

Money Laundering in Canada 2015

Trends in Crime & Managing the Risks



13th Annual

Money Laundering in Canada 2015

September 27 - 29, 2015

Fairmont Banff Springs Banff, Alberta, Canada

The 13th instalment of Canada's premier event in the field of money laundering compliance and control. The theme of Money Laundering in Canada 2015 is **Trends in Crime & Managing the Risks**.

Comprised of fifteen workshops and four plenary sessions, the focus of the 2015 conference is on the trends and typologies of criminal behaviour, both current and emerging, that are having an impact on the economic environment across Canada. In addition, a number of workshops will highlight effective compliance management practices to demonstrate how some reporting entities are successfully strengthening their risk management outcomes.



Conference Sponsors:



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Located in the heart of Banff National Park, a UNESCO World Heritage Site, the world famous Fairmont Banff Springs Hotel stands as a landmark in the picturesque alpine town of Banff, Alberta.



Who Should Attend?

- Banks
- Credit Unions
- Caisses Populaires
- Securities & Investment Dealers
- Mutual Fund Companies
- Precious Metal/Gem Dealers
- Credit Card Suppliers
- Life Insurers
- Foreign Exchange Dealers
- Money Service Businesses
- Law Enforcement
- Regulatory Officials
- Real Estate Developers
- ATM & SVC Providers
- Lawyers
- Accountants
- Real Estate Professionals
- Financial Planners
- Casinos & Gaming
- Trusts & Loans
- Security Officers



Agenda at a Glance

	Sunday, September 27
6:00 - 8:15 PM	Registration
7:00 - 8:30 PM	Reception

	Monday, September 28	
7:45 - 9:00 AM	Registration, Breakfast & Networking	
9:00 - 9:15 AM	Welcome & Opening Remarks	
9:15 - 10:15 AM	Plenary Session A - Organized Crime in Canada: Trends & Impacts	PA
10:15 - 10:45 AM	Coffee & Networking Break	
10:45 - 11:45 AM	Money Laundering in the Securities Sector Operational Risks in AML Compliance Exploring Fraud Trends	WS1 WS2 WS3
12:00 - 1:15 PM	Luncheon	
1:15 - 2:15 PM	Risk Exposure: Prevention, Detection, Investigation & Corrective Action Canadian Crime Statistics: National, Provincial & City-Level Trends Responding to FINTRAC Findings of Non-Compliance	WS4 WS5 WS6
2:30 - 3:30 PM	De-Marketing MSBs: A Misinformed Response According to Regulators Bitcoins & e-Currency: Trends and Risks for Money Laundering Mortgage Fraud: Trends, Types & Impacts	WS7 WS8 WS9
3:30 - 4:00 PM	Coffee & Networking Break	
4:00 - 5:00 PM	Plenary Session B - Journey to the West: How, Why & How Much Money Is Fleeing China	PB
5:00 - 5:45 PM	Special Interest Sessions	
5:30 - 7:00 PM	Reception	

	Tuesday, September 29	
7:45 - 9:00 AM	Registration, Breakfast & Networking	
8:00 - 8:45 AM	Special Interest Sessions	
9:00 - 9:15 AM	Announcements	
9:15 - 10:15 AM	Plenary Session C - Update on FINTRAC Guidance	PC
10:15 - 10:45 AM	Coffee & Networking Break	
10:45 - 11:45 AM	Using Civil Remedies to Respond to Business Frauds Exploring Fraud Trends (Repeat of WS 3) Bitcoins & e-Currency: Trends and Risks for Money Laundering (Repeat of WS 8)	WS10 WS11 WS12
12:00 - 1:15 PM	Luncheon	
1:15 - 2:15 PM	Changing Dynamics of the Compliance Officer: From Enforcer to Educator/Advisor Finding the Truth: Effective Interviewing Techniques and Detecting Deception Risk Exposure: Prevention, Detection, Investigation & Corrective Action (Repeat of WS 4)	WS13 WS14 WS15
2:30 - 3:30 PM	Plenary Session D - Where Next for Sanctions Busters?	PD
3:30 - 3:45 PM	Conference Wrap-Up	

September 28, 2015



PLENARY A

Recent Trends and Developments in Organized Crime and Money Laundering in Canada

9:15 - 10:15 AM

**Dr. Stephen Schneider
St. Mary's University
Halifax, NS**

This presentation examines recent trends in relation to organized crime and money laundering in Canada. In particular, it examines emerging crime groups and networks in Canada as well as predominant and emergent organized criminal activities. It will also look at how technology is changing the face of organized crime and money laundering. The presentation will discuss the implications of these trends and developments and how they have affected money laundering as well as the form and disbursement of the proceeds of crime generally. Particular emphasis will be placed on sectors vulnerable to money laundering, techniques used, and how technology and the Internet have influenced money laundering. Some thoughts on the future of organized crime and money laundering will also be raised.

WORKSHOP 1

Money Laundering in the Securities Sector

10:45 - 11:45 AM

**Myles MacPherson
Alberta Securities Commission
Calgary, AB**

FINTRAC, regulators, and securities dealers have long recognized the need for paying close attention to money laundering. Recent studies in Canada have reported that the majority of money laundering methods and techniques involving the securities sector appear to be related to the layering stage of the money laundering model. Furthermore, as money laundering methods become more sophisticated and investment products become more complex, the sector faces new challenges in detection and deterrence. The increased usage and expansion of online brokerages, publicly-listed shell companies, and direct access to markets have posed particular risks for money laundering. This workshop will look at a number of the current trends and activities that capture the attention of Compliance Officers in Canada.

WORKSHOP 2

Operational Risks in AML Compliance

10:45 - 11:45 AM

**Debra Smith
PRA Group
Delta, BC**

Increases in regulatory requirements and guidelines have changed the operational landscape of many organizations. Compliance has involved the purchase of new monitoring systems, increased staffing, and enhanced due diligence. Issues and risks that organizations have encountered and operational practices will be discussed. Debra will draw on her nine years of experience providing Internal Audits to Credit Unions to discuss difficulties in implementation of AML guidelines in an open dialogue with workshop participants.

September 28, 2015



WORKSHOP 3

Exploring Fraud Trends

10:45 - 11:45 AM

**Christian Belanger
Equifax
Toronto, ON**

Fraud continues to multiply in its forms, perpetrators, and victims. Fraud risks are expanding across all methods of doing business - from web-based business to emerging e-commerce activities and products. The growing incidents of employee fraud and corporate corruption increasingly contribute to the risk environment that Compliance Officers must manage and control. Equifax continues to be one of the leading resources for identifying fraud practices and emerging trends. This workshop will highlight some of those findings and trends that are emerging from Equifax's ongoing analytic practices.

WORKSHOP 4

Risk Exposure: Prevention, Detection, Investigation & Corrective Action

1:15 - 2:15 PM

**Linda Sowles
Integrus Credit Union
Prince George, BC**

Chief Anti-Money Laundering and Compliance Officers must stay on top of the rapidly changing risk exposures in their institutions and the evolving regulatory environment. The transition from manual processes to automated systems has changed the tools and techniques to determine key risk factors. Vulnerable points, fraud, money-laundering risks and coordinated approaches to detection, investigation, and corrective action will be examined. Linda will draw on her eleven years of experience as Risk Management Officer in a mid-sized credit union to discuss best practices in open dialogue with workshop participants.

WORKSHOP 5

Canadian Crime Statistics: National, Provincial & City-Level Trends

1:15 - 2:15 PM

**Jillian Boyce
Statistics Canada
Ottawa, ON**

Measuring geographic risk in Canada is often considered a struggle for many AML Compliance Officers who cite the lack of crime statistics as a problem. Other Compliance Officers have made the argument that risk for money laundering in Canadian communities does not necessarily fluctuate across regions of the country. Contrary to these observations, Statistics Canada, through the Canadian Centre for Justice Statistics, prepares detailed reports every year to reflect the crime data supplied by law enforcement agencies across the country. Examining these reports can provide the most detailed information available concerning crimes and trends across Canada. We are extremely fortunate to have one of the key analysts involved in preparing these reports to lead this workshop and explain how CCJS arrives at the numbers and findings presented in the annual reports.

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WORKSHOP 6

Responding to FINTRAC Findings of Non-Compliance

1:15 - 2:15 PM

**Jason Beitchman
Rueter Scargall Bennett LLP
Toronto, ON**

Reporting entities across all sectors are facing increased scrutiny from FINTRAC, and as a result face a greater risk of being cited for deficiencies and non-compliance. The monetary penalties levied can be substantial, with certain violations resulting in a fine of up to \$500,000 per instance. There can also be substantial harm to the reporting entity's reputation if the findings of violations are published on FINTRAC's 'name and shame' list. Delegates attending this workshop will hear from experienced litigation counsel with expertise in FINTRAC and Federal Court cases, who will help you understand what rights you have to respond to a Compliance Examination Findings Letter, a Notice of Violation and to appeal to the Federal Court. This session will outline key legal and procedural strategies including: (i) if and how to challenge findings of non-compliance; (ii) ways to maintain confidentiality during compliance proceedings and mitigate the risk of the 'name and shame' list; (iii) building a 'due diligence' defence; and (iv) lessons learned from recent developments before the courts.

WORKSHOP 7

De-Marketing MSBs: A Misinformed Response According to Regulators

2:30 - 3:30 PM

**Michael Cox
Vancouver Bullion and Currency Exchange
Vancouver, BC**

The last quarter of 2014 saw two of the world's primary regulatory authorities, FinCEN and the FATF, take the position that financial institutions had become overly zealous in their decisions to stop providing banking services to money service businesses such as currency exchanges and remittance companies. Both regulatory bodies supported the notion that banking organizations can readily serve the MSB industry while still meeting their AML/CTF regulatory obligations. FinCEN in particular has stated that "... banking institutions [should not] serve as the de facto regulator of the money services business industry any more than of any other industry". This being said, both FinCEN and the FATF have strongly advised financial institutions to measure an MSB's risk by the compliance regime it has put in place and the capacity of that regime to manage risk from its customers. This workshop will explore the detailed compliance regime put in place by a major MSB, Vancouver Bullion and Currency Exchange, and how the various risk management strategies are designed to control for and manage both the inherent and residual risks arising from its products, services, and customer base.

September 28, 2015



WORKSHOP 8

Bitcoins and e-Currency: Trends and Risks for Money Laundering

2:30 - 3:30 PM

**Kevin Lo
Froese Forensics
Toronto, ON**

Virtual currency's global reach increases its potential for AML/CFT risks. Virtual currency systems can be accessed via the Internet and subsequently used to make cross-border payments and funds transfers. In addition, virtual currencies commonly rely on complex infrastructures that involve several entities, sometimes spread across multiple countries, to transfer funds or execute payments. Financial and related entities can be affected by the risks such digital currencies pose. Kevin Lo returns to examine the world of Bitcoin/e-currency and how their use can be exploited for money laundering purposes now and going forward.

WORKSHOP 9

Mortgage Fraud: Trends, Types and Impacts

2:30 - 3:30 PM

**Jeremy Nicholls
Servus Credit Union
Edmonton, AB**

Residential real estate-related money laundering is often associated with mortgage loan fraud. This connection is understandable since money launderers may engage in mortgage loan fraud to promote laundering through residential real estate. Once a fraudulent mortgage loan is funded, however, the actions of the fraudster and those of the launderer diverge. The fraudster need only take the proceeds of the loan and abscond. The launderer has no interest in defrauding the lending institution. Instead, the launderer will strive to project an image of normalcy by continuing to make regular and timely payments on the mortgage loan, thereby integrating his illicit funds. Eventually, the launderer may re-sell the property, allowing for a trade-up to a more expensive property affording greater laundering and investment potential. Jeremy Nicholls is an expert on mortgage fraud and will discuss the most common practices and trends currently impacting on reporting sectors in Canada.

PLENARY B

Journey to the West: How, Why & How Much Money Is Fleeing China

4:00 - 5:00 PM

**Jonathan Manthorpe
Journalist
Victoria, BC**

For over a decade, money has been flooding out of China into what are considered safe havens in Canada, the United States, Australia, and various parts of Europe. Although China has been a target for foreign investment since the market opening began 30 years ago, the money being illegally exported by wealthy Chinese is likely to be three times the amount of inward investment. This phenomenon is having serious effects in the countries where the money is landing, such as the grossly inflated housing markets in Vancouver and Toronto. Political leaders appear ill-equipped and unwilling to address what is happening. How much money is being spirited out of China? Why are wealthy Chinese so determined to get a major part of their assets abroad? And how is this extraordinary illegal flight of money being accomplished?

September 29, 2015



PLENARY C

Update on FINTRAC Guidance

9:15 - 10:15 AM

**Bernard Gagne
FINTRAC
Ottawa, ON**

This session will touch upon new guidance provided by FINTRAC, including the Risk-Based Approach Guidance for Reporting Entities.

WORKSHOP 10

Using Civil Remedies to Respond to Business Frauds

10:45 - 11:45 AM

**Richard Billington, Q.C.
Billington Barristers
Calgary, AB**

Victims of fraud, individuals or businesses, are faced with a challenge when attempting to recover funds defrauded by the criminal. A common observation concerns law enforcement's difficulty in keeping pace with the reported fraud incidents, with many not being investigated due to the lack of police resources. Fraudsters take advantage of this situation as the deterrent of getting caught and charged has been minimized. In these cases, the legal community has resorted to civil remedies that are currently available to freeze assets, such as bank accounts and real estate; measures that can assist victims recover their losses. This workshop presenter has a successful track record using these options and will describe in detail the strategies associated with civil remedies.

WORKSHOP 11

Exploring Fraud Trends

10:45 - 11:45 AM

**Christian Belanger
Equifax
Toronto, ON**

Repeat of Workshop 3

Fraud continues to multiply in its forms, perpetrators, and victims. Fraud risks are expanding across all methods of doing business - from web-based business to emerging e-commerce activities and products. The growing incidents of employee fraud and corporate corruption increasingly contribute to the risk environment that Compliance Officers must manage and control. Equifax continues to be one of the leading resources for identifying fraud practices and emerging trends. This workshop will highlight some of those findings and trends that are emerging from Equifax's ongoing analytic practices.

September 29, 2015



WORKSHOP 12

Bitcoins and e-Currency: Trends and Risks for Money Laundering

10:45 - 11:45 AM

**Kevin Lo
Froese Forensics
Toronto, ON**

Repeat of Workshop 8

Virtual currency's global reach increases its potential for AML/CFT risks. Virtual currency systems can be accessed via the Internet and subsequently used to make cross-border payments and funds transfers. In addition, virtual currencies commonly rely on complex infrastructures that involve several entities, sometimes spread across multiple countries, to transfer funds or execute payments. Financial and related entities can be affected by the risks such digital currencies pose. Kevin Lo returns to examine the world of Bitcoin/e-currency and how their use can be exploited for money laundering purposes now and going forward.

WORKSHOP 13

Changing Dynamics of the Compliance Officer: From Enforcer to Educator/Advisor

1:15 - 2:15 PM

**Claus Kretschman
Compliance Professional
Toronto, ON**

It is generally acknowledged that compliance programs based on the "external" model of direction, discipline and surveillance are now well established and accepted within financial entities and that Compliance Officers are closer to the decision-making processes at all levels within these organizations. In this workshop, the presenter will address the questions: 1) Should the Compliance Officer play a major role in the ongoing reform of financial entities? and, 2) Should the role of compliance be rethought and reoriented in order for the Compliance Officer to contribute more fully through an "internal" compliance model, whereby employees internalize the laws, regulations, professional and ethical standards, so they become top of mind when making business decisions?

WORKSHOP 14

Finding the Truth: Effective Interviewing Techniques & Detecting Deception

1:15 - 2:15 PM

**Meg Townsend
Private Consultant
Halifax, NS**

Every day, compliance officers, auditors, investigators and other professionals are required to interview and elicit information from people as part of their duties. This seminar will explore the psychology of the interview process and the mechanics of an interview, discussing the skills necessary to become a better communicator and a more effective interviewer. The speaker will examine a variety of interview elements, including: the different deceptions and lies used by perpetrators; evaluating deception through nonverbal and verbal cues; detecting linguistic clues and correlates of deceptive speech; and interviewing obstacles.

September 29, 2015



WORKSHOP 15

Risk Exposure: Prevention, Detection, Investigation & Corrective Action

1:15 - 2:15 PM

Linda Sowles
Integrus Credit Union
Prince George, BC

Repeat of Workshop 4

Chief Anti-Money Laundering and Compliance Officers must stay on top of the rapidly changing risk exposures in their institutions and the evolving regulatory environment. The transition from manual processes to automated systems has changed the tools and techniques to determine key risk factors. Vulnerable points, fraud, money-laundering risks and coordinated approaches to detection, investigation, and corrective action will be examined. Linda will draw on her eleven years of experience as Risk Management Officer in a mid-sized credit union to discuss best practices in open dialogue with workshop participants.

PLENARY D

Where Next for Sanctions Busters?

2:30 - 3:30 PM

Martin Woods
Thompson Reuters
London, England

This session will examine the threats posed by sanctioned parties and sanctions busters who seek to hide behind others and to disguise their criminal conduct. Post the \$9 Billion hiatus, there will be no more stripping, no more HYC (Hide Your Client), so how will the bad actors seek to defeat your systems whilst achieving their objectives? Where are your vulnerabilities? Drawing upon a number of case studies, Martin Woods of Thomson Reuters will show how sanction busters are using offshore companies, nominee parties, and accommodation addresses. Nothing new to some financial crime professionals but the presentation will venture into the processes used by the bad actors, which will help you to identify unforeseen risks and subsequently enhance your sanctions compliance framework.

2015 CAMLI Post-Conference Workshop

Managing Money Laundering & Terrorist Financing Risk

September 30, 2015
Fairmont Banff Springs
Banff, AB, Canada

Visit www.camli.org for more information

[Brewster Transportation](#) is happy to offer conference delegates a 20% discount for their shuttle service from the Calgary airport to the Fairmont Banff Springs. Enter **MLC2015** in the promotional code section. You can also reserve your shuttle by calling 1-800-760-6934. The promo code is valid for shuttles from September 24th, 2015 - October 3rd, 2015.

***Brewster recommends checking the shuttle schedule prior to booking your flights.**



General Information



Hotel

The Fairmont Banff Springs, located in beautiful Banff, AB, will be the host venue for the 2015 instalment of our Money Laundering in Canada Conference. Attendees are encouraged to make use of the special rate at the Fairmont Banff Springs. While slightly lower rates may be found elsewhere in the city, the conference hotel, as part of their agreement with the Money Laundering in Canada conference organizers, provides meeting space and additional services that help keep the registration fees reasonable.

All room reservations can be made in the following ways:

1. On line: <https://aws.passkey.com/event/13777332/owner/56367/home>
 2. Via Telephone: 1-403 762 6866 or our Global Reservation Centre at 1 800 441 1414., indicate that you are with the Money Laundering in Canada Group
- Note: changes or cancellations for individual reservations must reach the Reservations Department 48 hours prior to the arrival date to avoid penalty of one night's room and tax.

For 2015, we have arranged with the hotel a special room rates for our delegates. Specifically, the Fairmont Banff Springs is offering rates starting at \$271/night for all delegates. These rates apply from Thursday, September 23th through to Saturday, October 3rd. This allows you to enjoy Banff for a few days outside of the conference at our special conference rates. Reserve early as our hotel room allotment typically sells out and we fully expect that to be the case this year.

Registration

The Money Laundering in Canada conferences are designed to provide maximum value, with additional savings for early bird registrations, multiple registrations from the same organization, and members of the Canadian Anti-Money Laundering Institute (CAMLI).

- Early Bird Special Rate with registration and payment received by June 30, 2015: **\$1200.00 + GST**
- Registering 3 or more delegates from the same organization at the same time and received by the Early Bird date: **\$1125 + GST per registrant**
- CAMLI member discount (if applicable): save \$75 on Early Bird or Full Registration rates
- Full Registration: **\$1350 + GST**
- Fee for registering 3 or more delegates from the same organization at the same time AFTER June 30, 2010: **\$1275 + GST per registrant**

Your Conference Fee Includes:

All keynote and plenary sessions and workshops; all morning and afternoon coffee breaks throughout the conference; breakfast and lunch on both days; and the networking receptions scheduled for Sunday and Monday evenings. Speakers are subject to change without notice; updated speaker assignments can be found at www.moneylaundering.ca and in our [LinkedIn group](#)

Continuing Education Credits

Participants who are eligible to earn credits for attending this conference should check with their credit granting organization to confirm what credits are available. Letters attesting to a delegate's attendance can be provided upon request after the conference.

Cancellations

Refunds, less an administrative fee of \$300.00, will be made for cancellations received in writing by June 30, 2015. No refunds will be given after that date but delegate substitutions are permitted up to and including September 28, 2015.

Conference Dress

Casual business attire is recommended for the conference sessions.

Conference Materials and Language

All sessions will be conducted in English only. Participants are invited to collect their conference materials at the Registration Desk on the ground floor of the Fairmont Banff Springs at any of the following times:

Sunday, September 27th, 2015 6:00 pm - 8:15 pm

Monday, September 28th, 2015 7:30 am - 5:00 pm

Tuesday, September 29th, 2015 7:30 am - 1:00 pm

Contacts

For additional information on the conference program, please contact About Business Crime Solutions, Inc.; Telephone: 613-269-3447; Fax: 613-269-9201 or; e-mail: info@moneylaundering.ca



REGISTRATION FORM

Delegates are entitled to **Early Bird pricing** for the conference registration fee if their registration and payment is received by June 30, 2015. A further savings of \$75 applies to current Canadian Anti-Money Laundering Institute members. If three or more registrants are from the same organization, registering at the same time, each will receive a \$75 discount off the early or regular registration price. Each multiple registrant must submit a separate Registration Form and indicate on the Company/Org. line that they are part of a team of three or more.

Delegate Name _____ **First Name for Badge:** _____

Title _____ **CAMLI Member # (if applicable):** _____

Company/Org. _____

Address _____

City _____ **Province/State:** _____ **Postal/ZIP Code:** _____

Telephone _____ **E-Mail:** _____

Prices are per delegate and include 5% GST	Early Bird -paid in full by June 30th	Full Registration
Regular Delegate	\$1260.00	\$1417.50
CAMLI Member	\$1181.25	\$1338.75
Multi registration *3 or more	\$1181.25	\$1338.75
Multi registrant price for CAMLI Member	\$1102.50	\$1260.00

Food Allergies

YES (please specify):

Plenary/Workshop Selections

To ensure your conference experience is tailored to your needs and interests, please review the conference agenda and make

Sunday Reception 7:00 – 8:30 pm Attending: YES NO

Monday Reception 5:30 – 7:00 pm Attending: YES NO

Payment Options

- Cheque payable to About Business Crime Solutions Inc.
- Please charge my/our American Express, Mastercard, Visa, or Discover account

Total Payment Amount **	Please Include Guest Reception Ticket cost	
Card Number	Exp. Date	/
Name on Card		
Signature		

**For multiple registrants, please submit a separate registration form for each delegate from the same organization.

The conference has two receptions planned and delegates who would like to bring a guest to the reception(s) can purchase an additional ticket for \$40/ guest. Please identify how many guest tickets you would like in the space below and add that amount to your payment.

I am requesting the following number of guest tickets to the conference receptions:

Evening Reception, Sunday, Sept 27: _____ @ \$40.00 per ticket \$ _____

Evening Reception, Monday, Sept 28: _____ @ \$40.00 per ticket \$ _____

Total Additional Charges (includes taxes) \$ _____

Monday, September 28

Workshop 10:45 - 11:45 pm

WS1 WS2 WS3

Workshop 1:15 - 2:15 pm

WS4 WS5 WS6

Workshop 2:30 - 3:30 pm

WS7 WS8 WS9

Tuesday, September 29

Workshop 10:45 - 11:45 am

WS10 WS11 WS12

Workshop 1:15 - 2:15 pm

WS13 WS14 WS15

4 Plenary Sessions All Delegates Attend

Register by FAX, telephone, or mail

Please copy this form to register multiple participants from the same organization separately

FAX: 613- 269-9201 **Mail:** ABCsolutions
PO Box 427
Merrickville, ON
K0G 1N0

Phone: 613-269-3447

Email: info@moneylaundering.ca