuggling.

**Ulph, J., Tugendhat, M., & Glister, J. (2006). Commercial fraud: Civil liability, human rights, and money laundering. Oxford: Oxford University Press.**

*Abstract:* Theft, deception, bribery, rogue trading and money laundering present massive and apparently insuperable problems for governments worldwide. On a national and international scale, these types of activities may have social, economic, and political repercussions. This book is primarily concerned with the impact of these activities upon private individuals. The textbook analyzes the position of the victim, the fraudster, recipients of property and accessories. The focus is upon the civil law aspects of fraud and the increasing significance of money laundering legislation and the law of human rights. The main theme of this book is an examination of the extent to which fraudulent activity triggers special rules that are exceptions to the general principles of civil law.

**Unger, B., & Linde, D. V. (Eds.). (2013). Research handbook on money laundering. Cheltenham: Edward Elgar.**

*Abstract:* Although the practice of disguising the illicit origins of money dates back thousands of years, the concept of money laundering as a multidisciplinary topic with social, economic, political and regulatory implications has only gained prominence since the 1980s. This volume offers original research on the current money laundering debate and provides insightful

predictions and recommendations for future developments in the field. The contributors to this volume – academics, practitioners and government representatives from around the world – offer many perspectives on different aspects of money laundering. The book is broken down into seven thematic parts, as such: the history of money laundering, the effects of money laundering, who is threatened by laundering activities, the scale of the problem, ways to launder money, legislation targeting money laundering, and implementation and effectiveness of AML. Chapters that are most germane to understanding the nature and characteristics of money laundering fall under Part IV (“Ways to Launder”) and include an examination of how illicit funds are laundered through trade-based techniques, real estate, derivatives, and e-gaming. The book concludes with a synthesis of the problem and recommendations for additional steps to be taken in the future.

#### **OTHER BOOKS (TRUE CRIME NON-FICTION, JOURNALISTIC ACCOUNTS, TRADE MANUALS)**

**Bernstein, J., (2017). *Secrecy World: Inside the Panama papers investigation of illicit money networks and the global elite (First Edition)*. New York: Henry Holt.**

*Abstract:* A Pulitzer Prize-winning journalist explores the far-reaching crimes revealed by the Panama Papers, including illicit money, political corruption, and fraud on a global scale. Bernstein provides a useful primer for those looking for a quick understanding of how shell companies operate and their role in global money laundering. The book explores numerous cases of criminal offenders – drug traffickers, corrupt politicians, tax evaders and fraudsters – as well as the bankers, lawyers and auditors who helped them.

**Cassara, J. A. (2017). *Trade-based money laundering: The next frontier in international money laundering enforcement*. New York: Wiley and SAS Business Series.**

*Abstract:* In the last few years, trade-based money laundering has rapidly emerged as a significant trend within the literature. For Cassara, trade-based money laundering is the conversion of large quantities of illicit cash into less conspicuous assets or commodities to evade financial transparency laws and regulations. As a veteran US intelligence and law enforcement officer who specialized in financial fraud, Cassara argues that trade-based laundering is the ideal terrorism-financing vehicle. Written primarily as a primer for law enforcement and intelligence officers, Cassara details what he sees as the signs and patterns of trade-based money laundering and ways of spotting the same.

**Gilmore, W. C. (2011). *Dirty money: The evolution of money laundering counter-measures*. Strasbourg: Council of Europe Pub.**

*Abstract:* Estimates of dirty money range from (USD) 300 to 500 thousand million available each year for money laundering. It is obvious that these huge quantities of money, often linked with organized crime, threaten the stability of financial institutions and, ultimately, democracy and the rule of law. The international community has gradually reacted to this threat by taking several measures to counteract money laundering ever since the Committee of Ministers of the Council of Europe adopted a recommendation on the subject in 1980. This book describes how these measures have been adopted and implemented by various international fora such as

the Council of Europe, the United Nations, The European Union and the Financial Action Task Force.

**Lilley, P. (2006). *Dirty dealing the untold truth about global money laundering, international crime and terrorism (Third ed.)*. London; Philadelphia: Kogan Page.**

*Abstract:* This book discusses the scale and scope of global money laundering and its infiltration into the world's legitimate business structures. Lilley's account takes the reader on a global tour of the activities of highly organized and sophisticated crime syndicates and their financial crimes examining how the illicit money is obtained, how it is "washed," and how organizations can detect and prevent money laundering. The reader is "shown how they – often hand in hand with legitimate organizations – launder money through narcotics, gunrunning, prostitution, terrorism, art theft, blackmail and many other evil and corrupt activities. The World Wide Web has, of course, provided another lucrative washing method for the criminals and Dirty Dealing looks at the future threat that cyber laundering holds" (Book Jacket). The revised and updated edition includes an analysis of terrorism funding. The appendixes provide a country-by-country guide to specific local issues, types of crime and legislation, and a directory of websites offering further information on money laundering and related issues.

**Obermayer, B. (2017). *The Panama Papers: Breaking the story of how the rich & powerful hide their money*. London: Oneworld Publications.**

*Abstract:* This book is a detailed behind-the-scenes account by one of the first journalists to expose the Panama Papers. The book is a reminder of how money laundering investigations – and by necessary implication, investigators – are invariably bogged down by the problems associated with establishing and proving financial crime even when (as in this case) leads are available. "Late one evening, investigative journalist Bastian Obermayer receives an anonymous message offering him access to secret data. Through encrypted channels, he then receives documents revealing how the president of Argentina has sequestered millions of dollars of state money for private use. This is just the beginning. Obermayer and fellow Süddeutsche journalist Frederik Obermaier find themselves immersed in the secret world where complex networks of letterbox companies help the super-rich to hide their money. Faced with the contents of the largest data leak in history, they activate an international network of journalists to follow every possible line of inquiry. Operating in the strictest secrecy for over a year, they uncover cases involving European prime ministers and international dictators, emirs and kings, celebrities and aristocrats. The real-life thriller behind the story of the century" (Source: book jacket)

**Robinson, J. (2018). *The new laundrymen*. New York: Simon & Schuster.**

*Abstract:* It is more than 25 years since Jeffrey Robinson wrote the bestseller *The Laundrymen*. In the early 1990s, the United States was cocaine saturated; white powder was pouring into Britain, the City of London was considered a major centre for international money laundering, and nearly \$300 billion worth of ill-gotten cash was circling the globe, looking to get clean. Today the USA is still cocaine saturated, white powder continues to pour into Britain, and now more than \$1 trillion worth of ill-gotten cash is circling the globe, looking to get clean. Where did it all go wrong? Start with the City of London, which is, more than ever, a cesspool of dirty

money. It began with drug money and is now awash with the receipts of political and corporate corruption. Now throw in the destruction successive governments have done to British law enforcement and Parliament's proclivity for talking a good game, but doing next to nothing to prosecute the money launderers. This sensationalized journalistic account takes readers deep inside the HSBC scandal, the Panama Papers and the \$50 million worth of drug money that sat in an account in London until it was eventually returned to the money launderer. He explains how a blue-chip business laundered fraud money for the Italian mob and how the Commonwealth Islands live off dirty money, he sings praises for the one offshore island that decided enough was enough and he reveals why the world's dictators love London because their sons have always been welcome here to bed down the loot their fathers stole from their national treasuries. Just as he did twenty-five years ago, Jeffrey points fingers and names names, turning the spotlight on Britain's 'gatekeepers' - the lawyers, bankers, accountants, company formation agents and brokers living right here - who continue to make huge profits in the world's third-largest business: money laundering.

**Turner, J. E. (2011). Money laundering prevention: Detering, detecting, and resolving financial fraud. Hoboken, N.J.: Wiley.**

*Abstract:* This book is a how-to guide for the discovery and prevention of the illegal transfer of money. written for the private sector – where most money laundering takes place – it shows business professionals how to deter, detect, and resolve financial fraud cases internally. In particular, the book endeavours to provide an understanding of: the mechanisms, tools to detect issues, and action lists to recover hidden funds; actions that can deter, detect, and resolve financial fraud cases; and mechanisms and tools to identifying risk exposures, investigate money movement and detect and recover hidden funds.

## **REPORTS (BRITISH COLUMBIA)**

**Ernst & Young. (2017). Assessment of BCLC's anti-money laundering (AML) and sanctions compliance program. Toronto: Ernst & Young.**

*Abstract:* This report documents the findings of an independent assessment of British Columbia Lottery Corporation's AML and sanctions compliance programs based upon applicable reporting requirements outlined by the Financial Transactions and Reports Analysis Centre of Canada. The report concludes that BCLC has developed, delivered and maintained an AML and sanctions compliance program that incorporates the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and compliance requirements as documented under FINTRAC guidelines and interpretation notices specific to casinos. BCLC relies on internal AML and BCLC casino policies complete with a compliance manual. These policy manuals with their supporting standards and procedures allow BCLC to continuously keep the program aligned with legal and regulatory requirements.



**Expert Panel on Money Laundering in BC Real Estate (Maureen Maloney, Tsur Somerville, Brigitte Unger). (2019). *Combatting money laundering in BC real estate*. Vancouver: Expert Panel on Money Laundering in BC Real Estate.**

*Abstract:* Money laundering, especially as it applies to real estate in the urban markets of British Columbia, has become one of the most hotly debated public policy issues of the time. And yet, because of its secretive nature, little is known about the quantum of money laundering in real estate or its impact on market prices and housing affordability. What is clear is that decades after money laundering was identified as an issue requiring a coordinated and sustained international response, Canada's approach – focusing on a criminal justice response – has not been effective. Urgent action is required. The purpose of this report is to recommend what action can and should be taken by the Province, primarily regulatory in nature, to better combat money laundering in the B.C. real estate market. It is clear that B.C. cannot be effective on its own. Accordingly, the report also identifies improvements to the core federal anti-money laundering (AML) legislation and practice, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the operations of the Financial Transactions and Reports Analysis Centre of Canada. There is a complex system of regulatory and AML agencies at the federal and provincial levels that inevitably operate as silos to some extent. Coordination and cooperation are key in the fight against money laundering. Consistent with the Panel's Terms of Reference, this report reviews the importance of combatting money laundering, describes international AML best practices, outlines original research undertaken to estimate the amount of money laundering in Canada and BC, estimates the impact of money laundering on real estate and describes the current complex system of regulatory and AML agencies to identify gaps and opportunities. The report also includes the Panel's 29 recommendations for change.

**German, P. (2018). *Dirty money, part I. an independent review of money laundering in lower mainland casinos conducted for the Attorney General of British Columbia*. Vancouver: Peter German and Associates.**

*Abstract:* For many years, certain Lower Mainland casinos unwittingly served as laundromats for the proceeds of organized crime. This represented a collective system failure, which brought the gaming industry into disrepute in the eyes of many British Columbians. The problem grew over time until it outdistanced the ability of existing legislation, process and structure to effectively manage the problem. Casinos are predominantly cash-based businesses. Cash-based businesses are particularly vulnerable to criminal infiltration. As early as 2012, some employees within both the provincial Gaming Policy and Enforcement Branch (GPEB) and British Columbia Lottery Corporation (BCLC) recognized the reality that small-time loan sharking had evolved into large-scale money laundering. After the evidence was clear that unsourced cash, the product of organized crime, was finding its way into casinos, some continued to question its origin. The combined effect of years of denial, alternate hypotheses and acrimony between entities made for a perfect storm that reached its apex in 2015. On July 22, 2015, an RCMP officer advised a BCLC investigator that police officers had been looking for a 'minnow' and found a 'whale'. The officer was referring to an ongoing investigation involving a money service bureau, a casino and the proceeds of crime. The report discusses the Vancouver Model, an explanation for the advantage which organized crime took of Lower Mainland casinos, as well as other sectors of the economy. There is also considerable discussion of Chinese gamblers and crime. Many of the high limit gamblers who used dirty money to feed their gambling

activities were dupes. Others were simply attempting to remove their own money from China to make a life for themselves in Canada.

**German, P. (2019). *Dirty money, part II. turning the tide: An independent review of money laundering in B.C. real estate, luxury vehicle sales & horse racing*. Vancouver: Peter German and Associates.**

*Abstract:* The first *Dirty Money* report released by the Attorney General in June 2018 focussed on the laundering of illicit cash in casinos. This is an example of the first stage of money laundering, referred to as placement. In it, illegal proceeds of crime find a way into the mainstream financial system. *Dirty Money, Part II* provides many more examples of ill-gotten cash moving into the mainstream financial system, but also considers the second (layering) and third (integration) stages of money laundering, which involve the movement of dirty money, generally through wire transfers or underground bankers. These transactions or arrangements occur in nanoseconds and are intended to disguise the money trail, purchase new illegal products, or spend the profits of crime. In the past few years, Greater Vancouver has been at the confluence of the proceeds of criminal activity, large amounts of capital fleeing China and other countries, and a robust underground economy seeking to evade taxes. These three rivers of money coalesce in Vancouver's property market and in consumer goods. Identifying properties that are owned by overseas buyers is practically impossible due to the potential disconnect between titleholders and beneficial owners. B.C. has some of the strongest rules in place for lawyers, and yet there is no external reporting, and there is no visibility concerning what is in a lawyer's trust account. There are a plethora of rules concerning the reporting of deposits made to realtors and brokers, and yet closing funds can arrive in a trust account through a ubiquitous electronic transmission that says virtually nothing about the true source of funds. In terms of cash, lawyers cannot accept in excess of \$7,500, and yet the exemptions to that rule allow for any amount of cash for the payment of fees and expenses, and for bail. Furthermore, in B.C. lawyers can represent one party to a sale and be under no obligation to report suspicious transactions. Multi-million dollar schemes to purchase luxury vehicles in B.C. and ship them to China, at a great profit, have emerged in recent years. The greatest concern is that it is an underground activity involving straw persons who purchase vehicles as nominees for exporters. Purchases can take place with cash, with money transmitted electronically, or through underground banking arrangements. Although the horse racing sector is small, the report points out various opportunities for money laundering and once again, the absence of both financial reporting to FINTRAC, and of a dedicated enforcement presence.

**Standing Committee on Finance, House of Commons, Canada (42nd Parliament, 1st Session). (2018). *Confronting money laundering and terrorist financing: Moving Canada forward. Report of the Standing Committee on Finance*. Ottawa: Parliament of Canada, House of Commons.** Retrieved from <https://www.ourcommons.ca/Content/Committee/421/FINA/Reports/RPI0170742/finarp24/finarp24-e.pdf>

*Abstract:* The Discussion Paper identifies a number of legislative and regulatory gaps in the regime that witnesses provided comments on; in particular, witnesses provided suggestions with respect to: beneficial ownership, politically exposed persons, the legal profession, white label automated teller machines, the real estate sector and alternative mortgage lenders, structuring to avoid reporting, armoured cars, high-value goods dealers and auction houses, and securities

dealers. The RCMP indicated that because lawyers have considerable involvement in real estate and corporate transactions, it is important that they are included in the regime. They undertook an audit from July 2013 to June 2017 of 51 financial crime cases and found that over 75 percent involved lawyers as either a direct suspect or someone identified during the investigation. The Government of British Columbia outlined one example of money laundering through real estate by connecting a gambler who obtained \$645,000 in small bills through a “drop off” outside a casino to ownership of a \$14 million house in Vancouver. The B.C. Government also alleged that loans from an unregistered money service business had been used to fund real estate development and make mortgage payments. The Government of B.C. also identified the auto sector as a high-risk area, as Vancouver has among the highest number of “super cars” in North America and auto dealers in Greater Vancouver are among the highest new and used luxury car dealers in Canada by sales volume. They also believe that the criminal lifestyle is often attracted to expensive consumer goods such as luxury cars and pleasure crafts, and such goods are excellent ways in which illegal cash can be reintroduced into the economy. One of the report’s recommendation is “that the Government of Canada work with the provinces and territories to create a pan-Canadian beneficial ownership registry for all legal persons and entities, including trusts, who have significant control which is defined as those having at least 25 percent of total share ownership or voting rights.”

## **REPORTS (CANADA)**

**Brennan, S., & Vaillancourt, R. (2011). *Money laundering in Canada, 2009*. Ottawa: Statistics Canada (*Juristat Bulletin, Statistics Canada Catalogue no. 85-005-X*).**

*Abstract:* In 2009, Canadian police services substantiated 525 incidents of money laundering, accounting for less than one percent of all police-reported Criminal Code incidents. Expressed as a rate, there were about two police-reported incidents of money laundering for every 100,000 Canadians. Over the past 10 years, the rate of money laundering incidents reported by police has changed considerably. Following a period of relative stability in the early part of the decade, the rate of money laundering grew five-fold from 2004 to 2006. Since 2006, there has been little year-over-year fluctuation.

**Cameron, R. (2014). “It’s all about the money”: *Crime in the Caribbean and its impact on Canada*. Calgary: The School of Public Policy Publications (University of Calgary).**

*Abstract:* This paper reviews Caribbean crime and its trends and impacts on Canada, money laundering trends, and highlights policies that could be reinforced to better curb these trends. Crime is a societal problem for which solutions are found within communities. This applies equally to the Caribbean and to Canada. It is in Canada’s best interest to accelerate efforts to aid the region, especially in the area of citizen security and reforms of the criminal justice system. Multilateral programs aimed at building regional capacities in governance and criminal justice systems are the areas in which Canada can play an important role. The creation of a Canada-Caribbean institute would go a long way in conducting scholarly graduate-level research in fields of security-sector reform.

**Canadian Imperial Bank of Commerce, & Financial Transactions and Reports Analysis Centre of Canada. (2009). *Money laundering and terrorist financing typologies and trends in Canadian banking big five bank participants, CIBC ... [et al.]*. Ottawa: Financial Transactions and Reports Analysis Centre of Canada.**

No Abstract Available

**Comeau, K. (2019). *Why we fail to catch money launderers 99.9 percent of the time*. Ottawa: C.D. Howe Institute.**

*Abstract:* Money laundering almost always occurs at a different time and place than its underlying predicate crime (for example, drug trafficking, government corruption, tax fraud), and often involves different actors. That separation of time, place and actors creates the appearance of a benign event – merely another legitimate transaction in a world of millions of legitimate transactions. As a result, an overwhelming majority of the time, law enforcement agencies not only do not know who committed the money laundering crime or where the crime was committed; they do not even know a crime was committed at all. The effective invisibility of the crime of money laundering and the anonymity of its perpetrators give money launderers a massive advantage over those tasked with apprehending them. That advantage is even more pronounced in the case of international money laundering, where the predicate crime is committed in one country and the dirty money is laundered in some distant land where law enforcement officials will not even be aware of the existence of the predicate crime. The fight against money laundering in Canada will require tougher measures, according to Comeau; he argues for the creation of a publicly accessible registry of beneficial ownership, and mandatory declarations of beneficial ownership with meaningful sanctions for false declarations.

**Criminal Intelligence Service Canada. (2007). *2007 annual report on organized crime in Canada*. Ottawa: CISC.**

*Abstract:* Criminals launder illicit proceeds in an attempt to avoid confiscation and forfeiture of their profits by law enforcement, conceal criminal activities and reinvest the funds in further criminal activities or legitimate ventures. Laundering and reinvestment of criminal proceeds in legitimate companies can undermine the legitimate economy. Money laundering typically involves the use of a range of financial services – deposit-taking institutions (e.g. banks), currency exchanges, securities traders, insurance companies and “shell” corporations — that can lead to a chain reaction in which many institutions are subsequently affected, both domestically and internationally. As a result, specialized expertise is often necessary and individuals in key professions, such as lawyers, accountants and investment brokers, may knowingly or unknowingly assist the laundering process. Organized criminals are capable of manipulating financial systems and institutions, and corrupting public and private sector officials to facilitate money laundering. This compromises the integrity of the financial institutions and results in the loss of investor and public confidence. Criminal groups will continue to manipulate Internet financial services, such as online payment systems and e-currencies as they can be highly secure, anonymous and operate outside the regulated banking system. In addition, crime groups will continue to insulate themselves through simpler laundering methods ranging from the use of cash-intensive businesses such as restaurants and casinos to the purchase of luxury goods.

**Criminal Intelligence Service Canada. (2008). *2008 report on organized crime*. Ottawa: CISC.**

*Abstract:* Organized crime groups continue to exploit financial professionals, such as accountants, bank representatives, and lawyers to facilitate fraud or the movement of money through different stages of the money laundering process. The methods used by organized crime to

launder money range from simple techniques requiring minimal expertise to more complex methods requiring additional coordination. The expanding availability and use of electronic money systems are providing organized crime with new ways to transfer value.

**Criminal Intelligence Service Canada. (2009). 2009 annual report on organized crime. Ottawa: CISC.**

*Abstract:* Money laundering is a key activity that enables groups to continue their criminal activities, maintain possession and control of their profits and reinvest in further criminal endeavours. Traditional methods involve white-label ATMs, the use of front companies, currency exchanges and multi-jurisdictional and offshore transactions. Newer avenues include the use of prepaid cards, which are portable, valuable, exchangeable and anonymous. Where critical skills necessary to facilitate criminal activities are absent within a criminal group, skilled outsiders are recruited or exploited to provide this service. There are money laundering specialists, for example, who launder money for several criminal groups and charge commission for the service

**Criminal Intelligence Service Canada. (2019) Public report on organized crime in Canada, 2019. Ottawa: Criminal Intelligence Service Canada.**

*Abstract:* Money laundering is a key activity for organized crime groups (OCGs), and the practice is pervasive throughout all scopes of criminal enterprise. Money laundering service providers coordinate and move large sums of money to legitimize criminal proceeds on behalf of Canadian and international OCGs. Several organized crime groups considered as high-level threats (HLTs) are involved in money laundering as a primary criminal activity or maintain associations to professional money laundering service providers with extensive ties to South East Asia, and are potentially associated to Triads based in China. At least four HLTs are linked to money launderers for large international organized crime networks, providing laundering services for domestic and international drug traffickers. One high-level network based in British Columbia and Ontario, for example, represents several key service providers nationally and internationally, conducting self-laundering, and providing third-party money laundering services to OCGs by conducting complex money laundering operations through their exploitation of casinos, underground banking systems, illegal gaming houses/sites, nominees/shell companies, trade-based money laundering, and real estate investments.

**Finance Canada. (2015). Assessment of inherent risks in money laundering and terrorist financing in Canada. Ottawa: Department of Finance Canada.**

*Abstract:* This money laundering (ML) threat assessment examined 21 criminal activities in Canada that are most associated with generating proceeds of crime that may be laundered. It also examined the ML threat emanating from third-party money laundering, which includes money mules, nominees and professional money launderers. The ML threat was rated very high for corruption and bribery, counterfeiting and piracy, certain types of fraud, illicit drug trafficking, illicit tobacco smuggling and trafficking, and third-party money laundering. Transnational organized crime groups (OCGs) and professional money launderers are the key ML threat actors in the Canadian context. Many of these threats are similar to those faced by several other developed and developing countries. The terrorist financing (TF) threat was assessed for the groups and actors that are of greatest concern to Canada. The assessment indicates that there are networks operating in Canada that are suspected of raising, collecting and transmitting funds abroad to various terrorist groups. Despite these activities, the TF threat in

Canada is not as pronounced as in other regions of the world, where weaker ATF regimes can be found and where terrorist groups have established a foothold, both in terms of operations and financing their activities. The inherent ML/TF vulnerabilities are presented for 27 economic sectors and financial products. The assessment indicates that there are many sectors and products that are highly vulnerable to money laundering and terrorist financing. Of the assessed areas, domestic banks, corporations (especially private for-profit corporations), certain types of money services businesses and express trusts were rated the most vulnerable, or very high. The vulnerability was rated high for 16 sectors and products, medium for five sectors and products and low for one sector. Many of the sectors and products are highly accessible to individuals in Canada and internationally and are associated with a high volume, velocity and frequency of transactions. Many conduct a significant amount of transactional business with high-risk clients and are exposed to high-risk jurisdictions that have weak AML/ATF regimes and significant ML/TF threats. There are also opportunities in many sectors to undertake transactions with varying degrees of anonymity and to structure transactions in a complex manner.

**Financial Action Task Force on Money Laundering. (2008). *Canada report on the observance of standards and codes: FATF recommendations for anti-money laundering and combating the financing of terrorism*. Washington, D.C.: International Monetary Fund.** Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Canada-Report-on-the-Observance-of-Standards-and-Codes-FATF-Recommendations-for-Anti-Money-22535>

*Abstract:* Illicit proceeds from a variety of criminal activities contribute to the ongoing money laundering situation in Canada with drug trafficking as the source of much of the money laundered. Other sources of proceeds of crime include prostitution rings, contraband smuggling, illegal arms sales, migrant smuggling, and white-collar crime such as securities offences, real estate fraud, credit card fraud and telemarketing fraud. While there is no estimate for the total annual proceeds of crime, drug sales are estimated to amount to several billion dollars. The money laundering methods used in Canada have remained relatively consistent in recent years. They consist of: cross-border cash smuggling, money service businesses and currency exchanges; casinos; purchase of real estate; wire transfers; establishment of offshore corporations; credit cards, stored value cards and new payment methods; use of nominees, foreign bank accounts, and professional services (lawyers, accountants, etc.); and reinvestment in illicit drugs. At the placement stage, criminals are using money service businesses or casinos. Electronic funds transfers are being used for layering and at the integration stage, criminal proceeds are used to purchase high-value assets in attempts to conceal the origin of the funds. Most recently, there have been signs that criminals are turning to such methods as Internet payments or cross-border movement of gold bullion.

**Financial Transactions and Reports Analysis Centre of Canada. (2009a). *Money laundering and terrorist financing typologies and trends in Canadian banking*. Ottawa: Financial Transactions and Reports Analysis Centre of Canada.** Retrieved from <https://www.scribd.com/document/73656028/Fintrac-Money-Laundering-and-Terrorist-Financing-Typologies-and-Trends-in-and-in-Canadian-Banking-May-2009>

*Abstract:* The majority of suspicious financial transactions associated with cases disclosed to law enforcement and the intelligence community in 2007-2008 were conducted through banks and other financial institutions. Through this paper, FINTRAC seeks to address questions about

money laundering and terrorist financing that are unique to the Canadian banking sector and have been observed in their analysis of financial transactions. It includes describing cases and typologies on money laundering and terrorist financing (ML/TF) related to the banking sector. The most common types of suspicious financial transactions for ML/TF cases conducted through the banking sector in 2007-2008 are detailed. This includes identifying at what stage of ML/TF process the suspicious financial transaction had likely occurred. Some common suspicious transactions identified by banks through their suspicious transaction reports include the following. Most suspicious transactions at banks begin with a large cash deposit (in \$20, \$50 or \$100 bills) that are under the reporting threshold of \$10,000 (structuring). The cash is deposited in a personal or business bank account and is followed by either issuance of cheques (often payable to third parties) or the purchase of bank drafts or electronic funds transfers to Canadian or foreign individuals or entities. Deposits of CDN \$20 bills (placement) were sometimes followed by USD electronic fund transfers (layering). Deposits of cash or cheques were sometimes followed by transfers to accounts held by the same individual/entity in other Canadian or foreign financial institutions – (layering). Multiple cash deposits were conducted in a short time frame and below the reporting threshold, as well as alternating between branches across the country (sometimes through automated teller machines), followed by cash withdrawals (structuring and smurfing).

**Financial Transactions and Reports Analysis Centre of Canada. (2009b). *Money laundering typologies and trends in Canadian casinos*. Ottawa: Financial Transactions and Reports Analysis Centre of Canada.** Retrieved from <https://central.bac-lac.gc.ca/.item?id=FD4-3-2009-eng&op=pdf&app=Library>.

*Abstract:* Through this report, FINTRAC seeks to provide information about money laundering that is unique to the Canadian casino sector and which has been observed in its analysis of suspicious financial transactions in casinos. There are four key sections to the report. The first section highlights the observations from a review of all of the cases FINTRAC disclosed to law enforcement and/or intelligence agencies in 2008-2009. The second section identifies typologies, methods and techniques of money laundering observed in FINTRAC case disclosures involving transactions in Canadian casinos. The third section presents actual FINTRAC cases, sanitized to ensure confidentiality, and the final section identifies money laundering risks associated with one casino service. Suspicious transactions at casinos were mostly related to suspected drug offences, suspected fraud, organized crime activities and terrorist financing.

**Financial Transactions and Reports Analysis Centre of Canada. (2010). *Money laundering and terrorist financing (ML/TF) typologies and trends for Canadian money services businesses (MSBs)*. Ottawa: FINTRAC.** Retrieved from [https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/msb\\_mltf-eng](https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/msb_mltf-eng)

*Abstract:* In 2008-2009, FINTRAC disclosed 197 cases that involved transactions through the money service business (MSB) sector. This report provides a general overview of trends in ML/TF within the MSB sector and also includes a basic review of the types of criminal offences associated with suspicions of ML or TF found in these cases. The report focuses on the most common money laundering methods and techniques identified in cases where transactions were conducted at MSBs. Certain transactions are outside the normal conduct of the business of MSBs. These transactions may be indicative of a suspicious transaction and would require

additional assessment. Some examples of ML/TF indicators based on atypical transactional activity involving an MSB include: a series of complicated transfers of funds that seems to be an attempt to hide the source and intended use of the funds, the transaction is unnecessarily complex for its stated purpose, a customer presents notes or financial instruments that are packed, transported or wrapped in an uncommon way, the customer's transactions have no apparent business or economic purpose, the transaction involves a suspected shell entity, the customer frequently exchanges small bills for larger bills, and suspicious patterns emerges from the customer's transactions (e.g. transactions take place at the same time of day).

**Financial Transactions and Reports Analysis Centre of Canada. (2011). *Trends in Canadian suspicious transaction reporting (STR)*. Ottawa: FINTRAC. Retrieved from <https://fdocuments.in/document/trends-in-canadian-suspicious-transaction-reporting-str-in-canadian-suspicious.html>**

*Abstract:* This FINTRAC report provides qualitative and quantitative details on the type of suspicious transaction reports filed by various reporting entities in Canada between 2007 and 2010. During this period, the banking sector submitted over 75,900 STRs to FINTRAC. A significant portion of these STRs concerns cash transactions. Cash deposits are mentioned in STRs more than twice as frequently as cash withdrawals. In over a quarter of STRs (more than 20,000 reports) submitted to FINTRAC by this sector, the source of funds associated with the reported transaction or account was of concern. The most dominant suspicious transactions related to financial activities below reporting thresholds, likely indicating structuring activity. Between 2007 and 2010, the money services business (MSB) sector submitted over 72,400 STRs to FINTRAC. The single most predominant suspicious transaction involved outgoing Canadian funds. The credit union sector submitted over 18,000 STRs between 2007 and 2010. Among its top single suspicion transactions were unusually large transactions. The casino sector submitted over 14,000 STRs to FINTRAC during this period. The predominant suspicion transaction for this sector was the lack of a clear connection between the casino patron's occupational background and his/ her casino gaming activity (i.e., their type of employment did not seem to be consistent with the amount of money gambled). The trust and/or loan sector submitted over 3,800 STRs to FINTRAC between 2007 and 2010. The dominant suspicion transaction involved real estate transactions; more specifically, financial loans related to property purchases.

**Financial Transactions and Reports Analysis Centre of Canada. (2013). *Money laundering trends and typologies in the Canadian securities sector*. Ottawa: Financial Transactions and Reports Analysis Centre of Canada.**

*Abstract:* In this report, FINTRAC seeks to address questions about money laundering that are relevant to the Canadian securities sector and have been observed in its analysis of financial transactions involving the sector. The low number of large cash transaction reports (LCTRs) received by FINTRAC from securities dealers reflects the fact that physical cash is not generally used to finance securities accounts. However, FINTRAC has observed a substantial increase in the number of suspicious transaction reports (STRs) filed by securities dealers since 2007. Money laundering activity in the industry is not limited to the negotiation (i.e. purchase and sale) of securities but also includes, for example, how funds enter and exit the sector. Money laundering often involves a variety of transactions across multiple sectors; transactions involving Canadian securities dealers may represent only one part of a broader money



laundering scheme. Four main areas of suspicion have been flagged to FINTRAC: (i) the source and ultimate use of the funds; (ii) the conductor of the transactions; (iii) the complexity of the transactions; and (iv) the negotiation of securities products. Where suspicions related to the source of funds deposited to securities accounts, or the use of funds following withdrawals from securities accounts, the most common suspicions were related to third party transactions. These suspicions included incoming electronic funds transfers from or to third parties, transfers to/from securities accounts held by third parties, and negotiable instruments (e.g. certified cheques, bank drafts) made payable to third parties. Transactions of this nature are indicative of the layering stage of money laundering activity. Suspicions regarding the conductor were also flagged extensively in STRs submitted to FINTRAC by securities dealers. Suspicions often related to a current or previous criminal history, reports of actions undertaken by a securities regulator concerning the conductor, and the client's suspicious behaviour when opening an account. Transactions that conflicted with the client profile developed by the securities dealer also raised suspicions that were ultimately reported to FINTRAC. Similarly, securities dealers reported suspicions about unnecessary complexity in their clients' transactions. Of specific concern were frequent contributions and withdrawals from securities accounts, as well as transfers between accounts. Specific products, services and transactions in the securities market that are particularly vulnerable to money laundering include the deposit of physical certificates, securities traded over the counter, early redemption of securities, proceeds of sale in the form of negotiable instruments, and transfers of funds between accounts.

**Financial Transactions and Reports Analysis Centre of Canada. (2015). *Mass marketing fraud: Money laundering methods and techniques*. Ottawa: FINTRAC.** Retrieved from <https://deslibris.ca/ID/245899>

*Abstract:* Mass marketing fraud operations make considerable use of businesses to launder illicit proceeds. Businesses are involved in nearly all cases where suspected mass marketing fraud perpetrators show a minimum degree of sophistication. Businesses in the automotive sector – one of the main sectors suspected to be used to launder the proceeds of mass marketing fraud – have used trade-based money laundering techniques to launder funds. It has also been observed that considerable use appears to be made of money services businesses, not only to receive funds from victims but to launder mass marketing fraud proceeds.

**Financial Transactions and Reports Analysis Centre of Canada. (2016). *FINTRAC: Guidance on the risk-based approach to combatting money laundering and terrorist financing*. Ottawa: FINTRAC.** Retrieved from <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/rba/rba-eng>

*Abstract:* By regularly assessing their money laundering and terrorism financing risks, reporting entities can protect and maintain the integrity of their businesses while contributing to the integrity of the Canadian financial system as a whole. While each reporting entity is responsible for its own risk assessment, FINTRAC has developed this guidance document to help reporting entities meet the risk-based approach (RBA) obligations. This guidance document is structured to help reporting entities better understand what the RBA is and take inventory of their risks relating to products, services and delivery channels, clients and business relationships, geography and other relevant factors. It will also help in implementing effective mitigation measures and in monitoring the money laundering and terrorist financing risks reporting entities may have or encounter as part of their activities and business relationships. This

guidance document is intended for all activity sectors covered under the PCMLTFA. However, some examples and/or indicators may apply only to certain activity sectors.

**Financial Transactions and Reports Analysis Centre of Canada. (2018). Risk-based approach workbook dealers in precious metals and stones (DPMS). Ottawa: FINTRAC.** Retrieved from <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/rba/rba-dpms-eng>

*Abstract:* This report was written as a risk-based guidance to dealers in precious metals and stones (DPMS) to identify transactions that may be suspicious of money laundering. DPMS are advised to “assess all your products and delivery channels to determine if they pose a high risk of ML/TF.” This may include, but is not limited to: purchase of precious metals, precious stones or jewellery, sale of precious metals, precious stones or jewellery, non-face-to-face transactions with unknown clients (through the internet, mail or telephone). Dealers may want to consider the following using a risk-based approach: assess the products by the type of market and the type of client they are meant for (e.g. corporate, individuals, wholesale, retail, etc.). The physical characteristics of the products on offer (Can a very high value be concealed, are they easily portable, or is their origin difficult to determine?). Unless transactions involve very large quantities, lower value products are likely to carry less risk than higher-value products. Dealers should also consider how they identify their clients (Do you meet your clients face-to-face or do you identify your clients through other methods?) How do you provide your product? Do clients have to come to your location to buy a product or can they conduct a transaction over the phone, by fax or online?

**Financial Transactions and Reports Analysis Centre of Canada. (2019). Money laundering and terrorist financing indicators - casinos. Ottawa: FINTRAC.** Retrieved from [https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/casinos\\_mltf-eng](https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/casinos_mltf-eng)

*Abstract:* This guidance was developed to help the casino industry identify transactions that may be suspicious of money laundering and terrorist financing. The ML/TF indicators in this guidance were developed by FINTRAC through a three-year review of ML/TF cases, a review of high-quality STRs, published literature by international organizations such as the FATF and the Egmont Group, and consultation with reporting entity sectors. Some examples of ML/TF indicators specific to casinos include: any casino transaction of \$3,000 or more when an individual receives payment in casino cheques made out to third parties or without a specified payee, client requests a winnings cheque in a third party's name, acquaintances bet against each other in even-money games and it appears that they are intentionally losing to one of the parties, client attempts to avoid the filing of a report for cash by breaking up the transaction, client requests cheques that are not for gaming winnings, client enquires about opening an account with the casino and the ability to transfer the funds to other locations when you do not know the client as a regular, frequent or large volume player, client purchases large volume of chips with cash, participates in limited gambling activity with the intention of creating a perception of significant gambling, and then cashes the chips for a casino cheque, client puts money into slot machines and claims accumulated credits as a jackpot win, client exchanges small denomination bank notes for large denomination bank notes, chip purchase vouchers or

cheques, and client is known to use multiple names, and client requests the transfer of winnings to the bank account of a third party or a known drug source country or to a country where there is no effective anti-money-laundering system.

**Grant Thornton LLC. (n.d.) *Reporting entity sector profiles - money laundering terrorist and financing vulnerability assessments.* Toronto: Grant Thornton, LLC**

*Abstract:* A report prepared for Canada's anti-money laundering watchdog points to offshore cash in the real estate sector as a “significant risk” for criminal wrongdoing. The Financial Transactions and Reports Analysis Centre of Canada, commonly known as FINTRAC, commissioned a profile of the sector's vulnerabilities by accountancy firm Grant Thornton. “The purchase of Canadian real estate assets with offshore money and/or by offshore persons was noted as a significant risk factor,” says an overview of the report, released through access to information. The report also flags a lack of “quality and ethics infrastructure” in the sector as a concern of “critical importance.”

**Hicks, David; Kiedrowski, John; Gabor, Thomas, (2012). *Economic sectors vulnerable to organized crime: Securities.* Ottawa: Public Safety Canada.**

*Abstract:* There is a growing concern that certain sectors of the Canadian economy may be especially vulnerable to infiltration by organized crime. In certain parts of Canada, criminal organizations may be active in the securities sector. Organized crime involvement in capital market offences is possible at several levels in terms of the depth of its infiltration of the securities market. The securities sector may be a site for the laundering of proceeds of crime generated outside of the industry, for instance, drug money, or a site for fraud and related laundering of proceeds generated to varying degrees within or alongside the sector. Criminal organizations can establish real or paper-based companies and sell real or fictitious stocks outside the regulated market, or attempt to secure the cooperation of industry insiders through the threat of violence or in repayment of gambling debts. It is also possible that criminal organizations or their members may establish partial or direct beneficial ownership of brokerage houses and engage a broader and deeper exploitation of victims. Some schemes that occur in Canada include fraudulent high-yield investments, pyramid or Ponzi schemes, and illicit ‘tax-free’ investments. This research revealed concerns about Canadian investor involvement with boiler-room operations and the regulatory light-touch segments of international markets such as pink sheets and Over-the-Counter Bulletin Board in the United States, the Frankfurt Stock Exchange in Germany, and domestic markets, such as exempt securities. In one case study examined in this report, a major Canadian organized crime figure was linked to stock-market fraud, insider trading and related money laundering in Canada and Italy.

**Marini, R. (2000). *Italian organized crime. Money laundering techniques.* Toronto: RCMP Toronto Integrated Proceeds of Crime Unit.**

Report not readily available

**Martini, M. (2017). *Doors wide open: Corruption and real estate in four key markets.* Berlin: Transparency International.**

*Abstract:* The real estate market has long provided a way for individuals to secretly launder or invest stolen money and other illicitly gained funds. In many such cases, property is purchased

through anonymous shell companies or trusts without undergoing proper due diligence by the professionals involved in the deal. The ease with which such anonymous companies or trusts can acquire property and launder money is directly related to the insufficient rules and enforcement practices in attractive markets. The countries analyzed in this study – Australia, Canada, the United Kingdom and the United States – have committed in different forums, such as through the FATF and the Group of 20 (G20), to do more to prevent and curb money laundering and terrorist financing, including by regulating gatekeepers, such as real estate agents, lawyers and accountants, who may act as facilitators in transactions that can enable money laundering. This report identifies the main problems related to real estate and money laundering in these four countries and finds that, despite international commitments, current rules and practices are inadequate to mitigate the risks and detect money laundering in the real estate sector. Canada’s legal framework has severe deficiencies under four of the 10 identified areas. In the other six, there are either significant loopholes that increase risks of money laundering through the real estate sector or severe problems in implementation and enforcement of the law. While anti-money laundering provisions cover real estate agents, brokers and developers, notaries from British Columbia and accountants, they do not cover other professions such as lawyers, law firms and Quebec notaries. Given their roles in real estate closings, this is a major loophole. Real estate professionals are not required to identify the beneficial owners of customers when conducting due diligence. An analysis of land title records found that nearly half of the 100 most valuable residential properties in Greater Vancouver are held through structures that hide their beneficial owners. Nearly one-third of the properties are owned through shell companies, while at least 11 percent have a nominee listed on title.

**Meunier, D. (2018). *Hidden beneficial ownership and control: Canada as a pawn in the global game of money laundering*. Canada, Toronto: C.D. Howe Institute.** Retrieved from <https://www.cdhowe.org/public-policy-research/hidden-beneficial-ownership-and-control-canada-pawn-global-game-money-laundering>

*Abstract:* The goal of this report is to show how the lack of beneficial ownership transparency facilitates the use of corporations and trusts for illicit purposes. While many methods and techniques may be used to hide ill-gotten gains from tax authorities and police, launderers often use corporations and trusts to co-mingle dirty money with legitimate funds to flow them through these entities’ bank accounts or brazenly use the entity to exclusively conduct illegal activities. The “secret sauce” in this recipe is the creation of legal arrangements that hide the beneficial owner of the corporation, partnership or trust that exercises significant control over the entity. At present, there are no requirements to disclose beneficial ownership when creating a corporation. For trusts, there are also no requirements to identify the parties when registering. As a result, Canada fares poorly on international standards for disclosing beneficial ownership. Lack of beneficial ownership transparency facilitates money laundering and anti-terrorist financing.

**Québec Police Commission Inquiry on Organized Crime. (1977). *Report of the commission of inquiry on organized crime and recommendations: Organized crime and the world of business*. Québec: Québec Police Commission.**

*Abstract:* This report documents the incursion of the Montreal mafia into legitimate commerce and financial markets during the 1960s and 1970s. It focuses on William Obront, the financial brains behind the Cotroni Mafia organization during this period. Obront served as the organization’s

chief banker and financial adviser, which meant he was responsible for laundering millions of dollars in illicit revenue. As part of his money laundering operations, he opened numerous bank accounts and incorporated myriad fake and legitimate companies to hide, legitimize, and invest vast amounts of dirty money. At one point, Quebec authorities estimated Obron had investments worth more than \$30 million.

**Royal Canadian Mounted Police. (2009). *Merchants against money laundering: A preventive guide for small businesses & currency exchanges in Canada*. Ottawa: Royal Canadian Mounted Police.**

Report not readily available

**Royal Canadian Mounted Police. (2014). *Cybercrime: An overview of incidents and issues in Canada*. Ottawa: Royal Canadian Mounted Police.**

*Abstract:* In 2014, the RCMP published the first of what is expected to be an annual report on cybercrime. The report – entitled *Cybercrime: An Overview of Incidents and Issues in Canada* – “focuses on aspects of the cybercrime environment that affect Canada’s public organizations, businesses and citizens in real and harmful ways.” In some cases, these cybercrime threats are also associated with money laundering and organized criminal activity. Through the Internet and online currency schemes, criminal money transfers originating from Canada can be electronically routed through foreign jurisdictions with weaker safeguards to more effectively conceal illicit proceeds and simplify offshore banking. Money launderers can also collude and exploit legitimate online services, such as auctions or online gambling, to hide criminal proceeds by buying and selling fictitious items or by masking such proceeds as legitimate gambling profits.

**Schneider, S. (2004). *Money laundering in Canada: An analysis of RCMP cases*. Toronto: Nathanson Centre for the Study of Organized Crime and Corruption.**

*Abstract:* The objective of this study is to analyze how the financial proceeds of criminal activity are ‘laundered’ through Canada’s legitimate economy. In particular, the research examines such salient issues as the sources of the criminal proceeds, how the illicit cash enters the legitimate economy, the commercial and financial sectors used to launder the proceeds of crime, the products, services, and expertise exploited within each of these sectors, and the techniques and guises expressly employed to facilitate the money laundering process. Deposit institutions and real estate constitute the most significant sectors for laundering purposes when measured by frequency of use as well as the volume of criminal proceeds that enter the legitimate economy. Deposit institutions were used in 114 cases (76.5%) while real estate transactions were conducted in 83 cases (55.7%). The insurance sector was implicated in 96 cases (64%), however, in most, the offender did not explicitly seek it out as a laundering vehicle; instead, insurance was purchased for big-ticket assets (financed with the proceeds of crime). Motor vehicles were purchased or leased with the proceeds of crime in 89 cases (59.7%). In 49 cases (32.9%), companies were established or purchased by offenders to facilitate the laundering process. In 26 cases (17.4%), currency exchange or cheque cashing companies were used. Securities transactions conducted with ill-gotten funds were identified in 11 cases (7.4%).

**Standing Committee on Finance, James Rajotte, Chairperson (41<sup>st</sup> Parliament, 2<sup>nd</sup> Session). (2015). *Terrorist financing in Canada and abroad: Needed federal actions. report of the standing committee on finance*. Ottawa: Parliament of Canada, House**

of Commons. Retrieved from

<https://www.ourcommons.ca/Content/Committee/412/FINA/Reports/RP8048561/finarp13/finarp13-e.pdf>

*Abstract:* Sources of revenue for terrorists and terrorist organizations range from income legitimately obtained to complex funding models involving businesses, charities and supportive sovereign states. Various methods of transferring such revenue were also identified, such as through charities, shell companies, underground money transfer operations and electronic currencies. The Committee was told that terrorism can be funded through legitimate and illegitimate means. FINTRAC told the committee that funding for terrorism can be obtained globally, and can involve both legitimate and illegitimate sources; as well, Canada can be both a source of terrorist financing and a conduit for the transfer of funds. The RCMP said that terrorist financing can involve extortion, fraud, theft and the use of illegitimate charities and that individuals may finance terrorist activities by legitimately raising money on their own behalf to travel abroad or to purchase materials for terrorist attacks. Partnerships between terrorists and individuals involved with organized crime have included selling oil and antiquities on the black market and engaging in drug trafficking, racketeering and kidnapping. Terrorist groups are significantly involved in the drug trade and use smuggling routes in South America. Similarly, the Clement Advisory Group stated that evidence suggests organized crime groups and terrorist groups are collaborating in the raising of revenue. Regarding the link between money laundering and terrorist financing, the Clement Advisory Group's submission to the Committee indicated that, although money laundering and terrorist financing are distinct financial crimes, those who finance terrorism engage in money laundering to generate revenue.

**Standing Committee on Justice and Human Rights (42nd Parliament, 1st Session), Anthony Housefather, Chair. (2018). *Moving forward in the fight against human trafficking in Canada. Report of the Standing Committee on Justice and Human Rights.* Ottawa: Parliament of Canada.** Retrieved from

<https://www.ourcommons.ca/Content/Committee/421/JUST/Reports/RPI0243099/justrp24/justrp24-e.pdf>

*Abstract:* This report provides an overview of human trafficking in Canada. It includes the state of knowledge on this complex and multi-faceted issue, the Canadian response, and the challenges faced by victims, services providers, law enforcement agencies and prosecutors to prevent human trafficking, protect its victims and prosecute the traffickers. When human traffickers “attempt to place the financial proceeds obtained from their victims into the financial system they are engaging in money laundering.” FINTRAC can, therefore, play a key role in identifying when money from human trafficking activities is being laundered. As part of Project Protect, FINTRAC has developed indicators to “assist businesses in identifying financial transactions and patterns of activities related to human trafficking in the sex trade that may give rise to suspicions of money laundering.” The report recommends, FINTRAC “develop and implement an effective outreach program designed to assist financial institutions and money services businesses, law enforcement agencies and prosecutors in detecting suspicious financial transactions that could be related to human trafficking, and to use them in investigations and prosecutions.”

**Transparency International Canada. (2019). *Opacity – why criminals love Canadian real estate (and how to fix it)*. Ottawa: Transparency International.**

*Abstract:* In Canada, individuals can own a property and hide this fact from law enforcement, tax authorities, and private sector entities with anti-money laundering obligations. Canada's property registers allow beneficial owners to use companies, trusts, or nominees to hold title to property and remain anonymous, which facilitates money laundering in the real estate sector. Some key findings of the report: Corporate entities have acquired \$28.4 billion in GTA housing since 2008. The vast majority of those companies are privately owned, with no information on their beneficial owners. A total of \$9.8 billion in GTA housing was acquired by companies through cash purchases during that period, much of it bypassing statutory AML checks on source of funds and beneficial owners. From 2008 to 2018 more than \$25.4 billion in residential mortgages in the GTA were provided by unregulated lenders with no AML reporting obligations. Nearly 50 percent of those unregulated mortgages were issued to corporate buyers, despite corporate purchases accounting for less than 4 percent of total transactions.

**United States Department of State, Bureau of International Narcotics and Law Enforcement Affairs, (2020), *2020 INCSR–Volume II: Money Laundering and Financial Crimes*. Washington, DC: Department of State.**

*Abstract:* In its latest annual report on international money laundering for 2020, the Bureau of International Narcotics and Law Enforcement Affairs designated Canada as a “major money laundering country.” The term “major money laundering country” is a country “whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking.” The determination is derived from the list of countries included in INCSR Volume I (which focuses on narcotics) and other countries proposed by U.S. government experts based on indicia of significant drug-related money laundering activities. Given money laundering activity trends, the activities of non-financial businesses and professions or other value transfer systems are taken into consideration. According to the report, “Money laundering in Canada involves the proceeds of illegal drug trafficking, fraud, corruption, counterfeiting and piracy, and tobacco smuggling and trafficking, among others. Foreign-generated proceeds of crime are laundered in Canada, and professional, third-party money laundering is a key concern. Transnational organized crime groups and professional money launderers are key threat actors” (76). The report says money is laundering in Canada “via several mediums, including bulk cash smuggling, MSBs/currency exchanges, casinos, real estate, wire transfers, offshore corporations, credit cards, foreign accounts, funnel accounts, hawala networks, and the use of virtual currency.” The source of much of the money laundered is from drug trafficking as “the illicit drug market is the largest criminal market in Canada. Transnational organized crime groups represent the most threatening and sophisticated actors in the market, given their access to professional money launderers and facilitators and their use of various money laundering methods to shield their illicit activity from detection by authorities.” (76)

**Zombori, G. (2001). *E + finance + crime a report on cyber-crime and money laundering*. Toronto: Nathanson Centre for the Study of Crime and Corruption, Osgoode Hall Law School, York University.**

Report not readily available

## **REPORTS (UNITED STATES AND MULTILATERAL GOVERNMENT ORGANIZATIONS)**

This section consists primarily of reports written by Canadian sources concerning money laundering in Canada but also includes reports from foreign sources that contain similar information.

**Financial Action Task Force. (2008). *RBA guidance for dealers in precious metal and stones*. Paris: FATF.** Retrieved from <http://www.fatf-gafi.org>

**Abstract:** This guidance was developed by the FATF in close consultation with representatives of the dealers in precious metals and dealers in precious stones industries. The report supports the development of a common understanding of what the risk-based approach involves, outlines the high-level principles involved in applying the risk-based approach, and indicates good public and private sector practice in the design and implementation of an effective risk-based approach. The purpose of this guidance includes the following: support the development of a common understanding of what the risk-based approach involves, outline the high-level principles involved in applying the risk-based approach, and indicate good practice in the design and implementation of an effective risk-based approach. However, it should be noted that applying a risk-based approach is not mandatory. A properly applied risk-based approach does not necessarily mean a reduced burden, although it should result in a more cost-effective use of resources. For some countries, applying a rules-based system might be more appropriate. Countries will need to make their own determinations on whether to apply a risk-based approach, based on their specific ML/FT risks, size and nature of the DNFBP activities, and other relevant information. The issue of timing is also relevant for countries that may have applied anti-money laundering/counter-terrorist financing (AML/CFT) measures to DNFBPs, but where it is uncertain whether the DNFBPs have sufficient experience to implement and apply an effective risk-based approach. The primary target audience of this guidance is dealers in precious metals and dealers in precious stones themselves when they conduct activities that fall within the ambit of the FATF Recommendations.

**Financial Action Task Force. (2013). *Money laundering and terrorist financing vulnerabilities of legal professionals*. Paris: FATF.** Retrieved from <http://www.fatf-gafi.org>

**Abstract:** Criminals seek out the involvement of legal professionals in their ML/TF activities, sometimes because a legal professional is required to complete certain transactions, and sometimes to access specialized legal and notarial skills and services which could assist the laundering of the proceeds of crime and the funding of terrorism. The report identifies numerous ML/TF methods that commonly employ or, in some countries, require the services of a legal professional. Inherently these activities pose ML/TF risk. When clients seek to misuse the legal professional's services in these areas, even law-abiding legal professionals may be vulnerable. The methods are: misuse of client accounts, purchase of real property, creation of trusts and companies, management of trusts and companies, managing client affairs and making introductions, undertaking certain litigation, and setting up and managing charities. The report also describes red flag indicators of ML/TF which may be useful to legal professionals, self-



regulatory bodies, competent authorities and law enforcement agencies. In this report, over 100 case studies referring to these and other ML/TF methods were considered. Some of these case studies show that not all legal professionals are undertaking client due diligence when required. Even where due diligence is obtained, if the legal professional lacks understanding of the ML/TF vulnerabilities and red flag indicators, they are less able to use that information to prevent the misuse of their services. The report also challenges the perception sometimes held by criminals, and at times supported by claims from legal professionals themselves, that legal professional privilege or professional secrecy would lawfully enable a legal professional to continue to act for a client who was engaging in criminal activity and/or prevent law enforcement from accessing information to enable the client to be prosecuted.

**Financial Action Task Force. (2015). *Money laundering and terrorist financing through trade in diamonds*. Paris: FATF.** Retrieved from <http://www.fatf-gafi.org/documents/news/ml-tf-through-trade-in-diamonds.html>

**Abstract:** The FATF and the Egmont Group of Financial Intelligence Units collaborated on a typologies research project to identify the money laundering and terrorist financing (ML/TF) vulnerabilities and risks of the “diamond pipeline.” The report covers all aspects of this pipeline: production, rough diamond sale, cutting and polishing, jewellery manufacturing and jewellery retailers. The report concludes that the diamond trade is subject to considerable vulnerabilities and risks. The closed and opaque nature of the diamonds markets and the high value of diamonds combined with a lack of expertise in this area on the part of the authorities have left this industry susceptible to abuse by criminals. The diamond trade has existed for centuries. It has developed a unique culture and trade practices, which have their own characteristics and variations across countries and continents. The case studies included in the report demonstrate the creative methods that criminals have used to exploit diamonds trade for the purpose of money laundering and terrorist financing. This report aims to help build awareness with the regulatory, enforcement and customs authorities as well as reporting entities about risks and vulnerabilities of the diamonds trade, and how to mitigate them.

**Financial Action Task Force. (2018). *Professional money laundering*. Paris: FATF.** Retrieved from <https://www.fatf-gafi.org/>

**Abstract:** This report concentrates on professional money launderers (PMLs) that specialize in enabling criminals to evade anti-money laundering and counter-terrorist financing safeguards and sanctions in order to enjoy the profits from illegal activities. The report aims to describe the functions and characteristics that define a “professional” money launderer, namely those individuals, organizations and networks that are involved in third-party laundering for a fee or commission. PMLs provide services to criminals and organized crime groups by laundering the proceeds of their illegal activities. As the main purpose of PMLs is to facilitate money laundering, they are rarely involved in the proceeds-generating illegal activities. Instead, they provide expertise to disguise the nature, source, location, ownership, control, origin and/or destination of funds to avoid detection. PMLs generally do not differentiate between drug dealers, fraudsters, human traffickers or any other criminal with a need to move or conceal ill-gotten gains. These are all potential PML clients. PMLs operate under numerous business models and may be individuals; criminal organizations with a clear structure and hierarchy; or networks of loosely affiliated members. Providing services to criminals and organized crime groups, PMLs are criminal actors, profiting from these money laundering activities.

**Permanent Subcommittee on Investigations, United States Senate. (2012). *U.S. vulnerabilities to money laundering, drugs, and terrorist financing: HSBC case history*. Washington, DC: Permanent Subcommittee on Investigations, Committee on Homeland Security and Government Affairs, United States Senate.**

Abstract: The Subcommittee focused its hearings on the global bank HSBC because of its weak AML program. In September 2010, the Office of the Comptroller of the Currency (OCC) issued a lengthy Supervisory Letter citing HSBC for violating Federal AML laws. In October 2010, the OCC issued a Cease and Desist Order requiring HSBC to strengthen multiple aspects of its AML program. The identified problems included a once-massive backlog of over 17,000 alerts identifying possible suspicious activity that had yet to be reviewed; ineffective methods for identifying suspicious activity; a failure to file timely Suspicious Activity Reports with U.S. law enforcement; a failure to conduct any due diligence to assess the risks of HSBC affiliates before opening correspondent accounts for them; a 3-year failure by HBUS, from mid-2006 to mid-2009, to conduct any AML monitoring of \$15 billion in bulk cash transactions with those same HSBC affiliates, despite the risks associated with large cash transactions; poor procedures for assigning country and client risk ratings; a failure to monitor \$60 trillion in annual wire transfer activity by customers domiciled in countries rated by HSBC as a lower risk; inadequate and unqualified AML staffing; inadequate AML resources; and AML leadership problems. Since many of these criticisms targeted severe, widespread, and longstanding AML deficiencies, they also raised questions about how the problems had been allowed to accumulate and why the OCC had not compelled corrective action earlier.

**Pietschmann, T. & Walker, J. (2011). *Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes: Research report*. Vienna, Austria: UNODC, United Nations Office of Drugs and Crime.**

Abstract: The purpose of this study is to examine the magnitude of illicit funds generated by drug trafficking and organized crime, and the extent to which they are laundered. Research in this area is still limited and results difficult to compare, but likely orders of magnitude may be estimated, though they should be treated with caution. The most widely quoted figure for the extent of money laundered has been the IMF consensus range of 2 percent to 5 percent of global GDP. The best estimate for the amount available for laundering through the financial system, emerging from a meta-analysis of existing estimates, would be equivalent to 2.7 percent of global GDP. Expressed as a proportion of national GDP, all crime proceeds appear to be generally higher in developing countries and tend to be laundered abroad more frequently. The results also suggest that the "interception rate" for anti-money laundering efforts at the global level remains low. Globally, it appears that much less than 1 percent (probably around 0.2 percent) of the proceeds of crime laundered via the financial system are seized and frozen. The presented outcome still relies on a large number of assumptions (number of traffickers, market structure, factors influencing the decisions of money launderers) whose validity needs to be tested, opening a whole set of new research questions for the future. Analysis of the socio-economic impact suggests that the most severe consequence of criminal funds is the further perpetuation and promotion of criminal activities. In the drug area, research indicates that the socio-economic costs related to drug abuse are twice as high as the income generated by organized crime; in some countries (USA, UK) one can even find a 3:1 ratio.; Criminal funds,

even if invested in the legal economy, may create several problems, from distortions of the resource allocation to crowding out licit sectors and undermining the reputation of local institutions, which, in turn, can hamper investment and economic growth. The situation is less clear-cut for financial centres receiving illicit funds, but the long-term consequences may be negative if they do not actively fight money laundering.

**Reuter, P., & Truman, E. M. (2004). *Chasing dirty money: The fight against money laundering*. Washington, DC: Institute for International Economics.**

**Abstract:** Originally developed to reduce drug trafficking, national and international efforts to combat money laundering have broadened over the years to address other crimes, and most recently, terrorism. These efforts now constitute a formidable regime applied to financial institutions and transactions throughout much of the world. Yet, few assessments of either the achievements or consequences of this regime have been made. In this report, Reuter and Truman explore what is known about the scale and characteristics of money laundering, describe the current anti-money laundering regime, develop a framework for assessing the effectiveness of the regime, and use that framework to assess how well the current system works and make proposals for its improvement. Primarily focused on the US, the report is a useful assessment of the efficacy of AML-CTF regulation in reducing crime, protecting the integrity of the global financial system besides controlling terrorism, corruption and preventing states from failing. The authors quantify public and private costs associated with the establishment, administration, and compliance with AML regimes. The authors also note America's status as a major tax haven and flag its refusal to submit to IMF and World Bank scrutiny as a challenge to continued US leadership on AML issues. The report also provides descriptive overviews of the problems associated with calculating the quantum of money laundering. The authors point to FATF's inability to generate authoritative estimates between 1996 and 2000 as evidence of the lack of direct estimates of laundering, however narrowly or broadly defined.

**United Nations Office for Drug Control and Crime Prevention. (1998). *Financial havens, banking secrecy and money-laundering*. New York: United Nations Office for Drug Control and Crime Prevention.**

**Abstract:** The major money laundering cases coming to light in recent years share a common feature: criminal organizations are making wide use of the opportunities offered by financial havens and offshore centres to launder criminal assets, thereby creating roadblocks to criminal investigations. Financial havens offer an extensive array of facilities to the foreign investor unwilling to disclose the origin of his assets, from the registration of International Business Corporations or shell companies to the services of "offshore banks" that are not subject to control by regulatory authorities. The difficulties for law enforcement agents are amplified by the fact that, in many cases, financial havens enforce very strict financial secrecy, effectively shielding foreign investors from investigations and prosecutions from their home country. While bank secrecy and financial havens are distinct issues, they have in common both a legitimate purpose and a commercial justification. At the same time, they can offer unlimited protection to criminals when they are abused for "doing business at any cost". These two issues are analyzed in the present study because the recent history of international money laundering control makes it clear that the indiscriminate enforcement of bank secrecy laws, as

well as the rapid development of financial havens, constitute serious obstacles to criminal investigations and jeopardize efforts undertaken by the international community.

**United Nations Office on Drugs and Crime. (2017). *The drug problem and organized crime, illicit financial flows, corruption and terrorism*. New York: United Nations.** Retrieved from <https://www.unodc.org/wdr2017/index.html>

**Abstract:** About 30 percent of the proceeds of cocaine sales at the global level was laundered abroad in 2009, according to a model developed by UNODC. A 2016 study based on interviews with drug crime convicts in Italy came to a similar conclusion, suggesting that roughly one-third of the money spent by cocaine users was being laundered across borders. Studies suggest that an injection of laundered money, including from illicit drug activities, is associated with reductions in overall annual economic growth rates, particularly in smaller and less developed countries. One estimate, based on a study of 17 countries of the Organization for Economic Cooperation and Development, suggests that a \$1 billion increase in money laundering could reduce overall economic growth by between 0.03 and 0.06 percentage points.

**Vaccani, M. (2010). *Alternative remittance systems and terrorism financing: Issues in risk management*. New York: World Bank.** Retrieved from <http://hdl.handle.net/10986/2399>

**Abstract:** Terrorism can endanger innocent human life and tear the very threads that hold society together, namely, trust and security. Governments have mobilized a variety of tools in response, ranging from the political to the economic. In attempting to prevent and detect terrorist financing and other forms of material support, those offering financial services have been required to heighten their vigilance of potential terrorist abuse of those services. While protecting financial services from potential abuse, care should be taken not to deny access to those services to those most in need. Dejection and social exclusion are very often conducive to terrorism; therefore, ensuring the inclusion of the disenfranchised and creating possibilities for their advancement are key parts of the broader, long-term struggle against terrorism and extremism. The paper begins with a brief description of alternative remittance system (ARS) models and their prevalence. It then covers their potential relationship with terrorist financing, citing cases where ARS has been abused for terrorism financing (TF) purposes. Ways in which countries may control these risks and indications of their effectiveness are covered next. The final chapter provides recommendations on how best to mitigate the risks while ensuring legitimate access to financial services via ARS.

## **NEWS MEDIA (B.C.)**

### **Canadian Press**

June 21, 2001, "All forgiven: Two convicted brokers reinstated by B.C. securities commission."

**Abstract:** Two stockbrokers who were jailed for five months in the United States for their involvement in a securities fraud and money laundering scheme masterminded by New York and Russian mobs are free to return to their professions in Canada. Dirk Rachfall and Michael Patterson, who worked for Pacific International Securities, have been given the green light to find work in the Canadian investment industry after a B.C. Securities Commission panel said it decided not to impose any sanctions against them.

September 9, 2005, “20 arrested in drug bust; police seize \$2.3m, ecstasy, steroids.”

*Abstract:* A 14-month cross-Canada investigation into organized crime has resulted in the arrest of 20 people and the seizure of \$2.3 million in cash, firearms, more than 100 litres of liquid ecstasy and steroids.

November 18, 2005, “10 Canadians among nearly 300 arrested as alleged drug ring busted.”

*Abstract:* Nearly 300 people, including 10 Canadians, have been arrested following a two-year joint-forces investigation into an alleged drug smuggling ring that operated in Canada, the United States and Vietnam. The investigation by the U.S. Drug Enforcement Administration, dubbed Operation Sweet Tooth, focused on an alleged ecstasy and marijuana trafficking and money laundering network.

April 27, 2007, “B.C. man accused of helping finance terrorism scammed millions, regulator says.”

*Abstract:* A B.C. man accused of helping finance Islamic terrorist activities scammed millions from investors in Canada and other countries through two investment schemes, the B.C. Securities Commission said. A commission panel ruled that Brian Anderson perpetrated a fraud, made misrepresentations and distributed securities illegally under his Frontier Assets and Alpha Program investments. Anderson lived and worked in British Columbia while promoting his two investments and he raised \$14.7 million from 352 investors, 57 of whom were B.C. residents.

May 26, 2008, “Langley RCMP arrest four in suspected money laundering operation.”

*Abstract:* Langley RCMP and several other crime units have teamed up to bust what they allege to be a money laundering front. Officers executed a search warrant on two separate currency exchanges.

November 10, 2009, “Man arrested at B.C. border with 'terrorist resources' held as security threat.”

*Abstract:* Paranoia and naïveté led a Syrian man to lie about why he was crossing the border with nearly \$1 million in gold and what's been called “terrorist resources,” says the lawyer for the man who has been held as a potential security threat since early last month. Khaled Nawaya, a flight instructor, was arrested by Canada Border Services agents when they found \$800,000 in gold coins and other currency in his car and pockets on Oct. 6, as he crossed into Surrey.

May 14, 2010, “B.C. man pleads guilty to massive online poker scheme.”

*Abstract:* A B.C. man faces up to a year in prison after pleading guilty to reduced charges in a \$350 million online poker gambling scheme. Douglas Rennick, 35, also agreed to give up \$17.1 million in exchange for his plea this week in a U.S. federal court in New York City. Rennick, of Vernon, had been charged by the U.S. Department of Justice one year ago with bank fraud, money laundering and illegal gambling.

July 7, 2010, “Canadian to seek change in U.S. bail conditions, citing RCMP as obstacle.”

*Abstract:* Canadian Brian Hall, now in jail in Spokane, Wash., has been accused of playing a significant role in a sophisticated international drug smuggling and money laundering operation.

May 17, 2011, “Millions in crime profits seized by B.C. RCMP.”

*Abstract:* Mounties say crime doesn't pay – but seizing cash and property from criminals certainly does. The RCMP's Federal Integrated Proceeds of Crime unit in B.C. says it scooped up more than \$5 million in property or assets in 2010 and also alerted the province's civil forfeiture office to another \$15 million in shady assets.

June 30, 2011, “Crime-ponzi-scheme.”

*Abstract:* A 63-year-old southern Alberta woman and her two adult children have been charged in an alleged Ponzi scheme that duped a B.C. resident out of more than \$500,000. The RCMP's Integrated Market Enforcement Team says a two-and-a-half-year investigation has resulted in charges of theft, fraud, money laundering, and possession of proceeds of crime against the three.

October 30, 2015, “Large amounts of pot, cash seized, 13 arrested as police bust cross-country ring.”

*Abstract:* Mounties say they have smashed a drug trafficking and money laundering ring that moved large amounts of cash and marijuana from British Columbia to Central and Eastern Canada.

September 15, 2016, “Does Canada's real estate sector risk being a hotbed for crime?”

*Abstract:* An in-depth review of Canada's anti-money laundering efforts has uncovered serious concerns that organized crime is using the country's hot real estate sector to illegally funnel cash. The report from the FATF makes special note of real estate as an area of the economy with a high risk of illicit activity, one of a few weak spots in what the report calls a comprehensive federal regime to combat money laundering and terrorist financing.

January 18, 2019, “B.C. minister fears money laundering involves billions of dollars, cites reports.”

*Abstract:* Documents that say money laundering in British Columbia now reaches into the billions of dollars are startling to the province's attorney general who says the figures have finally drawn the attention of the federal government.

June 21, 2019, “U.S. justice department alleges fraud, money laundering against 4 from B.C. firm.”

*Abstract:* Four executives of a Vancouver-based payment processing firm have been charged in what the U.S. Justice Department alleges was part of a massive fraud scheme designed to mislead victims into falsely believing they would receive large amounts of cash or valuable prizes. Many of the alleged victims who paid fees were expecting to receive cash, prizes or specialized psychic services, says a Justice Department statement. “The defendants are charged with enriching themselves by

helping fraudsters who took money from elderly and otherwise vulnerable victims,” assistant attorney general Jody Hunt for the department’s civil division says in the statement.

### **CanWest News**

August 18, 2003, “U.S. court to determine if Canadian is master criminal nabbed in sting or legitimate businessman wrongly accused.”

*Abstract:* On Aug. 14, Martin Chambers was arrested by FBI agents in St. Louis, Mo., and charged with money laundering offences. In a series of bail hearings, police and prosecutors vehemently opposed his release before trial, describing him as the “Lex Luthor of crime” in Western Canada and a “psychotic bully” who uses bikers as enforcers.

June 16, 2004, “Police complete probes in one of Canada's largest alleged money-laundering schemes.”

*Abstract:* The RCMP and the Organized Crime Agency of B.C. are wrapping up separate investigations into what is alleged to be one of the largest drug money laundering schemes in Canada. The organized crime drug investigation resulted in the Dec. 12, 2002, seizure of almost \$800,000 cash found in the trunk of a Porsche driven by Piotr Robert Sperka of Vancouver. Police allege Sperka exchanged currency through Larry Heng, the brother-in-law of Laurence Chang, a broker at Wolverton Securities.

May 20, 2006, “Money laundering mastermind gets 10 years.”

*Abstract:* Dat Dac Tien (Frank) [Frank Tran] admitted to laundering drug money and trafficking five kilograms of cocaine. Tran was also ordered to pay a fine of \$423,462.96, which was handed over to the court by Tran's lawyer in the form of a certified cheque. “Tran's money laundering venture was nothing short of extraordinary in terms of its scope and audacity,” the judge said.

### **CBC News**

May 21, 2008, “Suspected money laundering at B.C. casinos under-reported, CBC probe reveals.”

*Abstract:* CBC News has learned the B.C. Lottery Corp. has been under-reporting suspected money laundering at the province's casinos for years. Documents show casino workers routinely observe dozens of suspicious financial transactions each year, but only a fraction are reported to the federal agency that tracks money laundering.

May 22, 2008, “Premier awaits review of casino allegations.”

*Abstract:* B.C. Premier Gordon Campbell says he'll follow up on the findings of a CBC investigation that raised concerns organized criminals could be laundering money at B.C. casinos.

May 23, 2008, “Criminals target B.C. casinos and other cash businesses, police say.”

*Abstract:* B.C.'s organized criminals are using casinos and other cash-based businesses to hide their profits, according to a police expert. Insp. Mike Ryan of the Organized Crime Agency of B.C. told CBC News

May 24, 2008, "Suspected loan sharks operating around B.C. casinos, documents say."

*Abstract:* CBC News has obtained documents that show 33 cases of suspected loan sharking were reported around B.C.'s casinos in a two-and-a-half-year period from 2002 to 2004.

February 27, 2009, "Police holding armoured car belonging to Bacon brothers."

*Abstract:* Police have seized a fully armoured luxury car leased by the Bacon brothers, who are well known to provincial law enforcement officials as gang leaders. Last May, B.C.'s Integrated Gang Task Force issued a public warning that the brothers had been targets of death threats, and that association with them might place individuals "in a position of jeopardy." The black BMW 745i, which weighs more than a one-ton truck and is fitted out with bulletproof glass and heavy steel plating, was found abandoned last month in Chilliwack. Its bulletproof glass was nearly four centimetres thick. The car was leased to the Bacon brothers by Four Star Auto Lease in Coquitlam, which had leased a number of vehicles to the men and their associates.

January 4, 2011, "'Dirty money' suspected in B.C. casino deals."

*Abstract:* Millions of dollars flowed through two B.C. casinos in the spring and summer of 2010 in what the RCMP believes may have been a sophisticated scheme to launder money from the drug trade. In documents obtained from a Freedom of Information request, the casinos reported to the B.C. Lottery Corporation in late 2010 a multimillion-dollar spike in suspicious transactions, but police were not immediately informed.

January 5, 2011, "NDP blasts alleged B.C. casino cash laundering."

*Abstract:* The B.C. NDP is crying foul after a CBC News investigation uncovered a spike in what police allege to be suspicious cash transactions at two casinos on the Lower Mainland. In documents filed with the B.C. Lottery Corporation in late 2010, the Starlight Casino in New Westminster and River Rock Casino in Richmond reported a multimillion-dollar increase in large cash transactions from May to early August. The transactions included a combined total of \$8 million in 90 large cash transactions – an average of one a day.

January 6, 2011, "Suspicious B.C. casino dealings 'raise questions!'"

*Abstract:* A Vancouver city councillor and an anti-gambling advocate say allegations of money laundering at Lower Mainland casinos raise questions about plans for a huge downtown casino. In documents filed with the B.C. Lottery Corporation in late 2010, the Starlight Casino in New Westminster and River Rock Casino in Richmond reported a multimillion-dollar increase in large cash transactions from May to early August.



January 7, 2011, “B.C. to move against casino money-laundering.”

*Abstract:* The B.C. government says it is prepared to tighten regulations to prevent exploitation of casinos by organized crime, says the province's minister in charge of gaming.

September 21, 2011, “Loan sharks overlooked by Vancouver casino, alleges worker.”

*Abstract:* A Vancouver casino worker is alleging loan sharks are operating inside the Edgewater Casino and management and the B.C. Lottery Corporation is doing little to stop it.

November 1, 2011, “In British Columbia the RCMP has seized a boatload of cash.”

*Abstract:* The RCMP have seized \$2.6 million in cash while announcing charges against a suspect. It was just north of Victoria around midnight when police say they spotted a boat with no lights moving at high speed towards the U.S. border. When an RCMP Zodiac moved in a man threw a suitcase overboard.

February 23, 2012, “B.C. casinos rapped for not checking patrons' backgrounds.”

*Abstract:* CBC News has uncovered new information indicating some B.C. casinos failed to adequately check the backgrounds of patrons dealing in large volumes of cash — opening the way for gangsters to launder money.

October 16, 2014, “\$27M in suspicious money flowed through 2 B.C. casinos in 3 months.”

*Abstract:* A CBC News investigation has discovered a rush of suspicious money totalling almost \$27 million flowed through two B.C. casinos this spring.

August 24, 2015, “Money laundering watchdog concerned about real estate bought with offshore cash.”

*Abstract:* A report prepared for Canada's anti-money laundering watchdog fingers offshore cash in the real estate sector as a 'significant risk' for criminal wrongdoing.

June 13, 2017, “Crime group allegedly laundered millions through B.C. casinos.”

*Abstract:* Nine people have been arrested after a year-long investigation that identified millions of dollars being laundered through Lower Mainland casinos, according to B.C.'s gang task force.

February 2, 2018, “B.C. to investigate how Fentanyl dealers' money is allegedly laundered through real estate.”

*Abstract:* A statement issued Friday evening by Attorney General David Eby says concerns sparked by a Globe and Mail investigation will be the subject of a provincial review. David Eby said allegations of drug money cleaned via real estate were 'very serious and deeply troubling'.

June 7, 2018, “‘High roller’ suspected of laundering \$855M arrested in B.C., ordered deported.”

*Abstract:* A man under investigation for alleged money laundering in four different countries has been arrested in B.C. Dan Bui Shun Jin had been living at the River Rock Casino in Richmond, the RCMP say.

October 1, 2018, “Former casino dealers caught in raid on suspected illegal gaming house.”

*Abstract:* B.C.'s anti-gang agency says it advised the Gaming Policy Enforcement Branch about two former River Rock Casino dealers arrested in a raid on a suspected illegal gaming house in Richmond last spring.

January 11, 2019, “Secret report on ‘horrendous’ money laundering in B.C. casinos comes to light.”

*Abstract:* Secret reports obtained by CBC News reveal the B.C. government's own gaming investigators warned top officials that there was a “massive escalation” of money laundering at Vancouver-area casinos. One of those investigators now estimates there was nearly \$1 billion in dirty money laundered over seven years, 10 times previous estimates.

April 3, 2019, “Money laundering alleged after ‘unusual’ transactions at Richmond casino.”

*Abstract:* Even as the B.C. government reviews a pair of reports on money laundering, court documents obtained by CBC reveal an investigation into a Richmond man allegedly linked to thousands of dollars worth of suspicious casino transactions. According to information sworn to obtain a search warrant, the Richmond RCMP's organized crime unit arrested the man for money laundering during a traffic stop last month.

May 5, 2019, “Bag containing \$100K allegedly stolen as thieves foil Chinese money ‘exchange’.”

*Abstract:* CBC News has obtained a search warrant detailing a previously unreported Richmond parking lot robbery in January where thieves allegedly interrupted a black market transaction aimed at moving \$150,000 from China to Canada. The case illustrates an underground phenomenon used to skirt restrictions on the movement of currency out of China — not to mention the dangers of making off-book money exchanges involving large numbers of bills.

May 9, 2019, “Homemakers buying multiple homes, layers of shady mortgages and other signs of dirty money in B.C. real estate.”

*Abstract:* B.C. Attorney General Eby said even without access to law enforcement and criminal databases, investigator Peter German and his team had no problem uncovering more than a few eye-popping examples of how proceeds of crime may be infiltrating all aspects of the B.C. real estate sector: A homemaker who bought more than a dozen downtown row houses over three years for \$4.1 million. Another homemaker who bought five luxury homes in three years for a total of \$21 million. A Vancouver luxury car reseller, known to police, who owns three homes in Metro Vancouver worth \$8.6 million. The properties have multiple mortgages held by three numbered companies and a newly incorporated mortgage investment company. Each new mortgage was found to be at a lower rate of interest than the previous mortgage.

## **Chronicle-Herald**

September 12, 2005, “Operations awash in dirty money; N.S. link to B.C. pot growers probed.”

*Abstract:* Nova Scotians are laundering money for British Columbia pot growers by sending thousands of dollars in cash in tightly bound bundles via courier to B.C., Nova Scotia Supreme Court documents allege. Some of the money may have come from as far away as Minnesota, police said, although they say they can't prove it. The money laundering operation police are trying to unravel stretches from Antigonish and Halifax to Richmond, B.C., the court documents state.

## **Combined Forces Special Enforcement Unit of B.C (News Release)**

June 13, 2017, “Multiple arrests stemming from a nearly year-long CFSEU-BC JIGIT investigation into organized crime.”

*Abstract:* After an extensive year-long investigation into money laundering, with ties to organized crime, nine people have now been arrested. A CFSEU-BC investigation has led to the arrest of a network believed to be connected to illegal gaming houses and money laundering. The investigation was led by the CFSEU-BC Joint Illegal Gaming Investigation Team, an integrated team that includes investigators from the provincial Gaming Policy and Enforcement Branch.

## **CTV News**

March 20, 2019, “‘It's blood money': Regulators link millions in casino cash to murder.”

*Abstract:* Government casino regulators linked millions of dollars in suspicious cash taken in by B.C. casinos to a targeted murder in Surrey. Gunmen shot 29-year-old Birinder Khangura dead and sprayed the neighbourhood with bullets in September 2014 – a murder that has yet to be solved. Six weeks later, Joe Schalk – the Gaming Policy and Enforcement Branch’s Senior Director – wrote in a report that it was one of two incidents that have “added to the concern of suspicious cash being brought into B.C. casinos.”

## **Embassy News**

August 12, 2015, “High risk of dirty money in Canadian real estate, says report ordered by financial intel agency.”

*Abstract:* Average house prices in the red-hot Vancouver and Toronto markets now reach over a million dollars, pricing out more and more people. But some of that skyrocketing real estate growth may hold a dark secret: dirty money. Canada’s real estate sector is at a “higher risk” of money laundering compared to other sectors, says an analysis of the 2013-14 report ordered by Canada’s financial intelligence unit.

## **Equity**

Sept. 1989, “Big Time Crime”

*Abstract:* Senior law enforcement officials maintain that Vancouver serves as a relay station for roughly half of more than \$2-billion in illegal drug profits funneled offshore and brought back into Canada disguised as legitimate investments.

## **Global News**

October 7, 2014, “More forfeited gangster vehicles to end up in hands of police.”

*Abstract:* The provincial government is making a program that sees gangster’s vehicles turned over to police forces permanent. The vehicles are seized under the Civil Forfeiture Act. The province says that by allowing police forces to use the vehicles, they can help get the message out that gang life is dangerous. Over the past eight years of the civil forfeiture program, approximately 250 vehicles have been forfeited, most with links to drugs, gangs or organized crime.

April 19, 2018, “How Chinese gangs are laundering drug money through Vancouver real estate.”

*Abstract:* It is called the “Vancouver Model” of transnational crime. The model’s criminal elements, according to the report, are: traffic illegal drugs from Guangdong and Latin America; North American illegal drug dealing networks supplied by Chinese methamphetamines and precursor chemicals; launder money into high-end real estate funded by Chinese capital flight; launder money through the high-roller tables in casinos; high rollers used Canadian casinos, junket operations, and investment in Canadian real estate; use banks, money transfer businesses to shift money to and from China and other countries, including Mexico and Columbia.

July 24, 2018, “Alleged partnership of Canadian casino company with gambling tycoon could trigger new investigation.”

*Abstract:* A Hong Kong tycoon suspected of links to organized crime in Macau casinos was allegedly a partner with B.C.-based Great Canadian Gaming in a casino ship venture in the South China Sea.

September 6, 2018, “Hidden ownership loopholes make Canada a ‘pawn in global game of money laundering’ report says.”

*Abstract:* Canada has become a “pawn” for international money launderers who exploit the country’s weak laws that allow hidden ownership of real estate and other assets, a new report says. In the report from the C.D. Howe Institute, author Denis Meunier — a former deputy director with Canada’s anti-money laundering agency — writes that official estimates of the amount of money laundered in Canada each year range from \$5 billion to \$100 billion.

September 28, 2018, “Exclusive: Documents allege complicity in money laundering in major investigation of river rock casino.”

*Abstract:* A Global News investigation reveals serious new allegations at River Rock Casino.

November 26, 2018, “An introduction to Fentanyl: Making a killing.”

*Abstract:* Almost a dozen Canadians died every day from opioid overdoses last year. Since 2016, more than 8,000 have lost their lives, primarily to fentanyl. In British Columbia, the problem has become so bad that life expectancy has dropped for the first time in decades. But it has also made traffickers astoundingly rich. In a multi-part investigative series, Global News follows the money, revealing how organized crime groups and small-time operators alike are making a killing from fentanyl. The amounts traffickers are bringing in are so vast that investigators suspect their money laundering has disrupted the Vancouver-area housing market. It has also put a spotlight on the use of casinos for money laundering.

November 26, 2018, “Secret police study finds crime networks could have laundered over \$1B through Vancouver homes in 2016.”

*Abstract:* A classified police study finds crime networks could have laundered over \$1B through Vancouver homes in 2016. The stately \$17-million mansion owned by a suspected fentanyl importer is at the end of a gated driveway on one of the priciest streets in Shaughnessy, Vancouver’s most exclusive neighbourhood. A block away is a \$22-million gabled manor that police have linked to a high-stakes gambler and property developer with suspected ties to the Chinese police services. Both mansions appear on a list of more than \$1-billion worth of Vancouver-area property transactions in 2016 that a confidential police intelligence study has linked to Chinese organized crime.

November 27, 2018, “Fentanyl kings in Canada allegedly linked to powerful Chinese gang, the big circle boys.”

*Abstract:* In October 2015, RCMP officers wearing tactical gear burst into luxury homes, an underground bank and two illegal casinos in Richmond, B.C. At a hidden casino on Richmond’s No. 4 Road, they found 27 surveillance cameras. The place was abandoned but police saw something that concerned them. On a wall calendar, a day had been circled. It was the execution date for the RCMP’s search warrant. Before the end of October, a Chinese woman from Vaughan, Ont. bought a 13,000-square-foot mansion on a plot of Richmond farmland. But she only owned the \$4.9-million home on paper, according to allegations in a civil forfeiture case.

November 29, 2018, “High-roller targeted in RCMP’s probe of alleged ‘transnational drug trafficking’ ring.”

*Abstract:* On a country road in British Columbia’s Chilliwack Valley, a Chinese VIP gambler has spent years constructing a compound of incredible wealth, according to witnesses and sources with access to police intelligence. The VIP who built the Chilliwack compound, and is related to the woman who owns it, according to B.C. property records, is 56-year-old Rongxiang “Tiger” Yuan. Yuan is one of the so-called “whale” gamblers that investigators have connected to alleged massive cash deliveries at Richmond’s River Rock Casino from 51-year-old Paul King Jin, according to allegations in 2015 Lottery Corp. investigation documents.

January 17, 2019, “Ontario casino regulator probing whether B.C. casino staff were connected to money laundering suspects.”

*Abstract:* Ontario's gaming regulator is probing networks identified in RCMP casino investigations in B.C. While the RCMP's massive E-Pirate money laundering investigation in B.C. has collapsed, Ontario's gambling regulator is continuing to look into whether employees of Richmond's River Rock Casino were connected to Chinese VIP gamblers and alleged loan sharks targeted in RCMP anti-gang investigations related to E-Pirate.

January 28, 2019, "Nearly \$2 billion in dirty money may have flowed through B.C casinos, far more than official estimates."

*Abstract:* Regulators believe about \$1.7 billion flowed through special B.C. Lottery Corp. high-roller accounts with large amounts funded by loan sharks and criminal bank drafts. The new information, which is revealed in B.C. Gaming Enforcement Branch audit documents obtained by Global News, means that estimates for the totals laundered in B.C. casinos will skyrocket.

January 31, 2019, "B.C. casino 'knowingly accepted' millions from banned loan shark, audit alleges."

*Abstract:* Despite being labelled an "extreme risk" and banned from B.C. Lottery Corp. casinos, Paul King Jin, the alleged "No. 1" loan shark who was being tracked in the RCMP's massive E-Pirate investigation, was able to continue funding VIP gamblers at River Rock casino unimpeded. Three years after Lottery Corp. banned Jin, staff at Richmond's River Rock Casino are alleged to have "knowingly accepted" about \$4 million in suspicious cash from Jin in 2015 as E-Pirate continued. Jin was first flagged for suspicious transactions as a River Rock high-roller in May 2012. On Nov. 5, 2012, Lottery Corp. banned him from all its casinos for five years for alleged loan sharking violations, a Lottery Corp. report filed with FINTRAC says.

March 16, 2019, "Alleged 'heavyweight' gangster could be poster child for B.C.'s public inquiry into money laundering."

*Abstract:* Allegations against Kwok Chung Tam could illustrate how the Vancouver-area real estate market may have been exploited by Chinese organized crime. Kwok Chung Tam is a man with many identities and powerful connections – an alleged kingpin of a Chinese crime cartel so dominant in Canada that police once said it could set the price of heroin on the streets of North America. According to allegations made by Canadian law enforcement officials between 1991 and 2014, Tam is a heroin importer, a chemical drug lab operator and a "known loan shark" with a history of violence.

March 26, 2019, "B.C. liberal minister intervened to raise betting limits, ignoring money laundering warnings about Chinese VIPs."

*Abstract:* A Global News investigation shows that despite money laundering concerns from B.C.'s gambling regulator, officials in the province's finance ministry intervened to raise high-roller betting limits

May 1, 2019, "Former B.C. casino supervisor blows whistle on when Macau-style money laundering may have exploded."

*Abstract:* Muriel Labine liked her job at the Great Canadian Gaming casino in Richmond, B.C. She was a dealer supervisor, monitoring the integrity of the gambling happening around her. Labine hoped to work for Great Canadian until she retired. But in May 1997, the NDP government increased bet limits from \$25 to \$500 per hand, introduced baccarat tables and extended gambling hours. That's when, she says, everything changed.

May 2, 2019, "Whistleblower warned B.C. casino in 2000 of alleged 'co-operation with organized crime'."

*Abstract:* A Great Canadian Gaming employee who was concerned about workplace safety informed the company's founder that she felt staff had to "accept doing business year after year with what most certainly appears to be some level of co-operation with organized crime," according to documents obtained by Global News.

May 30, 2019, "EXCLUSIVE: VIP linked to top Chinese officials, real estate, corruption allegations, gambled with \$490k at B.C. casino."

*Abstract:* A River Rock Casino VIP with links to high-ranking officials in China gambled with about \$490,000 received in a suspicious transaction in a River Rock hotel room, confidential documents obtained by Global News show.

June 17, 2019, "Liberal MP involved in second bare trust deal with client named in 'transnational money laundering' probe."

*Abstract:* A bare trust land deal connects Joe Peschisolido's legal services to another client from China named in a "transnational money laundering" investigation at a Richmond casino.

July 9, 2019, "B.C. casino regulator received complaint alleging BCLC management pressured to 'allow dirty money'."

*Abstract:* B.C.'s casino regulator received a complaint alleging B.C. Lottery Corp.'s management could have been pressured to allow dirty cash to enter casinos. BCLC's vice-president of corporate compliance Robert Kroeker has stepped down, months after B.C.'s gambling regulator pledged to investigate allegations that Kroeker instructed his staff to "ease up" on anti-money laundering measures and "allow dirty money to flow into casinos."

July 11, 2019, "Sources say RCMP opened file on liberal MP whose firm facilitated real estate deals in B.C."

*Abstract:* Global News has learned the RCMP opened a file on B.C. Liberal MP Joe Peschisolido after confidential police informants alleged the veteran politician had been knowingly associating with Chinese organized crime figures through his former real estate law practice in Richmond, B.C. Global News learned of these allegations while investigating whether Peschisolido's law firm was involved in secretive B.C. real estate development deals that involved an alleged Chinese "drug boss" in one case, and also a construction tycoon from China alleged to have been involved in a "transnational money laundering" probe in B.C. Lottery Corp. casinos.

March 2, 2020, “How do we follow the money? Canadian real estate gets ‘abysmal’ anti-money laundering grades.”

*Abstract:* An internal report from Canada’s anti-money laundering watchdog found nearly half of real estate professionals weren’t complying with key areas of the country’s anti-money laundering program.

## **The Globe and Mail**

June 18, 1999, “Vancouver broker fails to have fines stayed. Securities commission dismisses application.”

*Abstract:* A Vancouver stockbroker with alleged mob links who worked for the securities firm Pacific International Securities Inc. has temporarily failed to have more than \$200,000 in fines and costs levied against him stayed. A British Columbia Securities Commission panel, which made the allegations of Jean-Claude Hauchecorne’s links to organized crime, has dismissed Mr. Hauchecorne’s application asking it to stay penalties the Vancouver Stock Exchange imposed against him until the securities watchdog has the chance to review the case.

September 8, 2015, “Banks helping wealthy Asian investors bend Chinese rules to bring money into Canada.”

*Abstract:* Some Canadian banks allow wealthy Asian investors to skirt Chinese law by helping them bring in large amounts of money that is often used to buy real estate in Vancouver. Financial institutions in the area have flagged more than 8,200 suspicious transactions since January 2012, the year China began cracking down on citizens they suspect of corruption. Ninety-six percent of those transactions were also facilitated by the banks, however, even though the vast majority of that business involved suspected money laundering, according to FINTRAC, the federal agency responsible for tracking money laundering.

October 7, 2015, “B.C. pledges to close loophole that allows some real estate investors to dodge taxes.”

*Abstract:* The B.C. government is pledging to close a loophole that allows some real estate investors to avoid paying the province’s property transfer tax. The move comes in reaction to a Globe and Mail investigation that found some wealthy foreign investors are buying real estate in Vancouver and putting it in the names of relatives or corporations, which helps the investors avoid taxes. “Canada has the reputation of being very soft on tax evasion, money laundering and vigorous enforcement of its tax code,” said Sam Hyman, a Vancouver immigration lawyer, adding that he has seen “widespread” tax avoidance by foreign investors.

December 13, 2017, “Ontario probes alleged money laundering in B.C. casino.”

*Abstract:* Ontario’s gambling regulator is probing allegations of money laundering at the British Columbia flagship operation of the company awarded a lucrative contract to run casinos in the Greater Toronto Area. The Alcohol and Gaming Commission of Ontario (AGCO) says it has



contacted law enforcement agencies in British Columbia, including the RCMP, and B.C.'s gambling regulator. Officials at the AGCO, including officers with its Ontario Provincial Police bureau, launched the regulatory review as a result of information in reports done for the B.C. government about the operations of Great Canadian Gaming Corp.'s River Rock Casino in Richmond, B.C. Spokesman Ray Kahnert said in an e-mail to the Globe and Mail: "That review is ongoing."

February 16, 2018, "B.C. vows crackdown after Globe investigation reveals money-laundering scheme."

*Abstract:* Through millions of dollars in private lending and mortgages, people connected to the Fentanyl trade are parking their illicit gains in the Vancouver-area property market – and using alleged threats, extortion and deception to make sure they get their money back.

February 17, 2018, "B.C. Attorney-General decries Fentanyl link in globe's money-laundering investigation."

*Abstract:* Reaction has been swift from the B.C. government and the public after a Globe and Mail investigation revealed shady lenders connected to the drug trade are effectively cleaning their cash through Vancouver-area real estate, by issuing millions of dollars in mortgages and loans to newcomers from China. The province's Attorney General indicated he is particularly alarmed because some of the locally-based private lenders are linked to the sale of Fentanyl, imported from China. The Globe's investigation discovered 17 local residents, most associated with drug-related crime, are effectively parking their riches in Vancouver-area real estate without actually owning any of the properties.

February 27, 2018, "Money laundering linked to drug trade a 'structural' issue: SFU criminologist."

*Abstract:* Structural changes are required to clamp down on the unregulated private lending networks that drug traffickers are using to launder their illicit gains, a Simon Fraser University criminologist says. A recent Globe and Mail investigation identified people connected to the local Fentanyl trade who are also private lenders, using Vancouver-area real estate to clean their cash. Neil Boyd, a criminology professor at SFU, said the complexity of these private lending networks and similar white-collar crimes make them notoriously hard to prosecute. The Globe investigation identified, for example, Ying Zhang, Zhi Guang Zhang and Wei Zhang, a trio of private lenders that has issued millions of dollars in registered mortgages and short-term loans. In all, The Globe identified 12 private lenders associated with the illicit drug trade and other crimes.

June 28, 2018, "How organized crime uses casinos to launder money."

*Abstract:* Former Mountie Peter German described Vancouver-region casinos as "laundromats for the proceeds of organized crime," in an explosive report to the B.C. government. It has meant dirty money obtained through illegal enterprises is being washed through legitimate enterprises to obscure its shady roots. The apex of the problem, Mr. German writes in a report commissioned by the government, came in July 2015, when a Mountie told an investigator with the British Columbia Lottery Corp. that the RCMP "had been looking for a 'minnow' and found 'a whale.'"

February 8, 2019, “The high price of Chinese money laundering in Canada.”

*Abstract:* A glimpse into Chinese money laundering helps us understand the struggles within an authoritarian state awash with cash, and how it dumps some of its problems on countries like Canada. Chinese money laundering paints a troublesome picture of a country where citizens often do not trust their government and where organized crime benefits from cleaning up illicit proceeds from a drug that is killing thousands of Canadians.

March 22, 2019, “B.C. civil forfeiture office suing target of massive money-laundering investigation.”

*Abstract:* The CFO, which does not need a criminal conviction or even charges to pursue a file, recently filed a notice of claim in B.C. Supreme Court seeking \$4.86-million in cash and various other items, as well as a \$764,000 condo in the Vancouver suburb of Richmond.

May 9, 2019, “Buying sprees, obscured ownership: Report reveals red flags of money laundering in B.C.'s property market.”

*Abstract:* B.C.'s Attorney General David Eby says his constituents have long told him they know properties in their Tony Westside Vancouver neighbourhood are being bought, left empty, then flipped quickly by people laundering ill-gotten gains. An independent report recently released by the provincial government provided a handful of real-life case studies showing how such “problematic activity” is linked to money being laundered through the property market.

May 10, 2019, “What makes British Columbia - and Canada- a haven for money launderers.”

*Abstract:* The reports kicked off with Dirty Money, which was released in June 2018 and looked at money laundering in Lower Mainland casino. In that report, former RCMP deputy commissioner Peter German said local casinos had for many years “unwittingly served as laundromats for the proceeds of organized crime.” He catalogued a host of problems, including a flagship anti-money laundering software system that didn’t work – Mr. German called it a “debacle” – and a confusing, ineffective regulatory regime. The report was released with video that showed people entering casinos with shopping bags and oversized handbags full of cash, neatly stacked and held together with what look like rubber bands. It described the Vancouver model, a system in which money is laundered in and out of Vancouver to other locations, including Mexico and Colombia.

May 11, 2019, “Western Canada: Dirty money, sky-high housing prices and the potential threat to Canada’s economy.”

*Abstract:* Prime Minister Justin Trudeau says the latest findings on money laundering in B.C. are ‘extremely alarming’ and is promising action.

May 13, 2019, “Alberta government questions B.C.'s data in money-laundering report.”

*Abstract:* The Alberta government is casting doubt on the findings of a new report commissioned for the B.C. government that warns money laundering is widespread across the country. The report estimates that Alberta had the greatest amount of dirty money washing through its economy - \$10-

billion. But Doug Schweitzer, Alberta's Minister of Justice and Solicitor-General, said the conclusions are based on questionable data.

May 14, 2019, "Opinion: How Canada helps advance global corruption."

*Abstract:* Canada tries to portray itself as a good neighbour on the world stage: We like to talk about ethical and values-based practices in our global conduct, including signing on to global anti-corruption initiatives. But the truth is we have been riding on this reputation for far too long, to cloak our ghastly position of actually enabling global corruption. A vast global money laundering system lets the corrupt hide and enjoy the bribes and funds they stole from their people. Canadians have been treated to an avalanche of headlines showing that we are a welcome mat for dirty money (James Cohen, Executive Director, Transparency International Canada).

May 19, 2019, "Follow B.C.'s lead on money laundering."

*Abstract:* After all the jarring facts that emerged from British Columbia's investigations into money laundering, one observation sums it up: As B.C. Attorney General David Eby put it, "This is a national issue." The response, then, has to be national.

### **Government of British Columbia News Release.**

August 24, 2011, "Province strengthening anti-money laundering at casinos."

*Abstract:* A review of anti-money laundering strategies at B.C.'s gaming centres was initiated in early 2011 by the Minister of Public Safety and Solicitor General to assess what strategies are in place and where opportunities exist for improvement. The report was released by the ministry today. Based on recommendations contained in the report, GPEB and BCLC have developed an action plan that will assist the industry to transition away from cash by encouraging the greater use of electronic funds, which will deter money laundering activity and improve patron safety.

### **Huffington Post**

March 31, 2017, "'Corrupt elite' laundering money in Canadian housing: Report."

*Abstract:* Loopholes in Canadian law are allowing a "corrupt elite" to use the housing market for money laundering, says a new report from Transparency International.

### **The Langley Advance**

December 5, 2018 Dec. 5, New Langley anti-gang vehicle was seized from drug trafficker.

*Abstract:* In December 2018, Langley RCMP announced that a high-performance Mercedes Benz C63 AMG seized from an alleged drug dealer would be used for anti-gang programs in Langley.

### **The Langley Times**

August 1, 2011, "Guilty pleas coming in money laundering case."

*Abstract:* Two men who were charged with gang-related money laundering at a Langley currency exchange plan to plead guilty to multiple criminal counts. Lawyers for Robinderpal Singh Rathor, 33, and Taranjit Singh Rathor, 24, have filed notice of their intention to plead guilty with the Surrey Provincial Court registry. “These two currency exchanges were operated by two men who were allegedly laundering the proceeds of crime through these businesses,” the RCMP said in a statement released following the raid.

October 5, 2011, “House arrest for money laundering.”

*Abstract:* A haggard-looking Robinderpal “Robin” Rathor wiped his eyes when Surrey Provincial Court Judge Peder Gulbransen said Rathor, the former owner of a Langley currency exchange, brought “shame and humiliation” upon his family by getting arrested for money laundering. Gulbransen then sentenced Rathor to two years, less a day, of house arrest for exchanging \$560,000 U.S. in four transactions in April and May of 2008 for two men he believed were drug dealers.

## **Maclean’s**

June 12, 2019, “Dirty money: It’s a Canadian thing.”

*Abstract:* The panel made 120 recommendations for ways it and the federal government can crack down on money laundering, and B.C. Attorney General David Eby has already acted on several of them, including a pledge to establish a public registry of the beneficial owners of all residential property in the province. Since 2002, only 10 people have been convicted of money laundering in B.C., according to Henry Tso, a retired RCMP superintendent who now works in fraud mitigation at accounting firm MNP. On the automobile front, German’s team heard from luxury car dealers who said they were “right in the thick of money laundering here,” with large cash-only sales occurring on a monthly basis. Comeau believes the B.C. expert panel on money laundering far underestimated the scale of money laundering in Canada at an annual \$46.7 billion.

## **The National Post**

June 30, 2000, “Brokers to plead guilty in US scam: Vancouver pair face prison for securities fraud tied to mob.”

*Abstract:* Dirk Rachfall and Michael Patterson, two Vancouver stockbrokers arrested in the United States last year for participating in a mob-related stock scam, have agreed to plead guilty to securities fraud. Prosecutors have agreed to drop five other charges against Mr. Patterson and Mr. [Rachfall], including mail and wire fraud, money laundering, tax fraud and fraud involving the sale of shares in golf course developer Legends Sports Inc. and cheque-cashing business City Services Inc.

September 16, 2015, “Inside the world of B.C.’s top realtor: A deep pool of buyers, a dead fraudster and a forfeited licence.”

*Abstract:* An investigation into hundreds of pages of court documents connected to Lau’s professional and personal deals highlight the money, associations and conflicts surrounding an exceptional realtor in an extraordinary period for Vancouver real estate. Of all cases examined, the

most bizarre, detailed and complex is Lau's failed challenge against Canada's anti-money laundering officials.

July 24, 2016, "Meet the mysterious tycoon at the centre of half-a-billion in B.C. property deals."

*Abstract:* Chinese real estate magnate Kevin Sun is under investigation both in China and in Canada, a Postmedia and IPSA International investigation reveal.

### **Nelson Star**

May 11, 2011, "Nelson named money laundering hotspot."

*Abstract:* The agency that tracks money laundering in Canada has flagged the Nelson area for "high levels" of suspicious transactions over the last decade, due to the marijuana trade.

### **Peoples Daily**

July 17, 2002, "Lai Changxing takes 12 bn yuan to Canada for money laundering."

*Abstract:* News from Vancouver is that Lai Changxing and his wife were conditionally released from the detention center on June 28. The courts set three orders for the couple for fear that they would escape again, one of the orders is to forbid them to go to a gambling house or get in contact with criminal offenders. Canadian police found two bank cards of other people in Lai's wallet, his wife Zeng Mingna has six banking accounts and two fixed deposit accounts in the Hong Kong and Shanghai Banking Corporation. Police said that at least 12 billion yuan has been laundered in Canada through "underground banks." It is still unknown how much money the Chinese government will recover.

### **Postmedia News**

November 1, 2011, "RCMP charge B.C. man after recovering \$2.6 million tossed into the sea."

*Abstract:* A 44-year-old Lake Cowichan, B.C., man faces money laundering charges after RCMP seized more than (US) \$2.6 million allegedly tossed into the waters off Sidney, B.C. earlier this year. The money, recovered on March 24, is one of the largest cash seizures in RCMP history.

### **The Province**

April 29, 2015, "Vancouver a 'critical' money laundering hub for transnational criminals, experts say."

*Abstract:* Vancouver is "emerging as a critical money laundering hub" for international criminals, due to a convergence of factors including drug money, international connections, an active port, and a hot real estate market, experts say. International criminals looking to "wash" ill-gotten gains in Vancouver remain a persistent problem, said Kim Marsh, a Vancouver-based financial crime specialist with decades of experience in law enforcement and private investigations.

August 25, 2015, "Canada's dirty money detection system broken all the way through."

*Abstract:* Vancouver’s booming real estate industry is being targeted in a federal money laundering audit that could potentially lead to massive fines and jail time for realtors.

April 2, 2016, “Landscapeer nabbed with huge pile of cash sparks investigation into money-laundering. He was paid out more than \$2 million by B.C. casinos last year, and insists he's just 'lucky'.”

*Abstract:* When police confronted Michael Mancini in the parking lot of the Chances Casino in Chilliwack last October, they thought they were dealing with a routine drunk-driving case. They had stumbled instead onto an alleged money laundering racket that’s now triggered a security review of slot-machine jackpot payouts in B.C. casinos.

April 7, 2016, “Smyth: Is B.C. a laundromat for criminals' dirty money? NDP allege money laundering happening in B.C. casinos, real estate market, liquor stores.”

*Abstract:* Last October, the RCMP confronted a suspected impaired driver in a Chilliwack casino parking lot after witnesses reported an erratic motorist on a nearby highway. The cops ended up seizing more than \$20,000 in cash, crack cocaine, pills and illegal radar-detection equipment from the vehicle. The story got more shocking as the investigation deepened, according to court records. Police say the driver claimed at the scene that he had won more than \$300,000 playing slot machines at various B.C. casinos. Digging deeper, police learned the man had been paid out more than \$2 million by small northern casinos in less than a year.

July 24, 2016, “Mysterious wheeler-dealer at centre of a web of B.C. real estate deals.”

*Abstract:* A Chinese property tycoon linked to a massive banking scandal in China’s industrial north is at the centre of more than \$500 million in B.C. property deals, a joint investigation by Postmedia and global due diligence firm IPSA International shows.

### **Salmon Arm Observer**

December 7, 2010, “Accused marijuana growers reject option of a jury trial.”

*Abstract:* On July 20, 2006, a BC Supreme Court jury found Martin guilty on eight counts relating to a Canada-U.S. marijuana smuggling operation. These included conspiring to export marijuana, conspiring to traffic marijuana, four counts of possessing property that was proceeds of crime, and two counts of money laundering.

### **The Telegram**

September 9, 2006, “Slain hells associate wanted into witness protection plan.”

*Abstract:* [Chris Swann] knew he was taking a risk when he moved back to Vancouver Island after being released from a U.S. jail in September 2004 after serving two years for money laundering.

December 14, 2010, “Man busted in razorback operation gets six-year sentence.”

*Abstract:* A British Columbia man arrested in a major drug bust in this province almost a year ago has been given a six-year prison sentence. Zachary Hill of Victoria was given double credit for the 11 months he's already spent in custody, leaving four years and two months on his jail term to serve.

### **Times Colonist**

January 27, 2020, "Province wants cash that was found in money-laundering probe."

*Abstract:* The B.C. government wants almost \$40,000 found in a Richmond condo three years ago forfeited, alleging it is the proceeds of money laundering. The Director of Civil Forfeiture filed a lawsuit in B.C. Supreme Court to keep the cash that was bundled and stuffed in a clothes dryer in the home of Hua Wang on May 23, 2017. The suit says the condo at 8120 Jones Rd. was first searched in 2015 as part of the RCMP money laundering investigation known as E-Pirate.

### **Toronto Star**

June 4, 2019, "Vancouver considering a ban on bitcoin ATMs — which police say are 'ideal' for money laundering."

*Abstract:* Police have called Bitcoin ATMs "an ideal money laundering vehicle," and Vancouver's mayor has even suggested a ban, but experts and businesses say federal regulation is what's really needed to rein in a currently unregulated sector.

### **Trail Daily Times**

January 13, 2011, "Casino money laundering suspicious cases soar."

*Abstract:* Criminals love casinos. They're great places for loan sharking and passing counterfeit money. And even more important for the serious crooks, casinos are the easiest place to launder money. The CBC used freedom of information requests to learn that millions of dollars in suspicious transactions flowed through two B.C. casinos in three months last year. The casino companies told B.C. Lotteries, but no one passed the information on to police immediately.

### **Vancouver Sun**

December 10, 1993, "Former trust trio focus of police investigation into money laundering."

*Abstract:* RCMP this week searched the Hastings Street premises of Citizens Trust, a VanCity subsidiary, with a warrant that named three former workers of the trust company's foreign exchange department. The three were released from Citizens Trust last year, for reasons unrelated to the current inquiry. The RCMP says it is checking out alleged irregularities in foreign exchange transactions and emphasized the investigation does not involve the trust company's current operations. VanCity bought Citizens Trust in September 1991.

September 1, 1994, "Vancouver man charged in money-laundering probe: 46 caught in police sting aimed at drug trafficking."

*Abstract:* Norman Rosenblum of Vancouver was arrested in Montreal along with alleged members of Montreal's Mafia and Hell's Angels from the Sherbrooke chapter in Quebec, police said. They were all caught in a sting operation in which police operated a fake currency exchange in downtown Montreal and put the word on the street it would accept any amounts of cash no questions asked.

September 24, 1994, "People-smuggling cash linked to Vancouver area: Millions stashed in banks here, U.S. sources say."

*Abstract:* A substantial amount of the alleged multi-million-dollar profit from a people-smuggling ring in the U.S. was stashed in Vancouver banks, according to U.S. authorities. U.S. sources said a key suspect, Jit Singh Nagra of Seattle, has two brothers in the Greater Vancouver area who are also being investigated. Police said, "a good proportion" of the Indians and Pakistanis smuggled from Vancouver into the U.S. were refugee claimants whose claims had been turned down and who had been instructed to leave Canada by a certain time.

March 14, 1995, "Angels of enterprise: Businesses connected to B.C. Hells Angels members include."

*Abstract:* Victoria RCMP drug section S.Sgt. Pat Convey recently said the Nanaimo Hells Angels form one of "the model chapters." He continued: "To say that they are one of the richest, that is probably true." The September 1994 RCMP Gazette reported: "The Canadian Hells Angels in B.C. are reputed to be the wealthiest chapters in the world." Hells Angels entrepreneurs identified in a Vancouver Sun investigation were reluctant to discuss their corporate affairs, fearing their legitimate business could suffer if linked to the club and its unsavoury reputation.

March 15, 1995, "Vancouver man jailed in huge money-laundering case linked to Angels. Series: HELLS ANGELS INC."

*Abstract:* Vancouver businessman Norman Rosenblum is serving 13 years in jail for his part in a money laundering scheme linked to organized crime and Hells Angels in Quebec and London, England. Rosenblum, 42, was sentenced in Montreal in January for his role in what was described as the biggest money laundering case in Canadian history. He had plenty of company as police arrested 40 others, including traditional organized crime family members and Quebec Hells Angels last August in Quebec, Toronto and London, England.

January 10, 1996, "Charges follow massive hashish seizure: Counts laid against four Vancouver residents and nearly a dozen companies."

*Abstract:* Four Vancouver residents and almost a dozen companies are facing charges after the lengthy investigation of a \$23-million hashish seizure in Richmond in 1992. Charged with possession of the proceeds of crime are Vancouver residents George Lawrence Burden, 55; lawyer Basil John Havelock Rolfe; businessman Ralph Christopher Lanuzel; and contractor Richard Glenn Westerop. Police also charged six Vancouver companies.

April 26, 1997, "B.C. bust ended one of world's biggest drug empires."



*Abstract:* When Pinky – real name Marshall Way, a relatively small-time operative who would make about \$1 million on this deal – got back to the underground parking lot at his Vancouver apartment, he opened the trunk. Jammed inside were bags, cardboard boxes and beer cases stuffed with money. Stacks and stacks of tens, twenties, hundreds. It was going to take a while to count it all. For several weeks, Way and a colleague, Julie Roberts, were kept busy in Vancouver as they collected \$10 million in drug money – one car-trunkload at a time. Earlier they'd done related pickups in Montreal and Toronto and soon had collected about \$30 million for their boss, Claude Duboc, an elegant, cultured French-American who ran a giant drug cartel that used British Columbia as its key North American entry point.

April 22, 1998, “Accused in bank scam faces money-laundering probe: Rakesh Saxena demands the return of files from accountant Les Hammond.”

*Abstract:* The investigation was revealed after Rakesh Saxena, who is accused of embezzling \$88 million from the Bangkok Bank of Commerce, stood up in court and demanded the return of 61 of 206 business files from [Les Hammond], the Vancouver chartered accountant who handled Saxena's business affairs until he was fired last month. Hammond is seeking \$200,000 in severance after Saxena fired him March 11 – a day after Hammond was arrested by RCMP and charged with obstruction of justice. Hammond was called as a surprise Crown witness Tuesday to testify about the complex international business dealings he was involved in with Saxena, beginning in 1992, when Hammond met Saxena in Thailand.

February 26, 1999, “Broker appeals VSE ruling.”

*Abstract:* A Vancouver broker who was found by a disciplinary panel to have improperly traded stock for offshore clients linked to organized crime is appealing on grounds the panel was biased against offshore companies. Jean-Claude Hauchecorne of Pacific International Securities claims that Brian McLoughlin, chair of the Vancouver Stock Exchange panel, showed bias by asserting that offshore companies exist only to “cheat the tax department, money launder or insider trading.” The case arises from stock trades that Hauchecorne conducted in 1995 and 1996 through a series of Bahamian accounts at the behest of Philip Gurian and Eric Wynn, both of whom have been linked to organized crime. The panel found that Hauchecorne had “failed to use due diligence to learn the essential facts relative to the accounts” and had accepted orders on the accounts from third parties without written authorization.

June 19, 1999, “Small Vancouver brokerage named in U.S. indictment.”

*Abstract:* Key defendants in a massive U.S. stock-fraud and money laundering scheme allegedly controlled by organized crime moved shares and money through a small Vancouver brokerage, according to a U.S. federal indictment. Pacific International Securities Inc. was used by several defendants to transfer hundreds of thousands of dollars and thousands of shares in scams that defrauded investors of more than \$100 million US, the federal charges say.

October 9, 2002, “Brand-new homes used to grow pot, RCMP claim: Upscale surrey houses are then sold to 'launder' cash.”

*Abstract:* “These homes are purchased with the proceeds of crime, with cash made from illegal activities and these houses are used for more illegal activities,” Shields said. “The purchase and sale of the home is then also used to launder money.”

September 13, 2003, “Arrest of money launderer was 'a real coup' for officers.”

*Abstract:* For RCMP officers Bill Majcher and Mike Arnold, who combine 30 years of police service -- much of it undercover -- the bust of former Vancouver lawyer Martin Chambers was the “number one” accomplishment in their careers. “It is the most satisfying project we have worked on,” said Arnold, 44, a sergeant with the RCMP Integrated Proceeds of Crime unit. “Chambers is a well-known organized crime figure. At one meeting, Chambers agreed to launder up to \$2 million US per month through Keywest Swiss Investment Bank, which was run by a long-time associate, Michael Hepburn of the Bahamas.

January 19, 2004, “Cash a big problem for drug dealers. Police say it's not unusual to find large sums of money when they conduct drug raids.”

*Abstract:* Ten years ago, it was unusual for police to find \$100,000 cash in a drug raid. Now it's routine, said Vancouver RCMP Inspector George Pemberton of the Integrated Proceeds of Crime section. “Last year, Vancouver police did a search of a marijuana broker's house and seized \$1 million cash,” he explained. “We're making a lot more cash seizures.” Pemberton cites “B.C. Bud” – high-grade marijuana typically grown indoors – for the significant growth in the amount of illicit cash being generated. The biggest problem large amounts of cash create for drug dealers is how to get rid of it without being detected.

April 29, 2006, “'Money man' pleads guilty to laundering \$200m in drug funds.”

*Abstract:* Vancouver-based Frank Tran handled currency for Latino and Asian crime groups. It was called one of the largest money laundering operations in Canadian history. The Vancouver “money man” for various organized crime groups has admitted to laundering \$200 million in drug money over a two- year period. “It is one of the largest money laundering operations in Canadian history,” federal prosecutor Ernie Froess said in court about the activities of Dat Dac Tien (Frank) Tran, who ran a Vancouver currency exchange.

October 27, 2008, “Gangsters find rides at four star auto lease.”

*Abstract:* A Vancouver Sun investigation has found more than a dozen cars leased from Four Star Auto Lease Ltd. to leaders of the UN gang, to associates of the Red Scorpions and to an accused trafficker caught in a 2007 bust of Ontario Hells Angels.

September 16, 2016, “Vancouver real estate used for money laundering, international agency says.”

*Abstract:* Canada has good anti-money-laundering rules, but loopholes and lax enforcement leave Vancouver's real estate sector vulnerable to transactions from criminals including corrupt Chinese officials, an international agency says. In a new report, the Financial Action Task Force, a Paris-based intergovernmental group that makes recommendations for fighting money laundering, said Canada

has improved standards since the agency's last evaluation in 2007. But "law enforcement results are not commensurate with the money laundering risk, and asset recovery is low."

February 27, 2017, "Money laundering: Battle over lawyers' loophole shapes up in B.C."

*Abstract:* B.C. is the front line of a developing skirmish between federal Finance Department officials and Canadian lawyers over rules designed to fight money laundering. In a Supreme Court of Canada ruling in 2015, lawyers won an exemption from reporting requirements that apply to other professionals, such as bankers and real estate agents. The ruling was based on concerns about lawyer-client privilege.

May 25, 2017, "Valley board warns offshore clients seek to misuse realtor accounts."

*Abstract:* The Fraser Valley Real Estate Board has warned managing brokers that offshore investors have apparently been asking realtors to complete illegal transactions that would break money laundering and tax-evasion laws.

August 18, 2017, "B.C. government trying to seize Richmond mansion claiming it was used for crime and money laundering."

*Abstract:* The B.C. Civil Forfeiture Office is attempting to seize a \$4.95 million 13,000 square-foot mansion in rural Richmond that was allegedly purchased with unlawful funds and used for illegal gambling, money laundering, kidnapping and blood-soaked assaults.

September 21, 2017, "Big cash flowing into river rock casino sparks money laundering probe."

*Abstract:* Auditor MNP LLP explains the reasons for its report, noting that the enforcement branch "compiled a document which identified approximately \$13.5 million in \$20 bills being accepted in River Rock in July 2015 ... Law enforcement intelligence has indicated this currency may be the direct proceeds of crime." The majority of cash is presented to casino staff by "high-roller Asian VIP clients" who have travelled from China or recently immigrated from China, the report says. Investigations and interviews showed that some VIPs have been allowed to purchase gambling chips at River Rock with more than \$500,000 in small bills at a single time. And casino staff are accepting these wads of cash even though there is "no known source of funds."

September 29, 2017, "Exclusive: How B.C. casinos are used to launder millions in drug cash."

*Abstract:* E-Pirate, a multi-year investigation, has uncovered alleged money laundering and underground banking networks with links to China and B.C. The accused at the heart of the investigation allegedly helped ultra-wealthy Mainland China "whale" gamblers, recruited in Macau, to gamble in B.C., the investigation documents allege. The Macau whales were able to gamble with suspected drug cash supplied by Jin's network, especially at River Rock Casino, the investigation documents allege. With those funds borrowed from Jin and "private lenders," they were not only able to gamble, but to develop real estate in B.C.

September 30, 2017, “Whale gamblers ID’ed by BCLC also placed big bets on B.C. real estate.”

*Abstract:* Paul King Jin, the alleged suspect at the centre of a major RCMP probe into money laundering and underground banking, is connected through big B.C. real estate loans to “high-risk” VIP gamblers from China, a Postmedia investigation shows.

October 4, 2017, “RCMP casino money laundering probe uncovered alleged 'terrorist financing' links.”

*Abstract:* An RCMP investigation into underground banking and alleged laundering of drug cash in B.C. casinos revealed suspicions of “terrorist financing,” a B.C. government document obtained by Postmedia alleges.

October 7, 2017, “Organized crime a ‘viable threat to public safety’ in B.C. casinos.”

*Abstract:* The presence of organized criminals in casinos is “a viable threat to public safety,” the B.C. government was warned in April.

October 11, 2017, “Highest proportion of high-rollers at river rock casino are real estate professionals: Internal audit.”

*Abstract:* A background review of hundreds of VIP gamblers at Richmond's River Rock Casino in 2015 found that the highest proportion of players involved in large and suspicious cash transactions worked in real estate, according to a confidential memo obtained by Postmedia.

October 16, 2017, “B.C. casinos knowingly accepted ‘banned’ cash: Confidential report.”

*Abstract:* The River Rock Casino in Richmond knowingly accepted millions in suspicious cash that was provided to VIP gamblers by lenders who were banned from B.C. casinos, an internal audit obtained by Postmedia News alleges.

October 19, 2017, “Charges laid in probe of alleged B.C. drug-cash money-laundering.”

*Abstract:* Criminal charges have been laid against Silver International Investment, a money-transfer business that RCMP allege was involved in money laundering. Criminal charges have been laid against Silver International Investment, a money-transfer business that RCMP allege was involved in money laundering, had ties to underground banking and used suspected drug cash to fund Chinese VIP gamblers in B.C.

December 5, 2017, “Richmond lawyer claims trust-fund cash laundered through B.C. casino.”

*Abstract:* Richmond lawyer Hong Guo says \$7.5 million was stolen from her firm’s trust account, laundered through a B.C. casino and sent to China, Richmond real estate lawyer Hong Guo says Chinese police have charged two of her former employees in connection to the disappearance of about \$7.

December 20, 2017, “Documents point to \$5,000-chip problems at river rock casino.”

*Abstract:* A flood of \$5,000 chips that disappeared from River Rock Casino raised concerns about public safety and an alleged underground economy connected to illegal casinos in Richmond, according to documents obtained by Postmedia News.

December 21, 2017, “B.C.’s top casino slot machine players rake in millions in jackpots.”

*Abstract:* A review of gamblers placing massive bets in B.C. Lottery Corp. casino slot machines has raised concerns about the “effectiveness and/or existence of controls to monitor slots for money laundering,” documents obtained by Postmedia News show.

January 12, 2018, “Chinese developer took \$2.68 million cash loan in coffee shop: Legal filing.”

*Abstract:* Paul King Jin claims that he delivered a \$2.68-million cash loan to a Chinese real estate developer in a Richmond coffee shop. Paul King Jin is the B.C. Lottery Corp.-banned lender at the centre of an investigation into alleged transnational money laundering in B.C.

February 2, 2018, “Huge B.C. money-laundering investigation pivots to drugs and guns.”

*Abstract:* In December 2015, a new leg of the RCMP’s E-Pirate money laundering investigation delved into Metro Vancouver’s underworld of Fentanyl labs, gun sales and violent dial-a-dope gangs. This is the story of the offshoot investigation, code-named Prophet.

February 24, 2018, “Police probed calls made from Burnaby casino to E-pirate suspect Paul King Jin.”

*Abstract:* A federal organized crime unit investigated phone calls made from inside a Burnaby casino to the number of Paul King Jin, who is at the centre of RCMP’s investigation into transnational money laundering using B.C. casinos, according to documents obtained by Postmedia News.

March 12, 2018, “Vancouver man laundered ‘tens of millions’ of crime cash, U.S. alleges.”

*Abstract:* A Vancouver businessman alleged to have sold encrypted BlackBerrys to international drug-trafficking organizations laundered “tens of millions” of dollars of his illicit profits. The accused used shell companies and cryptocurrencies to launder that money.

March 13, 2018, “Massive BCLC casino cheque payouts were mostly returned funds.”

*Abstract:* The majority of big-money cheques issued to B.C. Lottery Corp. high-rollers in 2016, including a \$2.4 million return of funds, were not for gambling wins, according to a Postmedia News analysis of patron gaming accounts used by VIP gamblers.

August 15, 2018, “Delta police announce more charges against red scorpions.”

Abstract: The next week, the Delta Police Department announced additional drug trafficking and weapons charges against seven men linked to the Red Scorpion gang, including Kyle Latimer, who had recently been arrested in the case described above. In relation to this set of charges, four luxury vehicles were seized along with \$82,000 in cash.

August 18, 2018 “Police probe leads to dozens of charges against Red Scorpion, Kang gangsters.”

Abstract: In August 2018, a multi-agency police task force investigation into gang activity in Greater Vancouver arrested members of the “Kang/Latimer Group”; including seizing 93 firearms, an improvised explosive device, 59 prohibited devices, 9.5 kilograms of fentanyl, almost 40 kilograms of other illicit drugs, \$833,000 in cash, \$800,000 in jewellery, and \$350,000 in collector cars, all of which became the subject of civil forfeiture proceedings.

January 18, 2019, “B.C. civil forfeiture case alleges drug money laundered in real estate.”

Abstract: A Richmond man targeted in B.C.’s largest money laundering investigation has been accused in a B.C. civil forfeiture suit of washing money in Lower Mainland real estate. In a civil claim filed Jan. 4, Stephen Hai Peng Chen, also known as Hoy Pang Chan, is accused of using money obtained from drug trafficking to purchase and pay off properties in Vancouver and Richmond.

March 22, 2019, “B.C. civil forfeiture office suing key target of province’s biggest money laundering case.”

Abstract: Paul King Jin is now the target of B.C.’s civil forfeiture office, which is suing for \$4.86 million in cash and assets, Paul King Jin is now the target of B.C.’s civil forfeiture office, which is suing for \$4.86 million in cash and assets.

June 9, 2019, “Millions in alleged proceeds of drug trafficking frozen by B.C. court order; Cash allegedly linked to seizure of 1.7 tonnes of meth seized in California destined for Australia, say court documents.”

Abstract: More than \$3.2 million seized from a Burnaby subsidized housing apartment by RCMP as part of an international drug trafficking investigation has been frozen by an order of B.C. Supreme Court. The freezing order issued at the end of May also covers several bank accounts at Toronto Dominion and Greater Vancouver Community Credit Union, as well as a 2005 Acura MDX.

November 29, 2019, “Anatomy of money laundering in BC real estate: 12 cases, \$1.7 billion, 20 countries and 30 banks.”

Abstract: As British Columbians attempt to confront, understand and quantify the effects of money laundering in real estate, there remains skepticism over whether, and to what extent, illicit money can be laundered in real estate.

February 3, 2020, “\$1.2M mortgage called on B.C. home allegedly tied to money laundering.”

*Abstract:* The Bank of Nova Scotia has demanded payment of a \$1.2-million mortgage on a West Vancouver home allegedly owned by a key target in an RCMP investigation of B.C.'s biggest money laundering case. The West Vancouver home and mortgage is listed in the name of the target's niece, Yuanyuan Jia. But a B.C. Civil Forfeiture claim filed in B.C. Supreme Court in March 2019 alleges the home is owned by her uncle Paul King Jin and that it is the proceeds of crime and has been used to launder money.

February 9, 2020, "Province files another lawsuit against assets of alleged money-launderer."

*Abstract:* The B.C. government has filed another lawsuit against alleged money launderer Paul King Jin, asking that a \$25,000 bank draft found in his Mercedes and made out to a casino be forfeited as a proceed of crime.

February 18, 2020, "Alleged money-launderers linked to \$2.4-million salt spring island home claim lack of evidence."

*Abstract:* The B.C. Civil Forfeiture Office's lawsuit filed in B.C. Supreme Court on Dec. 11 alleges a Salt Spring Island property at 391 Baker Rd. is the proceeds of crime and was used to launder money. The lawsuit says the money to pay for the then-\$1.155-million house in 2014 and undertake \$526,000 in renovations came from a US\$164 million pump-and-dump stock fraud that used shell companies to hide the true and beneficial owners of shares.

## **Williams Lake Tribune**

September 15, 2011, "Former resident awaits sentencing."

*Abstract:* A former Williams Lake resident appeared at his sentencing hearing for money laundering on Thursday, Sept. 8 in Surrey Provincial Court. The court heard how Robinderpal Rathor, 33 – the owner of a Langley currency exchange and a former corrections officer with no criminal record – was caught in an RCMP sting. Over a six-month period from April 16 to May 26, Rathor exchanged \$560,000 U.S. in four transactions for two men he believed were drug dealers.

## **NEWS MEDIA (CANADA)**

### **Canada.com**

March 20, 2013, "Senate report urges sweeping changes to money laundering legislation."

*Abstract:* In all, the committee made 18 recommendations that included allowing police to access the main database for the Financial Transactions and Reports Analysis Centre, the federal government's financial intelligence agency, in real-time to aid investigations, and forcing federal agencies and banks to report any electronic transactions where money is sent internationally from Canada. It also recommended widening the number of businesses required to report transactions to the federal government, including gem and precious metal dealers, a market money launderers favour to discreetly move funds. Currently, only those transfers valued at \$10,000 or more are required to be reported to FINTRAC.

## **Canadian Government News Release**

June 28, 2014, "RCMP charge 11 in investment scam."

*Abstract:* The RCMP's Greater Toronto Area Financial Crime unit has charged 11 Ontarians after over 150 international investors lost \$4.4 million in an alleged elaborate investment scam. All individuals benefitted from the funds through laundering the proceeds or through being paid wages from investor funds.

## **The Canadian Press**

September 23, 2005, "Couple accused of money laundering want seized funds to pay legal bills."

*Abstract:* Today, the RCMP Integrated Proceeds of Crime Unit filed 44 money laundering and regulatory charges concerning Heather Holton, age 37, of Niagara Falls and the local money service business, Continental Currency Exchange Inc. in St. Catharines. The charges, including money laundering and various offences under the Proceeds of Crime Money Laundering and Terrorist Financing Act, stem from a year-long investigation into allegations of money laundering

December 16, 2005, "Newfoundland family charged with money laundering."

*Abstract:* CBC News Police have charged a Newfoundland couple and their two sons with money laundering, seizing \$680,000 in cash that officers say came from a drug-smuggling operation.

October 26, 2007, "Dubious dealings worth billions; possible terror financing spotted in year of unusually large suspect transactions."

*Abstract:* Canada's agency that tracks suspicious transactions has uncovered dubious dealings including possible terror financing and "unprecedented" amounts of suspicious cash. FINTRAC cites \$209 million in possible financing of terrorist activity or other security threats in 2006-07, while \$1.6 billion in dealings were flagged because of a combination of suspected money laundering and security-related issues.

December 14, 2007, "Seniors charged in \$2M banking fraud."

*Abstract:* A trio of seniors is facing charges of fraud and money laundering in a scheme police say involved the theft of more than \$2 million. Several Winnipeg banking institutions had their computers manipulated to add fictitious credits to certain accounts between June 2005 and November 2006, police said. About \$2.1 million was stolen over that period, investigators said. Two men, aged 64 and 76, and a 63-year-old woman face charges of fraud over \$5,000, possession of goods obtained by crime and money laundering.

December 17, 2007, "White-label ATMs could be used to launder money."

*Abstract:* So-called white-label ATMs can be used to launder money with alarming ease, leaving authorities struggling to track the dirty cash, says a federal watchdog agency.



February 11, 2019, “RCMP arrest 17 in alleged international money laundering scheme.”

*Abstract:* The RCMP and other police forces arrested 17 people in a series of raids in Montreal and Toronto targeting what investigators say is an extensive international money laundering network with ties to organized crime. The RCMP, working with the Canada Revenue Agency, began the probe dubbed “Collector” in 2016 and wrapped it up last spring before launching raids.

### **CBC News**

CBC News. 2013 October 31, 2013, “Private ATMs vulnerable to money-laundering.”

*Abstract:* A CBC/Radio-Canada investigation has uncovered methods that organized crime may be using to launder money through privately owned automated tellers, or ATMs.

2017 May 10, 2017, “Millions in suspected Russian crime proceeds flowed through Canadian banks, companies.”

*Abstract:* A powerful Russian crime syndicate that’s accused of laundering hundreds of millions of dollars around the world appears to have also flowed millions through nearly 30 Canadian bank accounts.

### **The Chronicle-Herald (Halifax)**

November 5, 2005, “\$2b in suspicious money uncovered; money-laundering watchdog links \$180 million to terrorism; turns 142 cases over to police.”

*Abstract:* The federal money laundering watchdog uncovered \$2 billion in suspicious transactions last year, including \$180 million linked to the financing of terrorism. FINTRAC turned over 142 cases to police and CSIS. That’s fewer than the 197 cases filed last year but they involved three times as much money. Horst Intscher, the agency’s director, said he doubts that the figures mean that money laundering is ballooning. It is more likely FINTRAC is getting better.

### **Cornwall Regional Task Force News Release**

April 7, 2016, “Shoreline stop results in \$200,000 US currency seizure: CRTF.”

*Abstract:* While on patrol, during the late evening hours of March 31, members of the Cornwall Regional Task Force (CRTF) observed a vessel with two occupants heading northbound on the St. Lawrence River to a shoreline dock in the city’s east end. Upon arrival at the dock, members observed a male passenger disembark the vessel proceed eastbound carrying a black sports bag. CRTF members stopped the individual and following a search of the bag they a large sum of US currency. The male from Akwesasne, NY, was then placed under arrest for being in possession of property obtained by crime.

### **CTV News**

April 9, 2014, “Suspected money laundering rampant at B.C. casinos: Report.”

*Abstract:* Confidential documents are shedding light on a host of suspicious behaviour at B.C. casinos, where patrons routinely carry bags loaded with small bills onto the gaming floor. Government reports obtained by CTV News highlight dozens of instances of suspected money laundering and loan sharking, most at the River Rock Casino in Richmond. And the problem only appears to be growing: The number of suspicious transactions reported has more than doubled over the last three years, from 459 in 2011 to 1,013 in 2013.

## **Duhaime Law Blog**

June 26, 2013, “Legal profession being used for money laundering according to FATF report.”

*Abstract:* The Financial Action Task Force released a report entitled “Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals” which identifies situations of exposure for lawyers to money laundering and suggesting best practices to minimize those risks.

## **Financial Post**

September 25, 2015, “Lip service to money laundering: Failure to apply controls a serious threat to global economy.”

*Abstract:* A recent report by Washington think tank Global Financial Integrity reveals the fatal flaw in the world’s globalized financial architecture: It has not been accompanied by a globalized governance and regulation system. For instance, Toronto and Vancouver condo markets are driven by hot money flows, that have increased housing prices for all residents to excessive levels. The same has happened in London, Sydney, Melbourne, New York and Miami. Compounding this is the fact that governments in Canada – like those in Europe and the U.S. – represent gigantic secrecy havens because they don’t require disclosure of beneficial ownership.

## **Global News**

October 7, 2014, “More forfeited gangster vehicles to end up in hands of police.”

*Abstract:* The provincial government is making a program that sees gangster’s vehicles turned over to police forces permanent. The vehicles are seized under the Civil Forfeiture Act. Over the past eight years of the civil forfeiture program, approximately 250 vehicles have been forfeited, most with links to drugs, gangs or organized crime.

February 28, 2019, “Toronto man arrested with \$1M in cash may have ties to international money launderer. Now, he’s allegedly fled Canada.”

*Abstract:* A North York currency exchange owner named Farzam Mehdizadeh was arrested in 2016 with more than \$1 million in cash during a traffic stop. Now he has reportedly left the country.

March 21, 2019, “Toronto’s real-estate market risky for money laundering, with \$28B in opaque investments: Report.”

*Abstract:* Toronto's real-estate market is a big target for criminal money launderers because of weak regulations, according to a new report.

March 25, 2019, "From Colombia to Lebanon to Toronto: How a DEA probe uncovered Hezbollah's Canadian money laundering ops."

*Abstract:* In January 2008, a team of U.S. DEA agents travelled to Ottawa to meet with RCMP leaders. They had stunning news. The DEA said an elite group of Middle East narco-terrorists in Colombia was using Canada as a key money laundering hub. According to a former senior U.S. official with knowledge of the meeting, the DEA had "dirty calls" – meaning calls providing criminal evidence of cocaine shipments and cash movements in Canada – from narco-kingpins in Colombia to a network of operatives in Halifax, Vancouver, Calgary, and London, Ontario.

April 2, 2019, "U.S. deems Canada 'major money laundering country' as gangs exploit weak law enforcement."

*Abstract:* The U.S. State Department says Canada is being exploited by sophisticated transnational organized crime and professional drug-money launderers.

February 10, 2020, "The Venezuela project: Canadian man charged in alleged Iranian government money laundering scheme."

*Abstract:* An Iranian-Canadian man has been accused of bank fraud in an alleged money laundering and sanctions evasion scheme involving Iran's government, a state-owned oil company in Venezuela, and a complex web of offshore accounts and shell companies. Bahram Karimi, 53, was charged in New York with multiple counts – including bank fraud and conspiracy to commit bank fraud – for his alleged role in funnelling (US) \$115 million through U.S. banks and into accounts for the Iranian government, according to an indictment unsealed last week.

## **The Globe and Mail**

April 21, 2019, "Canada slowly increasing corporate transparency as part of global anti-corruption push."

*Abstract:* The veil of Canadian corporate secrecy that helps fuel global corruption is slowly lifting, but not fast enough for some critics. Critics call Canada a laggard on anti-corruption policies. The government will be introducing a beneficial ownership registry, so investigators can better track the money and find out who is benefiting from bribes, money laundering and other illicit activity.

May 13, 2019, "How bad is our money-laundering problem? The extent of the crime - by definition of the nefarious activity itself - is always going to be one big grey area."

*Abstract:* Two new reports looking at money laundering in British Columbia, already deemed the dirty-money capital of Canada, underscore just how difficult it is to capture with dead certainty the full scope of this particular criminal activity.

May 20, 2019, “Lawyers protected from money laundering scrutiny.”

*Abstract:* Canada is still searching for a way to give lawyers a bigger role in its fight against money laundering, four years after the highest court in the country ruled it was unconstitutional to force lawyers to report to the federal financial intelligence watchdog. This month’s B.C. governmental reports into money laundering in the real-estate sector noted the legal profession often creates a “black hole” for police because it does not report to FINTRAC.

### **Indo-Canadian Voice**

February 16, 2020, “Gurinderpreet and Inderpreet Dhaliwal of Brampton charged in transnational phone scams.”

*Abstract:* In October of 2018, the RCMP Greater Toronto Area Financial Crime section commenced an investigation, named Project OCTAVIA. The focus of the investigation was to combat the CRA telephone tax scam. Items seized the investigation include: cash, money counter, jewellery and packaged envelopes. RCMP investigators have uncovered “money mules / money mule managers” in Canada who assist with the laundering of funds obtained through the CRA scam and other scams.

### **Innovation, Science and Economic Development Canada News Release**

February 13, 2020, “Government of Canada strengthening corporate transparency for Canadian businesses.”

*Abstract:* The Liberal government has launched a consultation to examine how to strengthen corporate transparency. Forcing companies to disclose its beneficial owners is meant to target money launderers, tax evaders and terrorist financiers who use opaque corporations and other legal entities such as trusts to disguise their money and dealings.

### **iPolitics**

February 13, 2020, “Feds launch consultations on public registry on beneficial owners.”

*Abstract:* The federal government has launched consultations on strengthening transparency rules around corporate beneficial ownership. Innovation, Science and Economic Development Canada, the department overseeing the initiative, said it is “now exploring options to make the information maintained in these registers more readily available to law enforcement, tax and other competent authorities.

### **Montreal Gazette**

February 12, 2019, “Drugs and cash seized in RCMP raids; international money-laundering ring target of investigation, police say.”

*Abstract:* The RCMP launched a major operation they said was aimed at breaking an international money laundering ring with links in Toronto and Montreal. RCMP officers in Quebec and Ontario as well as Revenue Canada officials worked on what they dubbed “Project Collector” between May 2016 and the spring of 2018. RCMP spokesperson Sgt. Luc Thibault said the individuals named in

the arrest warrants are alleged to have facilitated “the collection of money from criminal groups and then laundered the fruit of their illegal activities.”

January 24, 2020, “Montrealer faces extradition to U.S. on money-laundering charges.”

*Abstract:* After a three-year joint investigation into an alleged international money laundering scheme, agents with New York’s organized crime strike force knew what they were looking for. In the spring of 2013, they set up surveillance in Manhattan, near East 20th St. and Park Ave., and waited for their target. The force expected a courier would use a red van to transport money they suspected came from narcotics sales. Before long, the agents focused their attention on a parked red Pontiac Montana with a Quebec licence plate. Then they watched as a middle-age man carrying a bland travel suitcase approached the van, loaded the case into it and drove off. Enzo Vettese, a 67-year-old Montrealer, was pulled over shortly after. When the agents searched the car and opened the suitcase, their suspicions were confirmed: Wrapped in individual bundles, held together with rubber bands, was \$242,880 in U.S. currency.

### **National Observer**

April 5, 2016, “Anti-money laundering agency fines Canadian bank \$1.1 million.”

*Abstract:* The federal anti-money laundering agency has levied a \$1.1-million penalty against an unnamed Canadian bank for failing to report a suspicious transaction and various money transfers. It is the first time the Ottawa-based Financial Transactions and Reports Analysis Centre of Canada, known as FINTRAC, has penalized a bank – and it’s being billed as a warning to thousands of other businesses.

### **National Post**

May 23, 2013, “Montreal mafia family sent weekly chartered flights stuffed with millions in cash to L.A. to buy cocaine.”

*Abstract:* A Montreal man, named as part of the Mafia clan of Vito Rizzuto, pleaded guilty in New York City to international cocaine trafficking after agents seized millions of dollars in his Beverly Hills home and luxury car and found that millions more were being flown across the continent in private planes each week. Alessandro Taloni, 39, was one of 10 members of a high-flying Montreal-based ring that linked members of the Mafia, the Hells Angels Motorcycle Club, aboriginal smugglers and Mexico’s Sinaloa Cartel into a \$1-billion marijuana, cocaine, and Ecstasy empire, authorities said. Taloni was sent from Montreal to Los Angeles to receive the network’s drug money — huge sums from the New York sale of Canadian-grown marijuana being routinely flown to Los Angeles aboard private chartered planes.

January 15, 2016, “Police heap pressure on Canadian crime family by seizing \$1.4M in properties.”

*Abstract:* Police pressure on a self-made crime group built by five brothers continued as authorities seized real estate housing a restaurant in Ontario and a nightclub in Quebec from the Alkhalil crime organization, claiming the buildings are the proceeds of crime.

## **Ottawa Citizen**

October 17, 2013, “OPP dismantle interprovincial drug ring, seize cash, cars, helicopter.”

*Abstract:* What began in November 2012 as an information-gathering investigation, dubbed Project Adelaide, came to a head when OPP and Sûreté du Québec executed 25 warrants — 18 in Ontario and seven in Quebec — and made six arrests. In a highly complex scheme, police said, cocaine from Montreal was being moved to Mont-Tremblant, where it was cut and re-packaged. The initial investigation also led police to believe that those alleged to be involved in drug activity were also allegedly involved in loan sharking, intimidation and extortion. Police are still investigating a \$1.2-million mortgage fraud and what they called high-level money laundering to the tune of an estimated \$10 million through companies that police said are connected to the men charged.

## **Ottawa Sun**

January 14, 2016, “Two Ottawa, Gatineau buildings seized in drugs, organized crime probe.”

*Abstract:* The Mounties have stripped alleged drug kingpin and organized crime boss Hisham (Terry) Alkhalil of two commercial properties in Ottawa and Gatineau as cops continue their crackdown on a drug trafficking network. It’s the result of the RCMP’s Project ATTAR, a proceeds-of-crime probe into what cops refer to as the “Alkhalil Organization.”

## **Postmedia News**

October 8, 2012, “Organized crime groups could target aboriginal banks, RCMP warns.”

*Abstract:* Organized crime groups could exploit banks located on Canadian native reserves to launder money and grow their profits, according to an RCMP criminal intelligence report.

## **QMI News Agency**

March 21, 2014, “Canadian arrested in Miami for money laundering.”

*Abstract:* A Canadian businessman who lives in the Cayman Islands now sits in a Miami jail cell, accused of money laundering. Eric St-Cyr, originally from the Quebec City area, is one of three people recently nabbed by undercover agents. St-Cyr, 50, owns Clover Asset Management, a private wealth management firm based in the Caymans, a Caribbean island nation that's known as a tax haven.

## **RCMP News Release**

June 8, 2012, “Toronto RCMP integrated proceeds of crime unit arrests lawyer on fraud and money laundering charges.”

*Abstract:* On June 7, the Toronto RCMP Integrated Proceeds of Crime Unit executed search warrants at the Law Office of Kenneth James (James and Associates) in Concord, Ontario and at a

residence in Etobicoke. The investigation commenced in June 2010 and it is alleged that several million dollars of proceeds of crime was laundered through James and his office.

### **The Standard**

August 17, 2005, "Mounties target St. Catharines firm, falls woman in money laundering case."

*Abstract:* A year-long RCMP investigation into money laundering wrapped up Tuesday with 44 charges being filed against a Niagara Falls woman and a St. Catharines foreign exchange company.

### **The Telegram**

December 17, 2005, "Charges laid after police seize \$680,000."

*Abstract:* A family in Marystown is facing charges after police seized \$680,000 from them Dec. 9, which they believe to be assets derived from the sale of marijuana.

### **Toronto Star**

September 29, 2005, "Launderer lost a game with RCMP; brokers applaud dirty money inventor how-not-to-do-what-I-did was topic."

*Abstract:* [Kevan Garner] was joined yesterday by RCMP Insp. George Pemberton, part of a joint RCMP-FBI undercover team that was behind Garner's arrest three years ago. Toronto lawyer Simon Rosenfeld was convicted last winter as part of the same sting, dubbed Bermuda Short. In 2003, Garner, 50, pleaded guilty to two counts of laundering \$1 million said to be the proceeds of cocaine trafficking. The money, however, belonged to the RCMP and two undercover agents - not Colombian drug cartel members. Garner told about 100 Bay Street brokers what led him to try to launder a million dollars. 'When there's a hockey bag with a half a million dollars in cash in front of you, your morals somehow get clouded.'

November 5, 2005, "Transactions worth \$2 billion probed."

*Abstract:* A federal government agency established five years ago to sniff out money laundering and terrorist financing said it uncovered \$2 billion in suspicious financial transactions last year.

December 14, 2005, "Casino 'winning' diverted RCMP; cheques written to four gamblers police find cash sent to De Zen firm."

*Abstract:* A Caribbean casino controlled by controversial industrialist Vic De Zen appeared to pay \$192,000 (U.S.) to four gamblers in 2003 but the money ended up in his own investment company in Canada the next day, an RCMP probe has alleged.

December 26, 2012, "Ontario is the mob's 'money-laundering capital' for the world."

*Abstract:* A low-key mob war being waged in Quebec won't rattle this province because Ontario is the economic engine fuelling the battle, sources say. Ontario is the source of most of the wealth for organized crime while the violence for the most part remains in Quebec. The province, according

to investigators and an organized crime expert, is bankrolling European operations, often targets of tough money laundering and asset seizure laws.

June 8, 2012, “Money-laundering charges laid against GTA lawyer Kenneth James.”

*Abstract:* A two-year international drug investigation has led to the arrests of a 71-year-old lawyer and his employee, who now face charges of money laundering and possessing the proceeds of crime. Lawyer Kenneth James of Etobicoke – who is also charged with fraud – has an extensive history of troubles, including a 2006 bankruptcy filing, past allegations of fraud and ongoing professional misconduct hearings.

March 21, 2019, “Dirty money is driving up Toronto real estate prices, report says.”

*Abstract:* Toronto’s real-estate market welcomes criminals, giving them an easy way to invest dirty money and driving up housing prices for regular people, according to a report published today by Transparency International Canada.

### **Toronto Storeys**

March 22, 2019, “Dirty money in Toronto real estate is driving up prices: Report.”

*Abstract:* A new report by Transparency International Canada claims corporations have spent \$28.4B on luxury homes in the Greater Toronto Area since 2008, and have paid \$9.8B of that in cash.

### **Vaughan Citizen**

June 21, 2019, “Washing millions: Former bank exec blows whistle on Roynat, Scotiabank in alleged money-laundering scheme.”

*Abstract:* A purported money laundering scheme with ties to York Region allegedly caught one of Canada’s biggest banks in its web. A former Canadian banking executive who says he played an integral role in a \$2.75 million loan to two men who’ve since been charged for money laundering by the RCMP, is blowing the whistle on his past employer’s alleged role in the suspected scheme.

### **Welland Tribune**

June 1, 2007, “Dundas woman charged in \$7.4M money laundering case.”

*Abstract:* A Dundas woman was charged Friday with fraud and money laundering in what Niagara Regional Police are calling the largest case of its kind in the region's history.