

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

Date: 11/30/2018 8:36:50 PM

Subject: More info from VPD on criminal activity related to real estate

Attachments: Civil Forfeiture Memo.pdf

ATT00001.htm

Good evening Mayor and Council

Please find attached a memo from the chief constable following up on a question from council.

Best

Sadhu

Sadhu Johnston
City Manager
City of Vancouver
O: (604) 873 7627

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VANCOUVER POLICE DEPARTMENT

Investigation Division

Date: November 30, 2018

To: Chief Constable Adam Palmer

From: Deputy Chief Constable Laurence Rankin

Subject: ***VPD Response to Question from Councillor Boyle re:
Viability of Enhanced Civil Forfeiture to Combat Money Laundering***

Summary

On November 26, 2018, Councillor Christine Boyle requested through City Manager Sadhu Johnston that the Vancouver Police Department (VPD) provide Council with additional information on whether real estate that has been purchased through criminal activity is being, or could be, seized as the proceeds of a crime. Further, it was asked if such seized property could then be transferred to become municipal property for the benefit of the community.

Background

The provincial *Civil Forfeiture Act* became law in 2006. This legislation was created to ensure that criminals cannot profit from unlawful activity or use assets derived from criminal acts. The *Civil Forfeiture Act* enables real property, proceeds, and instruments of unlawful activity to be forfeited by order of a civil court. The forfeiture process is separate from any criminal proceedings.

Civil Forfeiture Use by the VPD

The utilization of the *Civil Forfeiture Act* by the VPD has grown substantially since 2006 when the law was enacted. In 2006, the VPD recommended \$120,000 in assets for forfeiture. Recognizing the ability of this legislation to disrupt and combat organized crime, the VPD's use of civil forfeiture grew in subsequent years. By 2013, nearly \$2.5 million in assets were identified for forfeiture. The following year, in 2014, the VPD continued to expand its utilization of this enforcement tool, recommending more than \$8 million in assets for forfeiture.

The use of this legislation by the VPD to combat organized crime has continued to experience significant growth. In 2015, nearly \$13 million in assets were referred for forfeiture, followed by over \$14 million in assets in 2016. Of note, in 2015 and 2016 civil forfeiture resulted in the seizure of two problem premises in the Downtown Eastside that were being utilized to commit acts of serious violence on marginalized persons. This legislation provided an effective means of combating these problem premises and

ensuring that the owners of these properties were held responsible for the criminal acts that were facilitated via the use of their property.

Last year, in 2017, the VPD referred a record of nearly \$22 million dollars in assets for forfeiture. These assets included cash, vehicles, virtual currency, as well as residential and commercial properties.

Disposition of Funds that Result from Civil Forfeiture

The provincial Civil Forfeiture Office carries out all civil forfeiture applications in civil court. The money and property that is ordered forfeited by the courts is used to fund the operating expenses of the provincial Civil Forfeiture Office. Any excess funds beyond those required to cover the operating expenses of the Civil Forfeiture Office are disbursed back to British Columbia communities in the forms of grants. These grants are used to benefit communities by funding crime prevention initiatives, contributing to crime remediation, and compensating victims of crime.

The local community in Vancouver is a major benefactor of these community grants, having received over \$1.1 million in grants in 2016. Of this, nearly \$1 million was provided to community groups that included Downtown Eastside non-profit groups, transition houses, organizations combating violence against women, and groups that support local Indigenous persons. For governance, there is no ability to transfer excess civil forfeiture funds directly to the jurisdiction making the referral to offset policing costs or to benefit the local municipal government.

Conclusion

Over the past 12 years, since the provincial *Civil Forfeiture Act* became law, the VPD has significantly increased its use of this legislation to disrupt organized crime and to prevent criminals profiting from unlawful activity.

While the VPD has increased its use of civil forfeiture, the funds derived from seized assets do not flow directly back to the VPD. Instead, these funds are used to cover the operating expenses of the provincial Civil Forfeiture Office; as a result, this program effectively combats organized crime without incurring a cost to the public. The excess funds that do result from provincial civil forfeiture activities are dispersed to communities across British Columbia for their betterment. These grants have benefited many important community groups in Vancouver. However, the transfer of funds to cover policing operations or municipal costs is restricted due to governance considerations.