

**Project Athena  
High End Luxury Vehicle Working Group  
January 22<sup>nd</sup>, 2020**

<b>Start:</b>	<b>10:08 hours</b>
<b>End:</b>	<b>12:16 hours</b>
<b>Attendee's:</b>	Kailey SKEMP Sgt. Ben ROBINSON Sgt. Rick GRATTAN Sgt. Steve HOIVIK Mel PADDON Andrew WONG Matt HOLLAND Cpl. Paul GILL Chris FAIRBRIDGE Cst. Doug FRENCH Cpl. Jordan DAVIES Sabi BAINS Lorraine LEE Ian CHRISTMAN Loree GRAY Deirdre TAYLOR Sgt. Kingsley JONES Lesley KAJDAN Victor KOROMPAI Angela RAI Jason MCCREA Janice NG Joshua PETERS Blair QUALEY Dejla SABANAC Christian LANE (Called In) James DICKSON (Called In) Blake CROSS (Called In) George ATTALLA (Called In) Sgt. Raj MITRA

<b>DISCUSSION</b>
<p>Sgt. Ben ROBINSON</p> <ul style="list-style-type: none"> <li>- Discussion regarding Project Athena, public/private partnership, lawful way of sharing information, problem solving, connecting the dots, legislation change</li> <li>- Drafting an OPS plan to SMT to show what Project Athena will look like long term and what those who are stakeholders have, Federal partners</li> <li>- Discussion regarding meeting with CULLEN Commission</li> <li>- Over next 3-6 months will be reaching out to those apart of the project</li> </ul>

- Follow up email sent out by PADDON after conclusion of meeting
- Any ideas, resources, please bring forward

## **DISCUSSION**

Melanie PADDON

- Housekeeping items
  - o Attendance
- Discussion regarding overall meaning of Athena
- Result of Athena
  - o May 2019 Car Dealerships: comparing legitimate and illegal
    - (4 dealerships)
    - Has a handout from previous presentation that can be taken if would like to see.

## **DISCUSSION**

ICBC

- Does has a PowerPoint

## **DISCUSSION**

VSA

- Asking what legitimate and illegal difference are

## **DISCUSSION**

Melanie PADDON

- Both are legal but one is doing illegitimate business
- Reviewing presentation notes from last luxury meeting
- Each group can provide a presentation on what they can contribute to the group
- Have a scenario that will be run through to provide an example of sharing information and being helpful

## **DISCUSSION**

ICBC

- Background information
  - o Looking after claim costs

- 60 Special Provincial Constables
  - Roughly 100 people
  - 6 Driver license officers
  - Officer imbedded within IMPACT
  - 2 vehicle ID officers – looking at recovered vehicles (i.e., burned vehicles)
    - Look at approx. 600 vehicles between 2 officers
- Auto theft:
  - 420 vehicles not recovered (trend of not being located over last few years)
  - Looked at (125 luxury vehicles) not recovered

### DISCUSSION

Melanie PADDON

- Are their specific dealerships that are being dealt with?

### DISCUSSION

ICBC

- If insured with ICBC, generally a person
- If being bought within a dealership, may not generally going through an ICBC insurance

R8 (PII) Other Specified Public Interest

- 15,000 investigations last year
  - Discussion regarding the breakdown of the investigations

### DISCUSSION

New Car Dealership Assoc. of BC

- Different type of car dealers/dealerships and the definition
  - Difference between high end luxury that are representation on the Global side and used dealerships

### DISCUSSION

ICBC

- Paid out roughly a million on luxury – spiked since 2016

## DISCUSSION

Melanie PADDON

- Do you see any patterns of money laundering in regard to the claims, people involved in the claim?

## DISCUSSION

ICBC

- Background history on the vehicle – paper trails
- After 30 days, dropping the claim if unable to find the vehicle
- Discussion regarding the process of a claim and when SIU gets involved
- Has to be a reason to deny/not payout a claim
- Has their own sup Project Athena that has finance within it
  - o Tracking the money
    - Where is money coming from
    - Where is their payout going
- Do have a CPIC terminal

## DISCUSSION

RBC

- Focus is not in relation to fraud, loss of vehicles, or dealership but on the export/import side
- Rep AML at RBC
  - o Involved in investigation for money laundering
  - o Looking at luxury vehicle exports and where the money was coming from overseas
- Start seeing funds coming from prom, China and Hong Kong where there was not a lot of Open Source information on the company
- Money would come in bulk wires and then drafts would be seen going to luxury dealerships in Vancouver
  - o Wire comes over, purchases drafts by company; saw change where money would be transferred to straw buyers and they would enter the dealership and purchase a vehicle
- People were being recruited to purchase vehicles, drive off the lot, hand off keys and RO papers to export/import companies
- Difference between sale prices for domestic and overseas
- Have filed SPR's

## DISCUSSION

ICBC

- What do we have control over and stemming the flow of money
- Vehicles deemed a total lost: person comes in to pick up plates, handed a check
  - o Providing a check is not a good way to track the money (not the main method anymore)
  - o Looking at doing electronic funds transfer and currently working on interact transfer

## DISCUSSION

Canadian Western Bank

- Seeing change from vehicle in BC to vehicle in Alberta

## DISCUSSION

HSBC

PII - Other



## DISCUSSION

ICBC

- Vehicle registered to ICBC
- Seeing individuals drop the policy the same day and getting a \$1 lease (seems to be the way to get around dealerships)

## DISCUSSION

CBSA

- Import/export companies in domain of CBSA investigation
- Interested to take a look at any import/export company information from Royal Bank and information from ICBC on RO records

\*\* RBC/FINTRAC/CBSA/PADDON to talk offline on sharing information \*\*

**DISCUSSION**

New Car dealership Assoc. of BC

- Represent higher luxury companies
- Manufacturers can pull a business if not having a good image
- Do not track the transactions of sales
- Rep approx. 400 dealer brands
  - o Don't want to see their higher end luxury vehicles involved in crime

**DISCUSSION**

VSA

- Ones to provide the license to motor dealerships
  - o Have to go under the motor dealer act
- No authority over transactions within the dealership

**DISCUSSION**

Melanie PADDON

- Can you pull a license?

**DISCUSSION**

VSA

- If it is not within the public interest, can pull the license, but require the evidence and have to submit the proper information
  - o Civil standard (51%) threshold for evidence
- Each license has to be done individually and based on the evidence the ban period is different
  - o Have a criminal check list that has a ban recommendation
- Criminality seeing are criminal record checks (not disclosing)
  - o Do not have special powers to investigate
- Some detachments will take on, some with not

**DISCUSSION**

Sgt. Ben ROBINSON

- What certain offences are being taken on from detachment

### **DISCUSSION**

VSA

- Asked to do a study (starting in February) for a one-year period, asking dealerships to provide information on anonymous transactions (We chat, bank drafts – everything included)
  - o DO NOT HAVE AUTHORITY, asking for assistance
- Study is planning on: ID dealerships; volume of transaction, any transactions that are 100% financed, and the dealers that won't ID the financier

### **DISCUSSION**

CBSA

- Review imports and insure no contraband
- On the trade compliance front – values are declared properly, proper paperwork
  - o Targeting shipments that are undervalued
- Developing role around trade-based money laundering

### **DISCUSSION**

Melanie PADDON

- Seeing shipments going from BC to Seattle and then out

### **DISCUSSION**

CBSA

- Not a general seeing
- Most likely going to be shipping directly
- No indications of travelling from BC to Seattle

### **DISCUSSION**

IMPACT

- Street level auto theft unit
  - o 2 person invest team (currently only 1 person)
    - Supports the enforcement team

- Intelligence gathering
- Exportation clause
  - Just want to get their money, don't care where the vehicle has gone
- Possibility that a broker (employee within an insurance place) are the connecting piece to the transfer of RO papers from the original buyer of vehicle to the 'boss'
- Do see VIN cloning coming from Alberta
- Do see that dealerships are allowing for couple months without payment, by that time the vehicle is already out of province

## DISCUSSION

Sgt. Rick GRATTAN

- Discussion regarding the split of JIGIT to JIGIT Ops and JIGIT Intel.
  - Still housing GPEB, GIU
- Looking at expansion for money laundering in a provincial level & larger level
- Looking at all the subgroups (i.e., vehicle, real estate, casino) and JIGIT coordinating with these groups and connecting with the other private/public stakeholders

## DISCUSSION

Automobile Retailers Association

- 99% life cycle of vehicles
- Licensed dealerships – used/pre-owned vehicles
- Wanting to pay with WeChat, Alipay and becoming more common
  - Dealerships dealing with students and unsure whether to accept the money from 3<sup>rd</sup> party accounts

## DISCUSSION

CRA

- Criminal side - Public officers – 80
  - Still write ITOs
- Currently working on real estate side
- Have 3 liaisons working at E-Division on Federal side
- Do tax evasion charges
- Starting to incorporate money laundering
- Most files come from referrals internal, or self-created
  - Work with IRS
- Work with Ministry of Finance



**DISCUSSION**

VSA

- Can upload to main drive to CRA but do not receive anything back

**DISCUSSION**

Sgt. Ben ROBINSON

- Discussion regarding access to information

**DISCUSSION**

CRA

- Do have a MOU with ICBC

**DISCUSSION**

VSA

- Have provided a list of dealerships that are unlicensed and with ICBC approval to CRA

**DISCUSSION**

Melanie PADDON

- Example of the perfect file and how information when shared could be beneficial
- Asked if everyone could provide an email with what each stake holder could be

**DISCUSSION**

ICBC

- Asked what everyone's involvement with COPART and PACT has been
  - o Can provide insight to who they are working with when selling vehicles overseas

**DISCUSSION**

Melanie PADDON

- Asked if everyone is okay with sharing the email list of those present today
  - o **\*\* All in agreement\*\***

**DISCUSSION**

ICBC

- Will provide information on the process of vehicle register/purchase of vehicle/involvement of all and what ICBC's involvement is

**DISCUSSION**

Melanie PADDON

- Able to provide information that could be of value

**DISCUSSION**

Sgt. Ben ROBINSON

- Communication Primary Investigator on file to ensure what can be shared and what information is needed and a rationale behind it
- Lawful information sharing and illegal information is no condoned by the RCMP or CFSEU
  - o **\*\* All in agreement on lawful sharing and no illegal information sharing \*\***

**DISCUSSION**

CBSA

- Asked if looking at creating a document that outlines everything

**DISCUSSION**

Sgt. Ben ROBINSON

- 3-6 months writing Governance Model (BC Model) that will outline the private/public information sharing
  - o National level has their own
- Next Project Athena meeting that holds all the subgroups
  - o Looking for May, just waiting for a location to be confirmed Downtown Vancouver

**DISCUSSION**

CBSA

- 107 to be submitted if CBSA has information that is required

**DISCUSSION**

Sgt. Rick GRATTAN

- Having a reference to what everyone's mandates are and what can and cannot do

**DISCUSSION**

Sgt. Ben ROBINSON

- RBC presented their research
- ICBC tracking payouts
- Educating dealers
- IMPACT providing great information
- New West PD having good information for next meeting
- First line of defense
- VSA and anonymous payments
  - o Accessing that data
- Forged documents and analyzing these and what trends are there – IMPACT mentioned

**DISCUSSION**

ICBC

- Will address the forged documents and how it can be better handled
- If vehicle up for lease and what happens to that vehicle with high lease payments

**DISCUSSION**

Sgt. Ben ROBINSON

- Engagement of Ministry of Finance

## FINAL REMARKS

### New West PD

- Conversations with ICBC, FINTRAC, CFSEU in regard to money laundering
- Started on a drug angle and now over to money

### ICBC

- Always ask if the information is personal and if so, how can that information be provided without disclosing the personal information

### IMPACT

- Anything auto-crime related, if other detachments are unwilling to take on, come and speak to IMPACT

### HSBC

- Regard to other provinces being at the table

### Sgt. Ben ROBSINON

- Had be disseminated, but others are approx. 2 years behind where Athena is at
- Use the relationships in this room to connect with the other provinces in their individual organization

### Federal Police

- Gov't of Canada and RCMP created
- Financial integrating, money laundering, drugs and organized crime, border integrating, cybercrime, etc.
- Has some ideas in regard to the prevention side

### ICBC

- Issue driver's licenses, governance and order control
- Reach out to ICBC if need information and will be told if can provide or not
  - o Can also see if there is a gap in between that communication
- Provide information to ICBC but cannot guarantee getting information back

### VSA

- Informing to the degree of what is occurring and what needs to be addressed and how the communication from this group will help them to speak with their side and legislation wise
- BCID and BC Service Cards – concerned regarding identity theft

#### New Car Dealership Assoc. of BC

- If there are specific operational requests or information that would like to be looked at (scenarios etc.) seek out and cannot guarantee will be able to provide information but will do what can
- Recourse of not following agreement can result in losing the store

#### CIS

- Looking at Asian Organized Crime and money laundering within BC

#### CRA

- Tax evasion and interested in forged documents