

FSOC Financial Integrity Program Group 1

Presentation revised to reflect status as of March 15 2021

Supt. Brent Taylor

- Officer in Charge E Div FSOC Operations and Financial Integrity
 - Sensitive Investigations Unit (SIU)
 - Integrated Market Enforcement Team (IMET)
 - Insp. Lav Mangat (in position until May 2021)
 - Money Laundering
 - Insp. FARAHBAKHCHIAN (in position until May 2021)
- Background
 - 31 Years of service
 - Previous financial crime experience
 - Apologies, CV provided was not as refined.



Insp. Lav Mangat

- Ops Officer Group 1
 - Sensitive Investigations Unit (SIU)
 - Integrated Market Enforcement Team (IMET)
- Background
 - 20 years of service
 - Accepted position with Surrey Police Service – S/Sgt Kurt Bedford is acting until a replacement is found, but Insp. Mangat will occupy the position until May 2021.
 - Previous financial crime experience
 - Education



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Sensitive Investigations Unit (SIU)

- Provincially Funded
- Mandate:
 - To investigate politically sensitive files, including breach of trust and corruption offenses involving government employees and officials in BC.
- Priorities
 - Investigate complex financial crimes involving senior public officials/employees of provincial government.
 - Investigate complex financial crimes involving senior public officials/employees of municipal government where the nature of the crime exceeds the resources/expertise of the police force of jurisdiction, or there is a perceived/actual conflict of interest requiring an independent investigation.
 - Provide support and assistance to police of jurisdiction in investigations of complex financial crimes involving the federal, provincial and municipal government.



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Integrated Market Enforcement Team (IMET)

- Fenced Funded out of NHQ
- Mandate:
 - To detect, deter and investigate Criminal Code capital market fraud offences that are of regional or national significance that pose a threat to investor confidence, economic stability in Canada and the integrity of Canada's capital markets.
- Priorities
 - Detect, deter, disrupt and or investigate/prosecute capital market frauds with regional/provincial significance.
 - Detect, deter, disrupt and or investigate/prosecute capital market frauds with a national/international significance.
 - Develop and maintain partnerships to increase collaboration and further the IMET mandate.
 - Increase strategic intelligence related to the IMET mandate.



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Collaboration/Partners

- SIU
 - Police of Jurisdiction
 - FSOC Intake Unit
 - CRA
 - Provincial Crown/Special Prosecutors
- IMET
 - Police of Jurisdiction - VPD
 - FSOC Intake Unit
 - Provincial and Federal Crown Counsel
 - Federal Bureau of Investigation (FBI)
 - US Securities and Exchange Commission (SEC)
 - Canada Revenue Agency (CRA)
 - BC Securities Commission (BCSC)
 - Investment Industry Regulatory Organization of Canada (IIROC)
 - BC Financial Services Authority (formerly FICOM)
 - Civil Forfeiture Office (CFO)
 - Real Estate Council of BC (RECBC)
 - FINTRAC (Financial Transactions and Reports Analysis Centre)
 - Bank Investigators



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Stats - Snapshot

- SIU
 - 28 total positions, 19 positions occupied
 - 11 active investigations/projects
 - Largely breach of trust within municipal and provincial agencies
 - Files prioritized within the division, not federally tiered.
- IMET
 - 27 total positions, 15 positions occupied, one on mat/pat leave
 - 14 active investigations/projects
 - 1 project in court
 - 2 BCSC referrals as well as several files under initial assessment
 - 1 file preparing a summary to Crown
 - Two files under charge assessment
 - Projects include various referrals: CFO, FICOM, RECBC, Law Society, CRA.
 - Files are prioritized within the division, not tiered federally.



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Challenges

- Intelligence
 - 11 positions, 6 vacant
 - Tactical vs Strategic
 - Info Sharing
- Recruiting/staffing
- Access to technology

Progress made

- Growth and focus on intelligence
 - Up 9 positions, increased focus on strategic intel
- Resource levels steadily increasing
 - Integration: CRA, VPD
- Addition of two Special Advisors (FI and IMET)
- Increased collaboration
 - Regular meetings with Provincial Crown Counsel
 - Bi-Monthly fraud meetings: POJ's, regulatory, bank investigators
 - Quarterly meetings with the BCSC/VPD/Provincial-Fed Crown
 - Intel manager to engage regional intel partners
 - Increased referrals to FICOM, RECBC, CFO, CRA



“E” Div. FSOC Financial Integrity

- **Insp. Tony FARAHBAKHCHIAN**

- Ops Officer Group 2
 - Money Laundering Team 1 (Project Development)
 - Money Laundering Team 2
- 29 years of service
 - Previous financial crime experience.
- Arrived to Group 2 as Ops Officer in May 2018.
 - Background/Education



“E” Div. FSOC Financial Integrity

- **Money Laundering Teams**
 - 2 Money Laundering Teams
 - Key Priorities:
 - Networks, money controllers, and associates involved in the movement of criminal proceeds to, from, or through Canada, as well as the transnational organized crime networks that support them.
 - Vision:
 - Excellence in protecting Canada, its people and interests, against domestic and foreign financial criminal threats.



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- **Money Laundering Teams**
 - Mission:
 - Through a unified and collaborative approach with our local, national and international partners, our valued employees will combat the highest threats affecting the Canadian economy and its citizens through prevention, detection and deterrence.
 - Mandate:
 - Intelligence led detection, disruption and enforcement of organized crime groups involved in money laundering operating in British Columbia, nationally and internationally.



FEDERAL POLICING STRATEGY

- **Internal & External Partners**

- Internal (all RCMP): Intelligence/Open Source Analysts, FSOC Teams, CFSEU-BC, OSG File Coordination, Specialized Investigative Support Sections (UC Shop, NHQ FPCO, ITCU, CIAU, Special I and O), other RCMP Detachments, etc.
- External (all outside RCMP): PPSC, FINTRAC, CBSA, CRA, FAMG, SPMD, CFO, FICOM, Canadian Financial Institutions, Canada Post, International Police Agencies (UK NCA, FBI, DEA, HSI, AFP, USSS, etc.), UNODC, FELEG, FATF, BC Real Estate Board, BC Notaries Society, BCLC, BC Law Society, Municipal Police Forces, etc.....



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- **Money Laundering Teams**
 - **Priority One:** Criminals using laundered funds/ultimately impacting the B.C. economy.
 - **Priority Two:** Criminals involved in utilizing underground banking systems as a vehicle to legitimize funds in Canada.
 - Arrests/Charge Approvals.
 - Success contingent upon first obtaining a conviction for a designated offence (See Section 490.011 (1) of the Criminal Code.
 - Disruption and or cash/asset seizures.
 - Establish prevention/community engagement strategies with key stakeholders/partners.



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- **Money Laundering Teams**
 - **Priority Three:** Increased formalized engagement with partners and stakeholders for the purpose of detection, prevention and increased collaboration to further support the FSOC –FI Money Laundering Team mandate.
 - Establish/re-establish regional/provincial/national stakeholder working groups to address priorities and further the mandate
 - Increased joint investigations/partnerships.



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- **Money Laundering Teams**
 - **Priority Four:** Increase strategic intelligence.
 - Working with FI Intel Analysts to develop plans and expectations around new intelligence in relation to the unit mandate.
 - Working groups (regional/divisional/national)
 - Ex: Provincial Financial Crimes Intelligence Unit
 - International working groups
 - Identify future risks, threats & opportunities



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- **Money Laundering Teams**

- **Types of Investigations;**

- Large scale in nature resulting in criminals amassing large amounts of potential proceeds of crime.
 - FINTRAC disclosures
 - Money Service Businesses
 - Interpol Red Notice (Money Laundering from overseas)
 - Assisting on large FSOC priority files where there is an FI component.
 - Civil Forfeitures



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- **Money Laundering Teams**

- **Stats - Snapshot**

- **ML Team 1 (Project Development)**

- 19 total positions, 17 positions occupied.
- 8 active investigations/projects
 - 1 Project currently with DOJ/Civil proceedings (international/Huawei)
 - 2 Project/international ML/Theft of Cryptocurrency/SOC's in Europe & Israel
 - 1 Project assisting HSI/MMF/TBML and Drugs
 - 1 Project assisting US Postal Services/ML Fraud schemes.
 - 1 CROPS to CROPS/Assist O Div, ML/CRA Scam
 - 1 Local account take over investigation/ML/Nexus to US
 - 1 Project into Asian Organized Crime/ML/Drugs



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• Money Laundering Teams

Stats - Snapshot

• **ML Team 2**

- **25** total positions, **21** positions occupied
- **10** active investigations/projects
 - 1 Project currently with DOJ/Civil proceedings (international/E-Pirate)
 - 1 Project involving unregistered MSB bringing large sums from Middle East
 - 1 Project assisting another Division/FINTRAC Disclosures/Caribbean/Japan, US.
 - **1 BCSC referral**
 - 1 Canada Post assist/FINTRAC Disclosures/Parcels/Drugs
 - 1 CROPS to CROPS with K Div/local MSB/drug Trafficking
 - **1 Project with parallel US investigation into grow-ops**
 - 1 Assist Group 5/Dark Web/Fentanyl
 - 1 Assist US authorities/HSI, DEA/FBI high level ML investigation
 - **1 Assist RCMP detachment, TBML and cars**



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RECAP

Governance

M8

Prioritization & Tiering

AML Initiatives



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Funding – FSOC/ FP determined by
FPCO and the DCFP

Fenced vs Regular



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Differences between FSOC FI and
RCMP NHQ FPCO
RCMP CFSEU
RCMP Contract Policing Services
(Prov/Mun)



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Other duties expected of the unit employees

- States of Emergency – Wildfires
- Major Events – G7/ G20, Olympic Games
- VIP - Elections, Conferences, Special visits
- Tact Troop
- C-IRG – Pipelines
- Special assignments – NS related



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Partnerships with other Provincial and Federal Agencies have been spoken to.

Alignment with other agencies must be strategic (criminal vs regulatory)



Federal Policing and Engagement Initiative

- Outreach for ML/POC/ Cyber/ Fraud
- Students Against ML



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Integration with other Agencies current
CRA, VPD, FAMG, BCSC

Desired Integration with
CBSA
PPSC/ BCPS

