

Most say money laundering in Canada a problem; three-quarters support limits on cash purchases to combat it

Majorities everywhere outside of Atlantic Canada support inquiry into money laundering by their province

September 17, 2019 – Revelations that an RCMP official charged with [breaching a Canadian official secrets law](#) was overseeing a Russian money-laundering probe are refocusing national attention on Canada's role in international money laundering networks. This, after a recent report from an [expert panel](#) in British Columbia estimated that the amount of money laundered through the Canadian economy may approach \$50 billion; some people say that number is conservative.

Now, the latest study from the non-profit Angus Reid Institute finds Canadians view this issue as a major problem, and one that is getting worse.

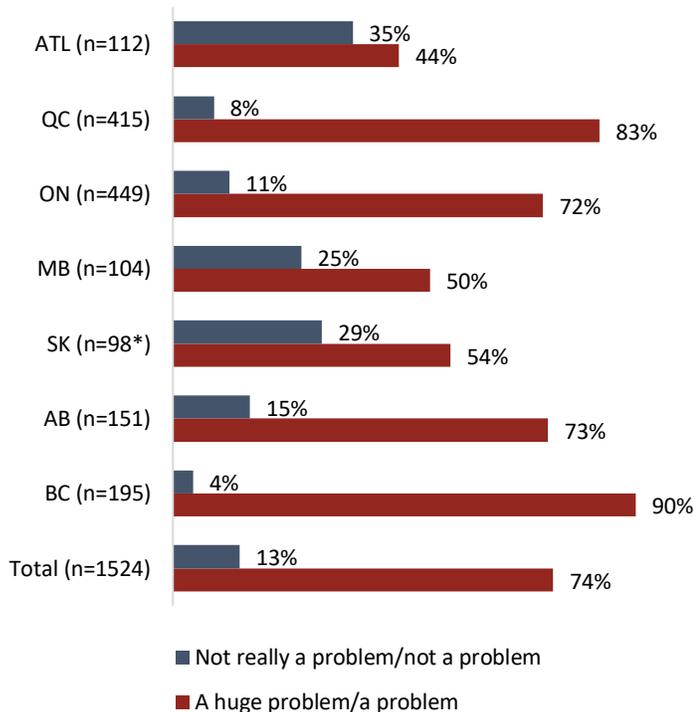
Three-quarters of Canadians say money laundering is an issue within their own province (74%). Even more say it is a challenge that Canada needs to address on a national level (81%).

And while the 2019 federal budget proposed [several anti-money laundering initiatives](#), with investments of approximately \$200 million over five years as well as additional funding, nearly half of Canadians (47%) are dissatisfied with federal government efforts to combat money laundering. One-in-four (23%) are satisfied, while a considerable number (30%) are unaware of any efforts.

What emerges from this discussion is a considerable appetite for more measures to take on money laundering.

After the provincial government in B.C. launched an inquiry to examine money laundering in various sectors of the province, seven-in-ten residents across the rest of the country say their own province should do the same. This sentiment is highest in Ontario (78%), Quebec (74%) and Alberta (67%). Six-in-ten nationwide (63%) also say they would support a complete ban on cash purchases over \$10,000.

How much of a problem do you feel this issue is in your province?
(All respondents, n=1524)



METHODOLOGY:

The Angus Reid Institute conducted an online survey from July 30 – August 6, 2019 among a representative randomized sample of 1,524 Canadian adults who are members of [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

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More Key Findings:

- In every region of the country respondents are more likely to say that money laundering is worsening in their province versus improving. This sentiment is most pronounced in B.C. (56%) and Alberta (44%).
- More than half of Canadians (55%) support lifestyle audits as an anti-money laundering tool. Governments use this type of audit to investigate individuals who 'seem to be living far beyond their means' based on their income level and purchases
- Canadians firmly oppose the idea of getting rid of the \$50 and \$100 bill. Some have suggested that discontinuing larger bills would hamper money laundering operations.

About ARI

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

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Part 1: How significant a problem is money laundering?

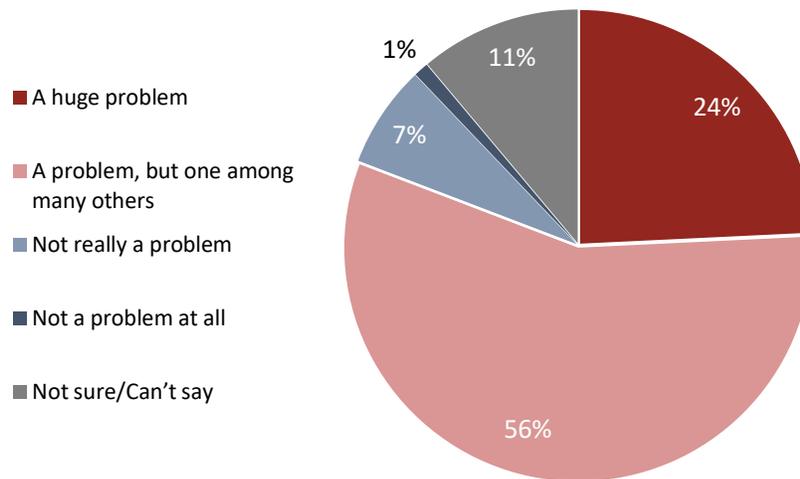
A considerable problem for the country

A majority of Canadians (81%) say this country has a problem. Senior bureaucrats in the US think so too. In April, [the United States' Department of State](#) released a report that included Canada alongside a shortlist of nations with major money laundering activity and significant vulnerabilities. The [Department noted](#) that Canada's lack of action on this file in recent years had led to an advanced money laundering network being leveraged by transnational criminals.

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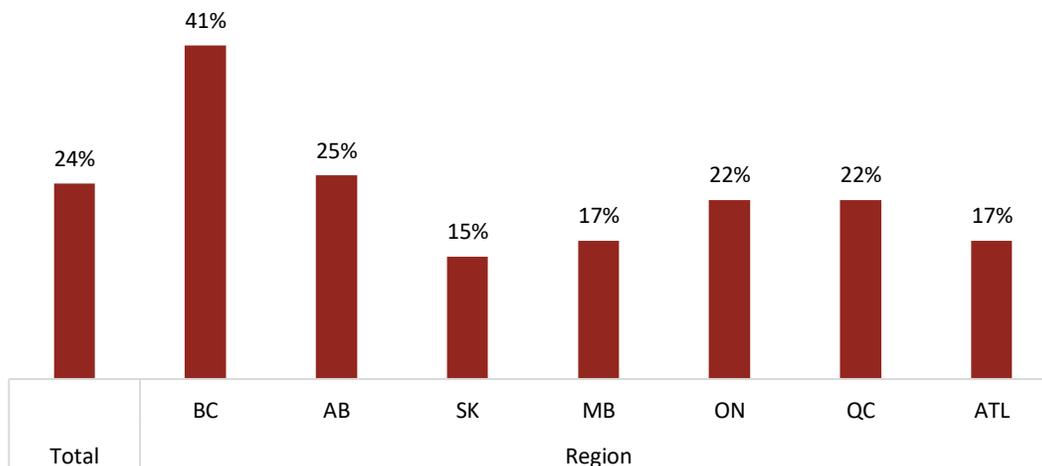
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**How much of a problem do you feel this issue is in Canada?
(All respondents, n=1524)**



In British Columbia, where the provincial government recently announced a public inquiry into money laundering in the province, the sentiment that this is a huge problem is near-double anywhere else in the country:

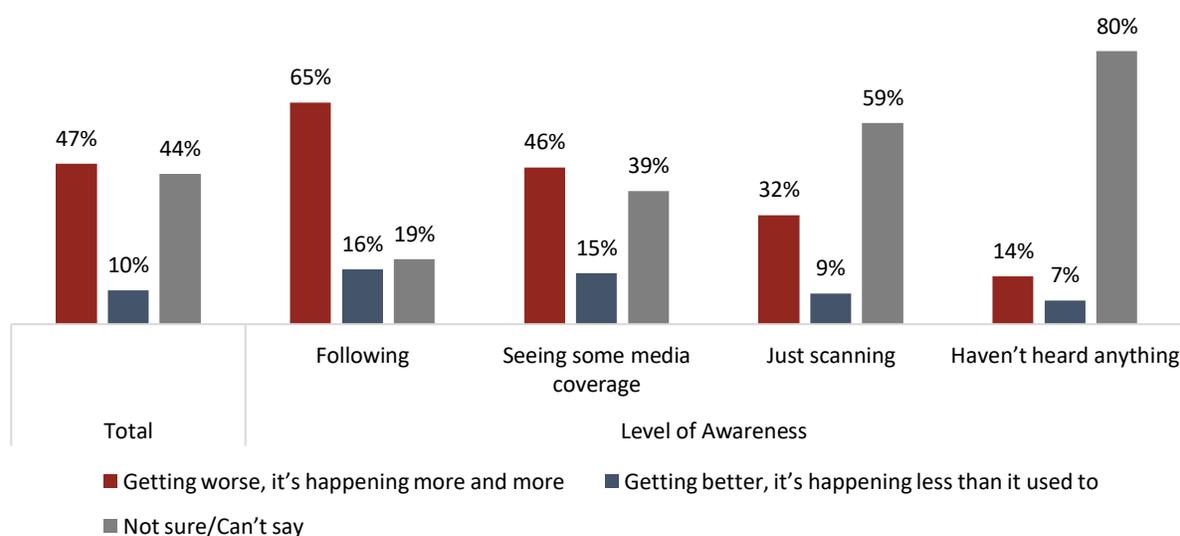
Percentage who say money laundering is "a huge problem" for Canada



This is not a new problem for Canada. In fact, thirty years ago [Maclean's Magazine](#) reported that billions of dollars of profits from the illicit drug market were being laundered in the country through a vast criminal network. And while the problem was diagnosed decades ago, Canadians are concerned that it is becoming worse.

Half (47%) say that they believe the issue is worsening, rather than improving – five times the number who take the opposing, more optimistic view (10%). Notably, those who are following news stories about this issue in Canada are significantly more concerned about this issue, while those with less knowledge make up a considerable portion of the “don't know” group:

And would you say, based on your own impressions, that this problem is getting better or worse in Canada?
(All respondents, n=1524)

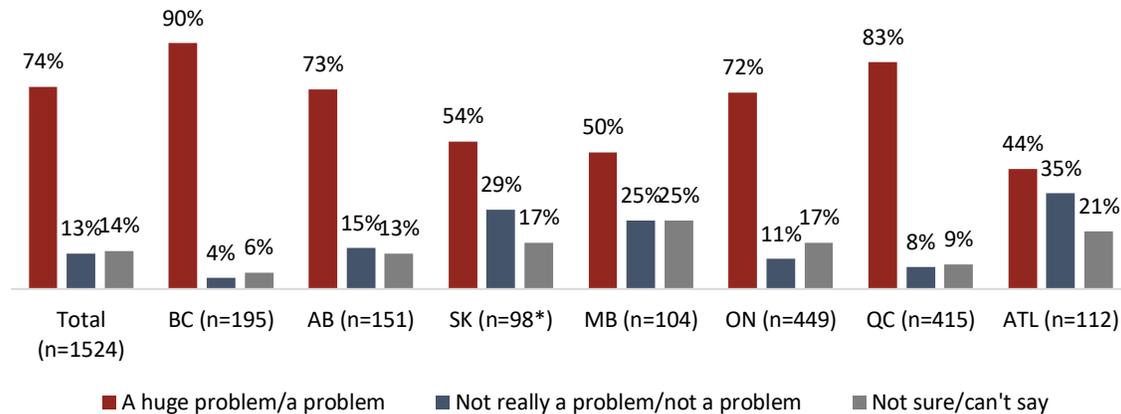


Majorities in most of the country say their province has a problem

Across Canada, perceptions as to the depth of the money laundering problem at a regional level vary significantly.

Overall, three-in-four (74%) consider this issue to be something their province needs to deal with, independent of the bigger Canadian picture. This proportion rises to 90 per cent in British Columbia and 83 per cent in Quebec, while dropping significantly in Saskatchewan (54%), Manitoba (50%) and Atlantic Canada (44%). That said, these smaller proportions are still considerable and well outweigh the percentage who say that this is not a problem in each region, as seen in the following graph:

**How much of a problem do you feel this issue is in your province?
(All respondents, n=1524)**



British Columbians most concerned

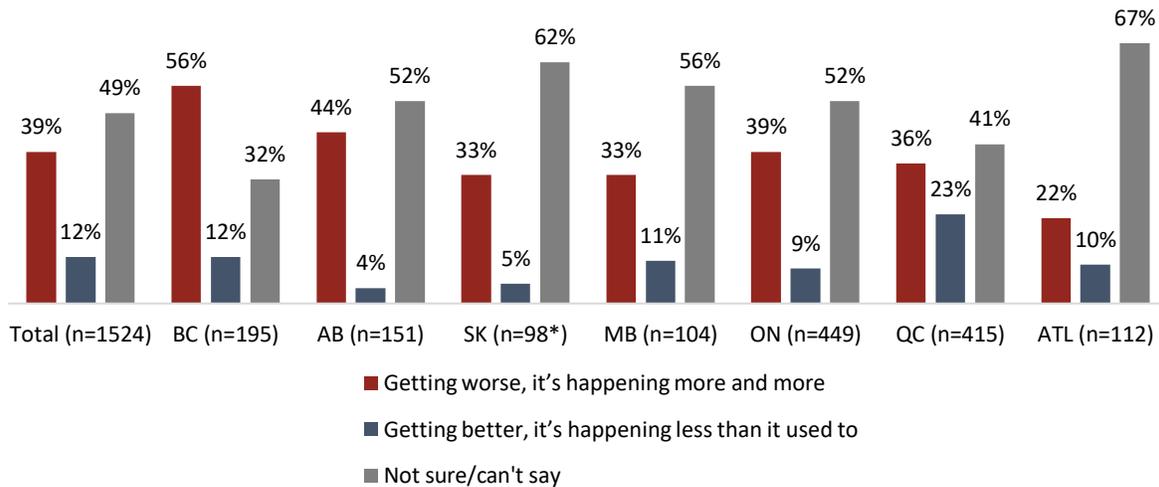
Despite concerns about money laundering being highest in B.C., it is not the only province with a problem. One of the B.C. government [reports](#) estimates that out of the \$46.7 billion that was laundered within the Canadian economy in 2018, approximately \$7.4 billion was funnelled through B.C. While this is substantial, B.C.'s total money laundering transactions placed it in fourth place behind Alberta, Ontario, and the Prairies (the report combined Manitoba and Saskatchewan into 'Prairies').

The report also indicates that the discrepancies between the provinces on total money laundering transactions are nothing new. In 2015, it was estimated that Alberta had the highest money laundering sum with \$10.2 billion, followed by Ontario with \$8.2 billion and the Prairies with \$6.5 billion. B.C. followed in fourth place with \$6.3 billion, a position that stood contrary to its reputation as Canada's forerunner in money laundering.

Some provinces, however, are not certain that these estimates are reliable and need to be taken seriously. Alberta, for instance, [has expressed doubt that the problem is bigger in Alberta than it is in Vancouver](#). For its part, Ontario [did not immediately commit to any action in response to the report](#), instead providing that the issue continues to be monitored.

All this suggests that B.C.'s reputation as the hotbed of Canadian money laundering may persist despite findings that report otherwise. More than half of British Columbians say that this issue is becoming worse in their province – 12 per cent more than in Alberta, the province with the second highest rate of residents that say the same:

**Would you say, based on your own impressions, that this problem is getting better or worse in your province?
(All respondents, n=1524)**



The province has seen increased media coverage of the issue after the New Democratic Party succeeded the B.C. Liberals in 2017. The NDP commissioned two reports on the issue which found that in B.C.'s real estate market alone, money laundering accounted for an estimated \$5.3 billion worth of transactions [in 2018](#). The research estimated that this may have led to a spike in housing prices of 5 per cent.

Part 2: New ways to prevent money laundering?

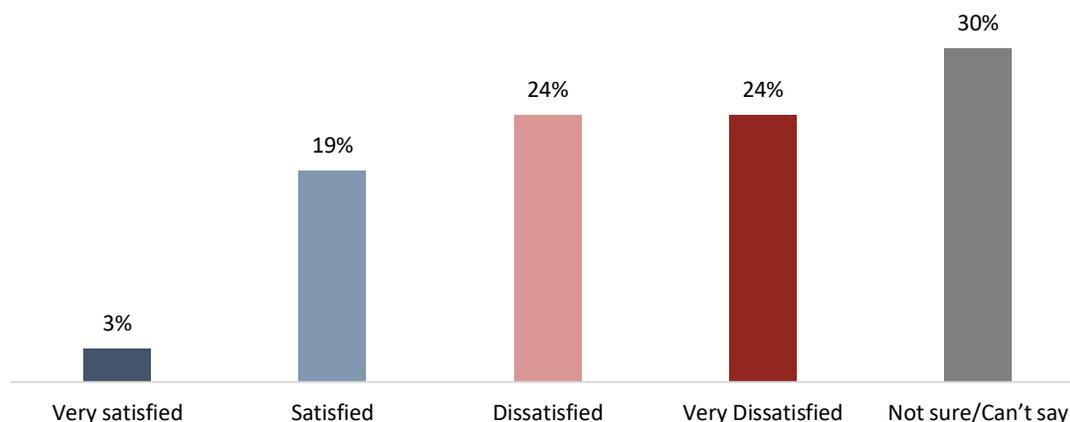
Federal and Provincial government efforts

One of the most significant anti-money laundering measures included in the 2019 federal budget is [a new anti-money laundering task force](#) to investigate real estate, casino and trade-based money laundering in areas prone to such activity like Vancouver, Toronto and Montreal. The task force was established to increase the sharing of information and expertise across a team of experts in law enforcement and national intelligence, with initial funding for \$24 million over five years. Total expenditures for anti-money laundering programs in the 2019 budget are expected [to reach \\$200 million](#).

In June, the federal government also announced \$10 million in RCMP funding to improve investigation and prosecution efforts concerning money laundering.

Despite this, almost half (47%) Canadians are dissatisfied or very dissatisfied with the federal government's efforts to prevent money laundering, while one-in-five (22%) say the government has done well so far:

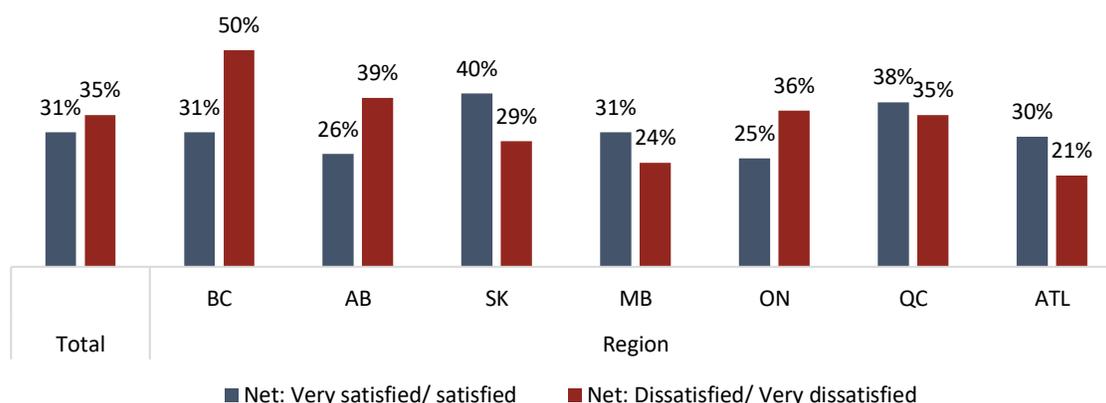
**Satisfied or dissatisfied with the work being done at the federal level of government, when it comes to trying to prevent money laundering?
(All Respondents, n=1524)**



Satisfaction levels are slightly higher at the provincial level, with residents in Saskatchewan, Manitoba, Quebec and Atlantic Canada all more positive than negative regarding their government's performance.

B.C., Alberta and Ontario are another story, with residents considerably more negative about their provincial government's efforts to combat money laundering. British Columbians are most likely to offer criticism on this issue, with half (50%) saying the province's efforts have been unsatisfactory.

**Satisfied or dissatisfied with the work being done by your provincial government, when it comes to trying to prevent money laundering?
(All respondents, n=1524)**



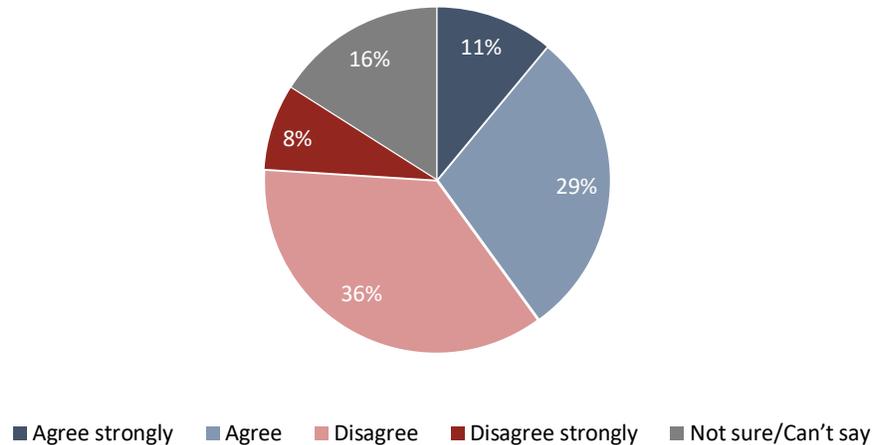
B.C. is the only province that has launched [a public inquiry on this issue](#). According to [polling](#) conducted in May 2019 – shortly after the public inquiry was announced – an overwhelming majority of British Columbians said they agreed with the government's decision to open the inquiry.

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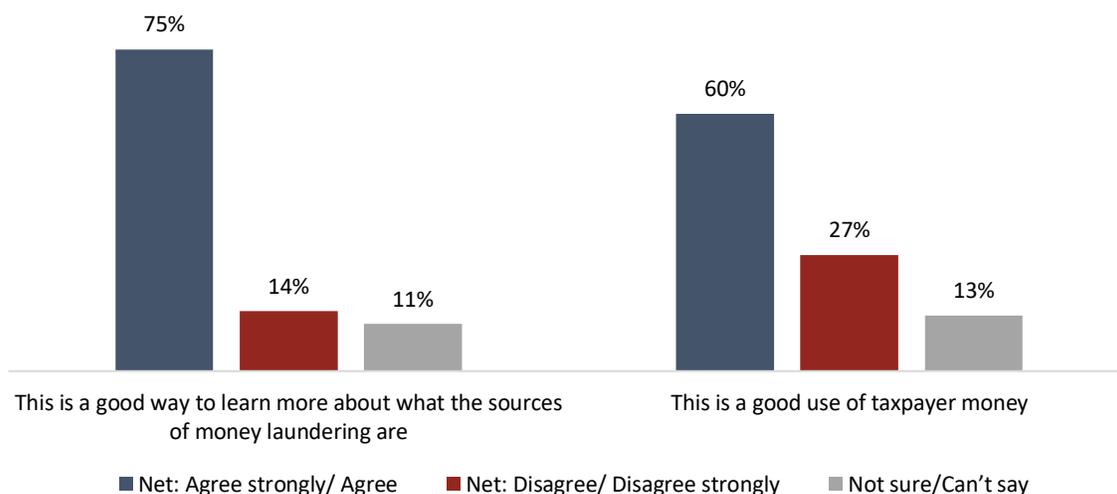
Public support for the inquiry, does not necessarily mean confidence in its effectiveness. On that, British Columbians are divided. Four-in-ten (40%) say that the inquiry will not help to combat money laundering in the province, while close to the same number (44%) feel that it will:

**Agree vs Disagree "This will not help to fight the flow of illegal money to BC"
(BC only, n=195)**



That said, asked whether they believe the inquiry will ultimately be a good use of taxpayer funds, British Columbians are considerably more positive than negative. Indeed, twice as many (60%) say this is a good investment for the government than a bad one (27%). Similarly, three-quarters (75%) say this is a good way to learn more about the problem and the sources of money laundering:

**B.C. residents opinions of money laundering inquiry
(n=195)**

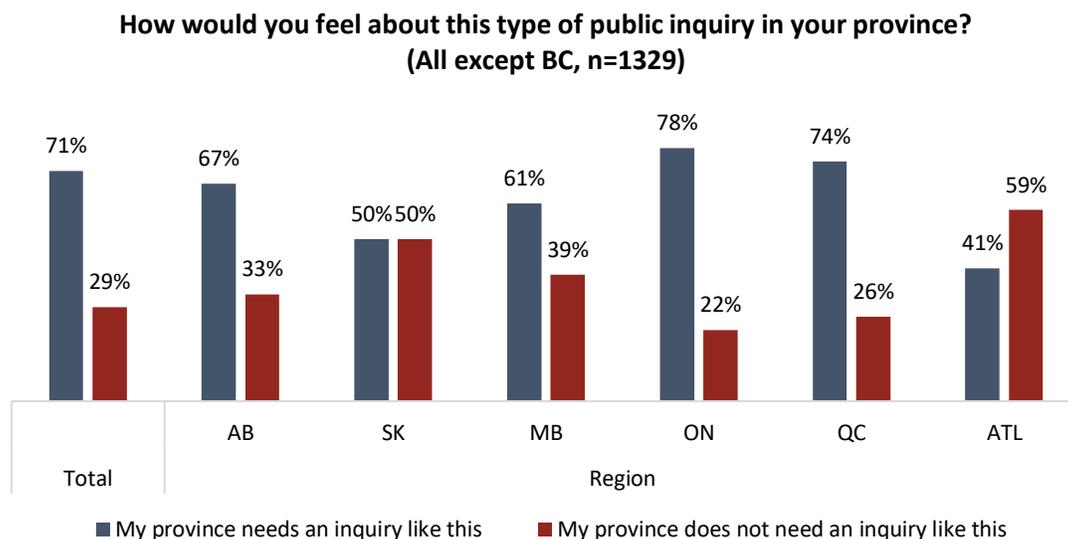


Apart from its own anti-money laundering measures, the B.C. government has also pushed for [nationwide prevention efforts](#), calling on other provinces to follow suit.

Following the announcement of B.C.'s anti-money laundering initiatives, [Ontario requested additional funding from the federal government](#), proportionate to that allocated to B.C, for the establishment of a proposed provincial task force. Other provinces are developing their own measures. Manitoba, for instance, [introduced legislation](#) in April to improve business transparency, which, among other things, requires private corporations to prevent or mitigate money laundering.

Most want a government inquiry in their province

Many Canadians may look at what has been done in British Columbia and hope a similar inquiry will be called in their own province. Overall, seven-in-ten residing outside of B.C. (71%) say their province needs this type of investigation into money laundering, with Ontario (78%) and Quebec (74%) feeling most strongly:



Majority support 'lifestyle audits' and cash restrictions

Individual lifestyle audits provide another potential measure to combat money laundering. [The Canadian Revenue Agency](#) began conducting lifestyle audits in July 2019 as part of a larger investigation on Metro Vancouver's booming real estate market. This type of audit investigates individuals who ['seem to be living far beyond their means'](#) – in other words, those who frequently make expensive purchases without an income that would support a lavish lifestyle.

More than half of Canadians (55%) support lifestyle audits as an anti-money laundering tool. It is notable that support for lifestyle audits is highest among British Columbians (62%). [\(see detailed tables\)](#)

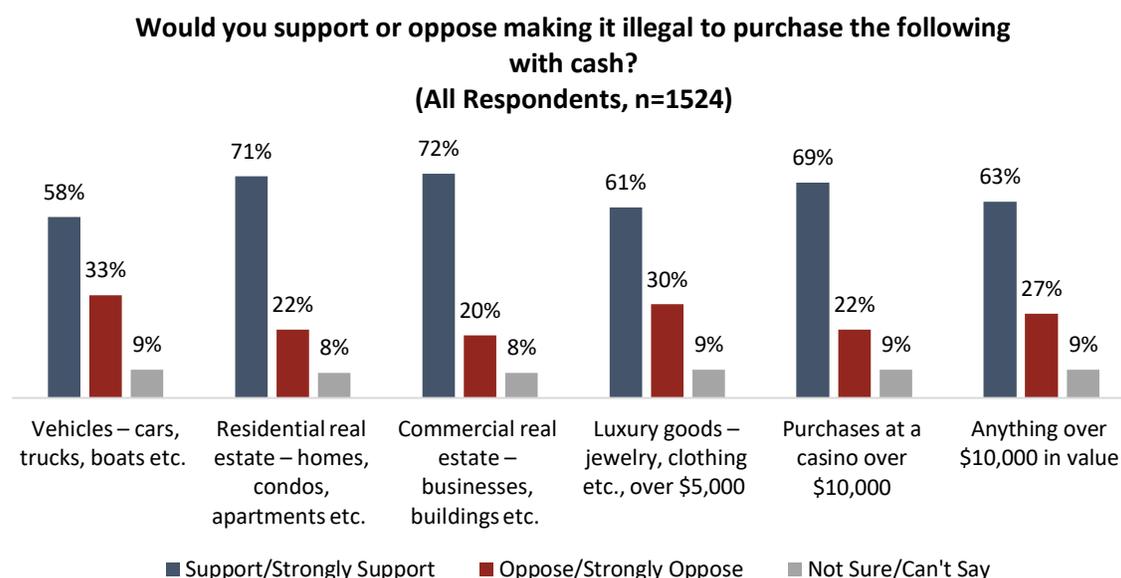
As well, Canadians (67%) support cash restrictions on large, expensive purchases, if it helps reduce money laundering. [The City of Vancouver](#) has already implemented this type of policy, no longer accepting any types of cash payments over \$10,000 as of this year. Support for limits on cash purchases is most prevalent among British Columbians (77%), which mirrors the overall pattern of provincial perceptions of the problem discussed throughout this report.

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A majority of Canadians (61%) also consider cash payments of \$5,000 and above to be suspicious and potentially related to criminal activity. Notably, there are some Canadians (15%) who do not view any amount of cash used in purchases as suspicious.

When it comes to which transactions to limit, Canadians are slightly more likely to support cash bans on real estate-based purchases, but a majority support limiting cash payments for vehicles, luxury goods and general and casino-related purchases over \$10,000:



It is unclear if and how individuals' experiences with cash payments are associated with their views on restricting it. Canadians that pay for almost everything in cash are divided on whether the government should place restrictions on cash payments, with 51 per cent saying it is not right and 49 per cent saying the opposite. That said, among Canadians that rarely or never use cash, a majority (72%) support cash restrictions.

Age, however, is a factor. Older Canadians are more likely than younger ones to support restrictions on cash payments (77% of those aged 55 and above think it's right, compared to 60% of ages 35-54 and 18-34 62% of those ages 18-34). [\(see detailed tables\)](#)

There is also disparity among different income groups and their opinions about using cash. Those earning less than \$50,000 a year are more likely to use cash frequently or occasionally (79%), as compared to those earning between \$50,000 and \$100,000 (73%) and those earning more than \$100,000 (68%).

No appetite to get rid of 50- or 100-dollar bills

Although most Canadians support cash restrictions on large purchases, they are in no hurry to stop printing dollar bills.

77 per cent of Canadians are in favor of keeping the \$100 bills, and 91 per cent want to keep the \$50 bills.

Here, there is a significant age divide. Canadians over the age of 55 (81%) and between the ages of 35 and 54 (79%) are more likely to want to keep the \$100 bills than those between 18 and 34 years of age (70%).

The \$50 bill, however, is a more popular choice to keep, among all age groups (88% of those between 18-34, 91% of those between 35-54 and 94% of those above 55 are in favor of keeping this note).

For detailed results by age, gender, region, education, and other demographics, click [here](#).

For detailed results by cash payment usage, news awareness, opinion on cash payment restrictions, click [here](#).