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## Following the money

Financial intelligence provided from FINTRAC is helping law enforcement crackdown on money laundering and terrorist financing.

**John Sullivan,**  
Detective Inspector,  
Officer in Charge of  
operational support  
for the RCMP Proceeds  
of Crime branch.

Canada may once have had a reputation as not being tough enough on money laundering within its borders, but that's no longer the case.

"Relative to the rest of the world, Canada is doing a good job," says Detective Inspector John Sullivan, Officer in Charge of operational support for the RCMP Proceeds of Crime branch.

Det. Insp. Sullivan says the establishment of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is helping to combat the problem of money laundering, both domestically and internationally. Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, FINTRAC's mandate is to collect, analyze and disclose financial information and intelligence on suspected money laundering and terrorist financing activities to law enforcement.

FINTRAC receives reports on suspicious transactions from banks and financial institutions, to life insurance companies, brokers and accountants.

Last year, additional regulatory reporting requirements came into effect. Large cash transactions and all international transfers moving in and out of Canada, in excess of certain dollar amounts transmitted through any electronic system, must be reported to FINTRAC.

Peter Lamey, spokesperson for FINTRAC, comments that the volume of reports FINTRAC receives has almost doubled as a consequence — 2.2 million reports were filed last year.

"FINTRAC disclosed 103 cases of suspected money laundering and terrorist activity financing to law enforcement and national security agencies in 2003. More significantly, the information is leading to or assisting in criminal investigations by law enforcement," says Lamey.

### FINTRAC intelligence helps nab criminals

According to Inspector Don Panchuk of the Integrated Proceeds Of Crime Unit in Toronto, intelligence can be useful even if there is not an immediate application.

"Money laundering doesn't exist without the proceeds of crime," Panchuk explains. "FINTRAC's information is very valuable from a law enforcement perspective because it enables us to target the upper levels of criminal organizations, which is our mandate."



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# Following the money

In March 2003, a joint forces operation between the RCMP and the Saskatoon Integrated Drug Unit culminated in the arrest of a suspect and several associates. This project focused on the cocaine distribution network controlled by the suspect in the City of Saskatoon, who was also the subject of a FINTRAC disclosure during the investigation. The disclosure pin-pointed two suspicious currency transactions which proved to be mortgage accounts for the purpose of securing land by the accused, and was instrumental in assisting investigators with their affidavits in support of restraint and search warrants.

In April of this year, the RCMP concluded a long-term investigation into money laundering in the Lower Mainland around Vancouver, also supported by information provided by FINTRAC. The investigation focused on groups suspected of converting US dollars, believed to originate from marijuana exports to the United States, into Canadian currency. To show the scale of the problem, one of the groups was laundering at least \$3 million US per week — which equates to approximately 1,500 pounds of marijuana. The Vancouver investigation highlights the new integration organized crime groups are willing to make in order to further their illegal activities.

The investigation uncovered an elaborate and well-organized money laundering plan. The criminal operation used suspects that specialized in collecting US dollars from marijuana brokers, who would then convert US dollars into Canadian funds through currency exchanges and other outlets, and then return the Canadian currency to the marijuana brokers.

“It’s the information we receive from reporting entities that enables us to conduct our analysis, and identify suspicious transactions,” Peter Lamey says. “We’re pleased that a cooperative approach is producing results, and we’re hopeful that we can continue to provide useful intelligence to help prosecute the criminals responsible.”

Det. Insp. Sullivan comments that having a national database of information on suspicious financial activities is extremely important in today’s society.

Since so many players are often involved in money laundering schemes, it has been very helpful to have the additional resources and cooperation from FINTRAC.

“As a result of the cooperation between FINTRAC and its reporting entities, it is much harder to place illegally obtained cash into the banking system in Canada,” concludes Inspector Panchuk.



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