



Money Laundering – Red Flags

- Client arrives at a real estate closing with a significant amount of cash
- Client purchases property in the name of a nominee such as an associate or a relative
- Client does not want to put his/her name on any documents that would connect him/ her with the property or uses different names on offers, closing documents and deposit receipts
- Client inadequately explains the last minute substitution of the purchasing party's name
- Client negotiates a purchase for market value or above asking price, but records a lower value on documents, paying the difference “under the table”
- Client sells property below market value with an additional “under the table” payment
- Client pays initial deposit with a cheque from a third party, other than a spouse or a parent
- Client pays substantial down payment in cash and balance is financed by an unusual source or offshore bank
- Client purchases personal use property under corporate veil when this type of transaction is inconsistent with the ordinary business of the client
- Client purchases property without inspecting it
- Client purchases multiple properties in a short time period, and seems to have few concerns about the location, condition, and anticipated repair costs, etc of each property
- Client pays rent or the amount of a lease in advance using a large amount of cash
- Client is known to have paid large remodeling or home improvement invoices with cash, on a property for which property management services are provided
- Client does not want correspondence sent to home address
- Client over-justifies or over-explains the transaction
- Client's home or business telephone number has been disconnected or there is no such number
- Client uses a post office box or general delivery address

Contacts for More Information:

Financial Transactions and Reports Analysis Centre of Canada: 1-866-346-8722 or www.fintrac.gc.ca

(Source: Compiled with information from the Canadian Real Estate Association)