

10 months of red flags: Tax evasion, fraud and laundering in #VanRE

November, 2015 – A study by Andy Yan, acting Director at SFU Architecture and Planning school shows that 38% of multi-million dollar homes purchased on the west side of Vancouver were bought by “students” (6%) or “homemakers” (32%).

December, 2015 – The B.C. Securities Commission uncovers money laundering ring involving an international buyer, local remittance firm, local real estate agent, and proceeds of fraud being directed into West Vancouver Real estate. (Dhanani)

March 17, 2016 – Federal anti-money laundering agency FINTRAC announces that Metro Vancouver real estate market is “vulnerable” to money laundering after 55 of 80 Metro Vancouver real estate agencies fail audits.

April 8, 2016 – BC Real Estate Council announces investigation into credible allegations of fraud at Vancouver’s largest real estate firm, New Coast Realty.

April, 2016 – Disgraced residential realtor Julia Lau, who gave up her license rather than face discipline by the Real Estate Council of BC, announces she has successfully used Facebook to raise \$60m to help anonymous buyers purchase a west end rental property assessed at \$16m. The deal exceeds legal crowdfunding limits in BC by \$59,750,000.

May 12, 2016 – A student buys the 16th most expensive home in Vancouver, 4833 Belmont Ave. for \$31m.

May 13, 2016 – A man alleges a realtor threatens his life after he says he’ll report her for tax evasion. Police initially refuse to investigate.

June 27, 2016 – The B.C. Supreme Court freezes assets of Shibiao Yan, who with his wife purchased \$8m in Lower Mainland real estate, after Bank of China files a suit alleging the properties were bought with fraudulent loan proceeds.

June 29, 2016 – The BC NDP propose specialized task force of police, prosecutors and auditors to track down and prosecute tax evasion and money laundering in the Metro Vancouver real estate market, by linking real estate transaction data with income tax system to identify people buying homes with no apparent source of legitimate income.

July 15, 2016 – Statistician and researcher Jens von Bergmann of Mountain Math releases report showing an alarmingly high number of million dollar properties being bought by people with poverty-level incomes for income tax purposes. The numbers hold even when retirees are excluded. The top four highest incidences of this phenomenon across Canada are in Richmond, Vancouver, Metro Vancouver, and Burnaby.

July 26, 2016 – BC’s premier tells media there’s a team of auditors “ready to go” to enforce the Foreign Buyer tax.

July 28, 2016 – BC’s Finance Minister says in the legislature that government “foresees” additional auditors but does not yet have additional auditors in place to enforce the Foreign Buyer tax.

July 28, 2016 – BC’s Auditor General releases a second report identifying “acute” shortage of auditors responsible for overseeing realtors, mortgage brokers and credit unions at the Ministry of Finance. Outgoing CEO of FICOM, Carolyn Rogers, says her “three years” of warnings about the auditor shortage were ignored by the Minister of Finance and the Premier. The first BC Auditor General report on the auditor shortage was March, 2014.

September 9, 2016 – A BC NDP Access to Information request reveals a spike in attempts to smuggle millions in cash and bank notes through Vancouver’s airport. Smuggled cash totals are up 50% year over year for the last two years. Confiscated cash from China in 2015 at YVR is more than 2014’s total for all countries combined.

September 10, 2016 – A whistleblower brings forward allegations to media that his former employer, Canadian Kenny Gu is running a massive tax evasion real estate speculation ring in Metro Vancouver, involving millions in international money. The whistleblower alleges his information, including primary documents, was refused by both police and Canada Revenue Agency.

September 10, 2016 – A local accountant says in the past five years he has filed tax returns for “1,000” clients who he believes fraudulently misreport their income and real estate holdings. Another Vancouver accountant, Corina Ciortan, says she and her accountant colleagues see questionable real estate transactions in Metro Vancouver “all the time.”

September 11, 2016 – Five months later, the New Coast Realty fraud investigation is still not concluded. The firm has opened and continues to operate a realtor “training” school for Metro Vancouver realtors.