

DIRTY MONEY

CANADIAN GAMING SUMMIT

Edmonton - June 19, 2019

©Peter German & Assocs. Inc.

604-916-9030

peter.german@shaw.ca

Peter German & Associates Inc.

WHY B.C.?

- **Meeting point for Asia / North America - seaport, airport**
- **Modern banking facilities and communication**
- **Access to US / Mexico**
- **Ethnic diasporas**
- **Relatively mild criminal sanctions**
- **Little enforcement of white collar crime**
- **Difficulty investigating and prosecuting**

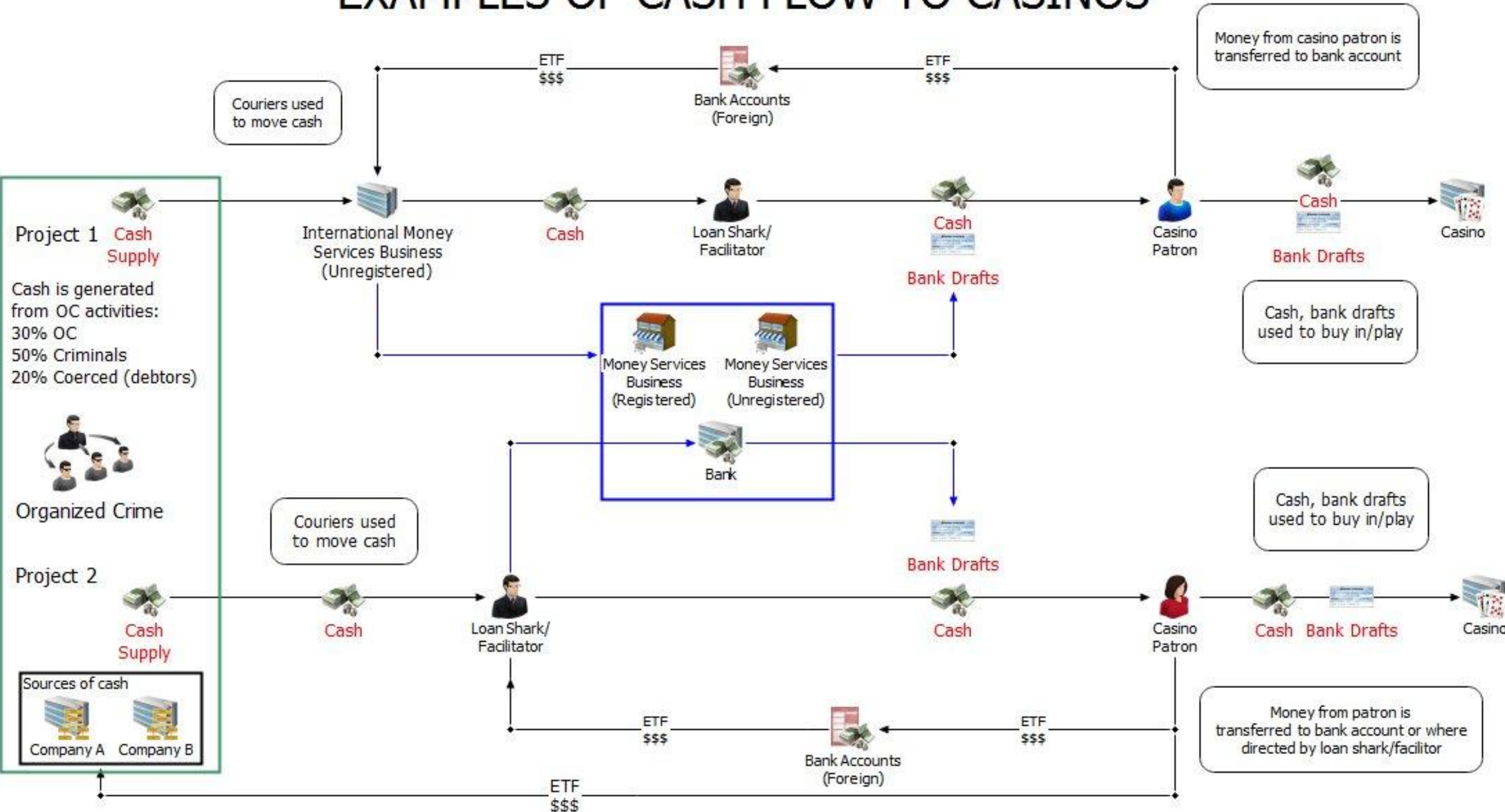
TRANSNATIONAL ORGANIZED CRIME

- **Not commodity specific, Loose alliances**
- **Both legal and illegal enterprises**
- **ML / TF – Wash / Spin / Dry**
- **Mexican, Asian, Middle Eastern, Domestic**

VANCOUVER MODEL

- **Professor John Langdale, Macquarrie Univ.**
- **Facilitate laundering drug proceeds**
- **Facilitate moving money out of China**
- **OC clips its ticket at both ends, using underground bankers / money service businesses**

EXAMPLES OF CASH FLOW TO CASINOS



TIMELINE

- **Casino - \$13.5 M - July 2015**
- **RCMP Investigations**
- **MNP Report – July 2016**
- **Dirty Money – Sept. 2017**
 - **Report Released – June 2018**
- **Dirty Money 2 & Expert Panel – Sept. 2018**
 - **Reports Released– May 2019**

CONFIDENTIAL UNTIL RELEASED BY THE ATTORNEY GENERAL OF B.C.

DIRTY MONEY – PART 2

**Turning the Tide - An Independent Review of Money Laundering in
B.C. Real Estate, Luxury Vehicle Sales & Horse Racing**

Peter M. German, QC, PhD

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DIRTY MONEY

**An Independent Review of Money Laundering in Lower Mainland
Casinos conducted for the Attorney General of British Columbia**

**Peter M. German, QC
Peter German & Associates Inc.**

March 31, 2018

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CASINO RECOMMENDATIONS

Interim:

- **Source of Funds Declaration**
- **24/7 Regulator Coverage**

Final:

- **Changing the Paradigm**
- **Independent Regulator**
- **Designated Policing Unit**
- **Legislative amendments**

LUXURY VEHICLES

- **International trade in stolen vehicles**
- **Use as crime vehicles**
- **Purchase of luxury vehicles with cash, etc.**
- **Overseas shipment in 'grey market'**
- **Resellers, leases, rentals**
- **Regulation**
- **Enforcement**

REAL ESTATE

- **Confluence of Four Streams**
 - **Legal Money**
 - **Dirty (Criminal) Money**
 - **Avoidance of Currency Controls**
 - **Underground Economy**
- **Overseas Buyers**
- **Gatekeepers**
- **Opaque Ownership**

RED FLAGS / TYPOLOGIES

- **Purchase by Nominees**
- **Unfinanced Purchases**
- **Private Lending**
- **Unusual Interest Rates**
- **Quickly Discharged Mortgages**
- **Flipping**
- **Over / Undervalued**
- **Buying Spree**

An aerial photograph of a city skyline, likely Vancouver, viewed from across a body of water. The image is heavily filtered with a blue color and is intentionally blurred. The text 'THANK YOU' is centered in the middle of the image in a bold, black, sans-serif font.

THANK YOU