



**TRANSPARENCY  
INTERNATIONAL  
CANADA**

# **YEAR END REPORT**

**JULY 2018 – JUNE 2019**

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## Organizational Updates

In October 2018, James Cohen became Executive Director following Alesia Nahirny retiring.

In October 2018, TI Canada also increased staff size through the Mining for Sustainable Development Programme (M4SD). As part of M4SD, TI Canada added Deniz Yaylci and Juliana Forner as the Project Manager and part-time Project Assistant respectively.

At the end of 2018, TI Canada had a carryover of \$205,091 with unreserved funds of \$66,389. In 2018, TI Canada brought in revenue of \$345,229 with \$111,520 in core revenue and \$233,709 in project revenue. TI Canada spent \$260,145 in total expenses with \$107,181 in core expenses and \$154,845 in project expenses. TI Canada made a profit of \$4,339 in 2018.

The core revenue is broken down as follows:

- Memberships - \$16,610
- Donations and Supporters - \$69,927
- Event Revenue - \$20,948
- Other Revenue - \$4,035

## Programming Updates

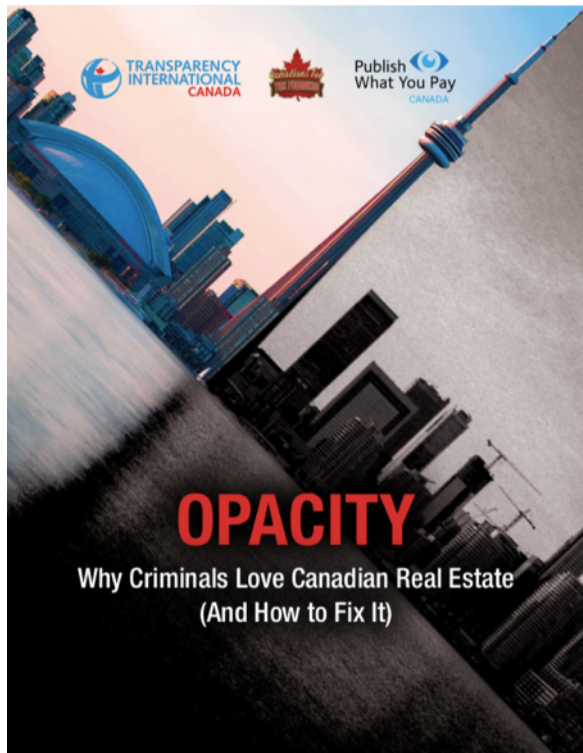
### Beneficial Ownership

In 2018, TI Canada received a top up grant to the \$25,600 received in 2017 from the Open Society Foundation. The top up totals \$83,168.89 for one year. The additional funds are intended to primarily increase research and private sector outreach capacity. The funds are again part of a grant managed by coalition of organisations which includes TI Canada, Publish What You Pay Canada and Canadians For Tax Fairness. The total top up is \$100,000 USD.

With the increased funding and support from dedicated volunteers, TI Canada and coalition partners were able to have an exceptional impact on increasing attention on Canada's money laundering, or 'snow washing' problem, and raise the profile on the need for beneficial ownership transparency.

TI Canada stepped up its advocacy in December 2018 by joining coalition members in sending a letter to Federal Finance Minister, Bill Morneau, calling for a pan-Canadian publicly accessible registry of beneficial ownership and a time table for government consultations on registry options. The letter received 27 individual signatures and 17 organizational supporters from a diverse range of interests.

In March 2019, TI Canada and coalition partners released the report 'OPACITY: Why criminals love Canadian real estate (and how to fix it).' Authored by Adam Ross, the report features new



research of 1.4 million real estate transaction in the Greater Toronto Area between 2008 and 2018. Key findings in the report include:

- \$28.4 billion in housing was acquired through corporate entities
- \$9.8 billion in cash purchases were made by companies
- Cash purchases by companies have risen steadily over the past decade, peaking at 45% in 2018
- At least \$25 billion in residential mortgages were provided by unregulated lenders with no statutory AML reporting obligations
- Companies own 37% of homes valued at more than \$5 million, and more than half of homes over \$7 million
- Unregulated lending accounts for nearly half of mortgages taken out by companies, compared to 3% for individuals

The report was featured in a front-page article in the Toronto Star and had a live press release event at the Ontario Legislature. Media coverage was extensive on the day and in follow up to the report with reports across major Canadian media, as well as GTA and other local newspapers.

In addition to releasing new research and advocacy material, TI Canada provided expert input and commentary to legislation and forums. TI Canada, provided written opinions or in person testimony to Bill C-86 amendments to the Canadian Business Corporation Act; Bill S-243, An Act to Amend the Canada Revenue Agency Act; the British Columbia Government's open calls for submission to the proposed beneficial ownership land registry ([here](#)) and to the Expert Panel on Money Laundering ([here](#)). TI Canada, often with coalition partners, also presented on beneficial ownership to a range of audience including at the Open Government Partnership Summit in Ottawa in May 2019, and to law enforcement bodies in Calgary, Charlottetown, and Toronto.

The release of the OPACITY report in combination with reactions to the Federal budget and BC's legislative proposal has garnered TI Canada and the coalition extensive media coverage. The beneficial ownership coalition was directly quoted or mentioned in 171 newspaper articles in Canada and made 50 million impressions in Canada between March 15 and April 15.

In March 2018, TI Canada hired a part-time contractor, Eric Hanson, to focus on engagement with the private sector to advocate for a public beneficial ownership registry. With Eric, TI Canada has approached a variety of industry associations across Canada to obtain support towards a publicly accessible pan-Canadian registry of beneficial owners.

## Mining for Sustainable Development

In 2018, TI Canada started Phase II of the Mining for Sustainable Development Program (M4SD) in 2018. M4SD Program aims to enhance the contribution of the mining sector to sustainable development by assessing the corruption risks in mining permit and license processes at the early stages of mining project life cycle and advocating on mitigating these risks.

After completing the Phase I pilot risk assessment of Ontario`s mine closure plan agreements in, the assessment report was released in March of 2018. In 2017 TI Canada presented the research to stakeholders from the Ontario government, industry, and civil society, who collectively agreed that an appropriate next step for the programme would be to compare good practice across different Canadian jurisdictions. Stakeholders also cited that TI Canada had not engaged Indigenous Communities on the research and should therefore do so in new research before carrying out any potential activities that would affect licenses and permits.

Based on the feedback from different stakeholder groups, TI Canada proposed and received 450,000 euros in funding from BHP Billiton Foundation in June 2018 through to November 2020. The funding is provided through a sub-contract with TI Australia who manages the global M4SD programme.

In October, TI Canada hired an M4SD Project Manager and a part-time Project Assistant. The team developed a project management plan, completed an updated scoping study to select three



Kick off workshop with staff and researchers for M4SD, Toronto, April 1 and 2, 2019.

jurisdictions, and established a volunteer advisory committee with the representatives of the mining sector and civil society organizations.

The scoping study concluded that Phase II research should be conducted in British Columbia (BC), Ontario (ON) and Yukon Territories (YT). Phase II research focuses on the environmental assessment permit in the selected jurisdictions, and jurisdictional research teams were contracted in BC, ON and YT. The research involves both desk and field research, and stakeholder workshops will be organized to validate and present the findings in 2019.

## Western Canada and Capacity Building

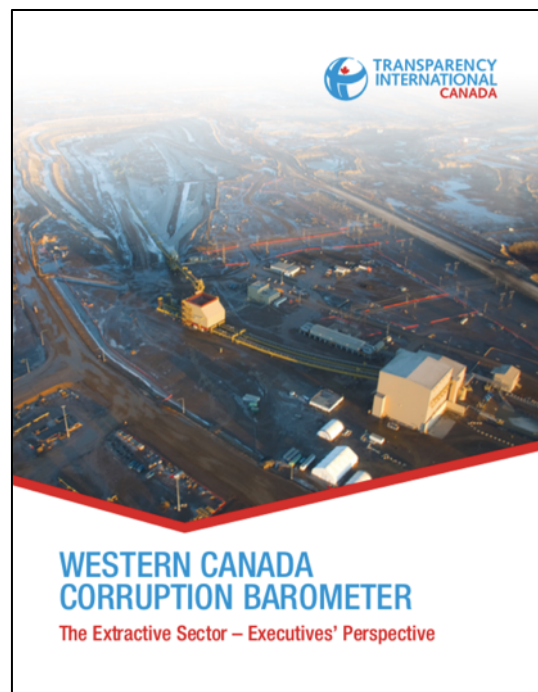
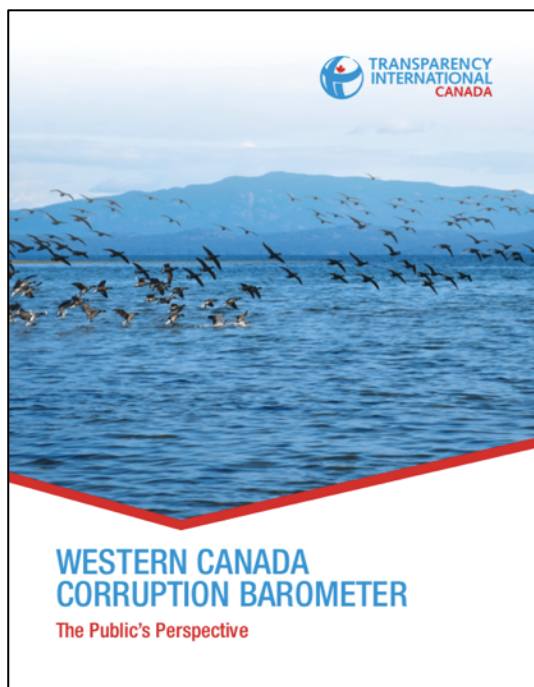
In the past year, TI Canada held a number of events in Western Canada thanks to our Vancouver and Calgary-based Board Members, partners, and volunteers. TI Canada also released our first public perception survey on corruption, which focused on Western Canada.

TI Canada's partnership with the Peter A. Allard School of Law and the International Centre for Criminal Law Reform and Criminal Justice Policy (ICCLR) has continued through the Anti-Corruption Law Program (ACLP). The ACLP held in discussion groups on the release of Dr. Peter German's reports for the BC government on money laundering in casinos and on real estate, the maritime anti-corruption network, and on governance in public procurement.

TI Canada is beginning to forge a similar relationship in Calgary with the University of Calgary's Integrity Network. In the past year, TI Canada and the University of Calgary held a joint event on beneficial ownership and on the launch of TI Canada's Western Canada Corruption Barometer.

The Western Canada Corruption Barometer was a deliverable for TI Canada's Capacity Building and Western Canada Engagement grant. Methodologically, this study is based on the Global Corruption Barometer. The study asked citizens in British Columbia, Alberta, and Saskatchewan for their opinions and experiences of corruption. In addition to surveying the general public a supplemental report focused on the experience of the extractive sector industry.

The findings of the report showed that Western Canadians perceive federal political parties as the institution most affected by corruption. Forty-seven percent of the public believes federal



political parties face corruption issues, followed closely by 55% of extractive sector respondents.

When assessing their own industry, the extractive sector was more optimistic than the public. Corruption is seen as a problem in the oil and gas industry by 49% of the public, with residents of B.C. more likely to view the sector as “extremely corrupt” (26%), compared to Alberta (19%) and Saskatchewan (18%). Overall, 63% of extractive industry respondents did not see corruption as a big problem in their own sector, but some follow up interviews with executives did reveal concerns about ‘grey areas’ of politics and many golf trips and dinners.

On a positive result, most citizens from Western Canada indicated a willingness to fight corruption by reporting it (84%) or spreading information on social media (54%).

As noted, the report was presented in Calgary, and it was launched at the Vancouver Day of Dialogue in December, 2018. Additional presentations at the Vancouver Day of Dialogue included a key note speech from BC Attorney General, David Eby, and a panel on ‘After the Vancouver Model’ of money laundering.

## Additional Programming and Initiatives

### Day of Dialogue

On May 16, 2019, TI Canada held its 9<sup>th</sup> Annual Toronto Day of Dialogue. The featured a key note address from Acting Anti-Corruption Commissioner for the Anti-Corruption Unit of Quebec, Frederick Gaudreau. The day had further sessions on deferred prosecution agreements, beneficial ownership transparency and privacy, Magnitsky sanctions, whistleblower protection, and anti-money laundering compliance. The day also featured a fire side chat between TI Managing Director, Patricia Moriera and Borden Ladner Gervais LLP Partner, Milso Barutciski.

During the Day of Dialogue, TI Canada presented the first Canadian Integrity Award. The award is intended to recognize the work of Canadians actively making a difference enhance accountability, transparency, and fight corruption in Canada. In the future the award recipient will be decided by a jury reviewing submissions. In its first year, the award was presented to Mr. Denis Meunier. Mr.



First Canadian Integrity Award presented to Denis Meunier (center left) at the TI Canada Day of Dialogue, Toronto, May 16, 2019.

Meunier is a member of the TI Canada Board of Directors and member of TI Canada's beneficial ownership transparency working group. Before joining TI Canada, Mr. Meunier had a distinguished career as a Deputy Director of the FINTRAC and Deputy Director responsible for criminal investigations at the Canada Revenue Agency. Mr. Meunier further provided technical expertise to the International Monterey Fund, the University of Ottawa as an instructor, and as a consultant to a number of other organizations.

TI Canada also held its first event in Montreal since 2016 in June 2019, as an 'Après-midi de dialogue'. The afternoon once again featured a keynote address by Frederick Gaudreau, with panels on deferred prosecution agreements and beneficial ownership transparency.

[www.transparencycanada.ca](http://www.transparencycanada.ca)

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