

THE VANCOUVER

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MOVIE WEEKEND

SPORTS

RANGER SISTERS NO ORDINARY

B.C. DERBY TROTS OUT A WHO'S WHO

Highway is going to have to be upgraded with or without the 2010 Olympic Games because it

See **LIBERALS HAVE A2**

Legal fraud largest ever for financial crime unit

By **DAVID BAINES**

A Vancouver police probe into an alleged fraud by Vancouver lawyer Martin Wruck and real-estate developer Thoren Gill has evolved into the biggest commercial crime investigation in the force's history, a senior officer said Thursday.

"It is by far the largest investigation that the financial crime unit has ever undertaken, not only in terms of the amount of money involved, but also its complexity and scope," said Inspector Keith Hutchinson, who heads the unit.

He said the total dollar amount could exceed \$75 million. Hutchinson said two detectives and a senior sergeant have been assigned full time to the case. He also said a private forensic accounting firm has been hired and further assistance may be sought from the

See **VANCITY A2**



PHOTO ILLUSTRATION BOBBER WATAMBE AND IAN SMITH/VANCOUVER SUN

The big red W atop the old Woodward's building has been a Vancouver landmark for decades.

Developer eyes Woodward's as squatters' dispute escalates

By **DOUG WARD**

There is a buzz among poverty activists, City Hall officials and developers over a proposal by Vancouver developer Geoff Hughes to buy the old Woodward's building.

Hughes, who has recently purchased other rooming houses in the Downtown Eastside, has so far declined to comment

on his negotiations with the province and the city.

"I can't talk right now. I just can't talk right now," Hughes said when contacted earlier this week.

However, he has spoken over the past month about his plan to buy the building with city officials and Downtown Eastside activists. Hughes visited the site last weekend and talked

with the squatters who have occupied the building for the past week.

Vancouver councillor Fred Bass said Thursday that he had discussions with Hughes in August about his plan to purchase the building. Bass said Hughes indicated to him that any redevelopment would include some affordable

See **BUSINESSMAN A4**

three years to a the 70-million A The Wednesday Ingham defend began with mo Eames, private c ing the audienc conservative A that "there is no at all."

Higher laid in of Mo

By **LORI** and **NBA**

The driver of was allegedly spe the Honda Civic killed Richmond ble Jimmy Ng ha charged with cri causing death.

Ying Hua Davi originally chargi ous driving in th accident that

Now Guan and Chun Stuart Ch driver of the Ho the same charge gence causing de the scene of an a Richmond BC gating whether suspects were ri sive speeds" nar ing, just before a l a red light and f

See **TEST**



Inspector Keith Hutchinson, head of special cases for Vancouver Police Department, says investigation is biggest in force's history.

VanCity, HSBC biggest creditors

From A1

RCMP commercial crime section in Vancouver.

He said investigators will not only review the activities of Wirick and Gill, but others involved with them.

"Most assuredly we will be looking at other people who we believe had roles in the deals," he said.

Several months ago the Law Society of B.C. received complaints that Wirick had accepted money from people who were financing or financing Gill's properties and had failed to live up to his undertaking to pay out prior mortgages and register their new interests on title.

The society launched an investigation and in May, Wirick voluntarily resigned from the society and agreed to the appoint-

ment of a custodian to take over his practice.

The society subsequently cited him for failing to live up to his undertakings and for misappropriating money. A hearing has been set for Dec. 3.

Earlier this week, society executive-director Jim Matkin said victims had already filed \$18 million in claims to the society's special compensation fund, which was established to compensate victims of lawyer fraud. He said that figure could rise to \$46 million.

But Hutchinson said the amount could be much higher, although he conceded there could be some "double-counting" in his \$75-million estimate.

For example, a purchaser could have paid \$100,000 for one of Gill's properties on Wirick's undertaking to discharge prior

mortgages and register the purchaser as the new owner.

Of this amount, \$75,000 could have been provided by a bank on Wirick's undertaking to provide the bank with a first charge on the property. If neither interest was registered, the alleged frauds could have totalled \$175,000 even though only \$100,000 in cash would have been misappropriated.

The law society has decided to pay all valid claims through its special compensation fund. To fund the claims, the society has decided to impose a fee, tentatively proposed at \$30, on all real-estate transactions starting Jan. 1.

The fee, which the society concedes will probably be passed on to clients, has outraged home-builders and realtors, who say the public should not be required to compensate the society for

lawyer fraud.

Wirick, who graduated from the University of B.C. law school in 1978, is now working as a baker at a pet-food manufacturing plant in North Vancouver.

In July, he filed for bankruptcy, listing \$52 million in "contingent" liabilities against only \$467,850 of assets. Asked to state the reason for his financial difficulty, he said: "Failing to pay out mortgages pursuant to my undertakings, but instead paying monies to my client on his promise to pay out of the mortgages but who failed to do so."

Most of the liabilities are indirect obligations arising from his failure to meet his undertakings. The largest creditors are VanCity Savings Credit Union, which is owed \$14 million, and HSBC Bank, which is owed \$8 million.

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