



APR 03 2019

Her Worship Lisa Helps
Mayor City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

Dear Mayor Helps:

Thank you for your March 11, 2019 letter, regarding your interest in a public inquiry. I welcome the opportunity to respond and provide you and the Victoria City Council with details on how government is tackling this contentious issue.

As you may have heard me say in the news, dirty money has no place in British Columbia and for too long, those taking part in these illicit activities have been allowed to continue without consequence. I can assure you that change is underway.

In September 2017, I appointed Dr. Peter German to review our province's anti-money laundering practices and policies in the gambling industry. Dr. German's June 2018 report, *Dirty Money: An Independent Review of Money laundering in Lower Mainland Casinos*, makes 48 recommendations for preventing money laundering in BC gambling facilities.

All 48 recommendations were accepted in principle and implementation of the recommendations is being led by government, in coordination with the BC Lottery Corporation (BCLC). Many of the recommendations are complex, involving other ministries, agencies and the federal government, and we are taking the time to thoughtfully implement them. Work is already underway on all of Dr. German's recommendations, including a review of the intelligence, investigative, and enforcement resources required to move forward successfully. Nine recommendations are also fully completed, and we have implemented the two interim recommendations that Dr. German provided in December 2017. We have already seen a dramatic decrease in large amounts of unsourced cash entering casinos.

In September 2018, government launched a two-pronged review aimed at shutting down avenues for money laundering. Dr. German sought information and submissions from British Columbians related to areas of money laundering within real estate as well as horse racing and luxury vehicles, with a focus on identifying the scale and scope of verifiable illicit activity.

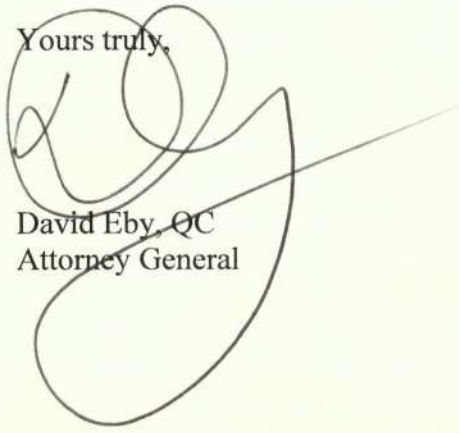
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The other component of our government's review in this area was led by Ms. Maureen Maloney, as chair of the *Expert Panel on Money Laundering in Real Estate*. The Ministry of Finance panel looked at gaps in compliance and enforcement of existing laws, consumer protection, financial services regulations, regulation of real estate professionals, and jurisdictional gaps between British Columbia and the federal government. Both final reports were submitted to government on March 31, 2019. We are now reviewing the reports and will release them publicly as soon as we are able.

We recognize that money laundering is not a victimless crime and is linked to the spread of fentanyl in our communities and the rise of housing costs. We have focused our efforts on acting quickly to get results for British Columbians – this is what people in BC want, however, we have not ruled out a public inquiry if it is required in the future. Our government will continue to work with our partners to fight money laundering to hold accountable those who are responsible.

I appreciate your taking the time to write.

Yours truly,

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

David Eby, QC
Attorney General