

How is a landlord of the Canada Revenue Agency – Larco Investments – tied to offshore tax havens?



- The Conservative Government sold a portfolio of seven federal office buildings to Larco Investments in a controversial sale-leaseback deal in 2007. Critics called the sale a massive giveaway of prime public assets. The Conservative Minister of Public Works at the time, Michael Fortier, described the transaction as a fair deal for taxpayers.
- Larco Investments is now a landlord to several federal agencies. The Canada Revenue Agency is a major tenant in three of the buildings (see table).
- Larco is owned by one of Canada's wealthiest families, the Lalji family, worth nearly \$2.7 billion - and ranked #26 on the list of Canada's richest 100 individuals and families, according to Canadian Business.
- On behalf of Larco's owners, an affiliate of HSBC's Swiss private banking unit set up the offshore entities in British Virgin Islands and Liechtenstein. HSBC's Swiss private banking unit has helped clients in more than 200 countries avoid taxes and hide hundreds of millions of dollars in assets. HSBC has admitted wrongdoing by its Swiss subsidiary and paid large fines for failing to implement proper monetary controls.
- Larco's owners have moved at least \$300-\$500 million dollars to offshore tax havens to avoid paying Canadian taxes. The use of tax havens is not illegal provided they aren't used to evade taxes. We have no evidence that Larco's owners engaged in wrong-doing.
- So taxpayers are paying rent to Larco, but Larco's owners use offshore tax havens to avoid paying Canadian taxes.
- Canada loses an estimated \$8 billion every year to tax havens. That lost revenue deprives critical social services that all Canadians depend on.
- UNITE HERE Canada represents workers at several Larco-owned hotels. We support government efforts to end the use of offshore tax havens by wealthy individuals and corporations who avoid paying their fair share of taxes.

Federal Building Sold/Leased-back to Larco	Location	Largest Tenant ¹
Harry Hays Buildings	Calgary	Canada Revenue Agency
Canada Place	Edmonton	Canada Revenue Agency
CRA Building	Montreal	Canada Revenue Agency
Royal Canadian Mounted Police Building	Montreal	RCMP
Skyline Complex (Towers I-VII)	Ottawa	Canadian Food Inspection Agency; Agriculture & Agri-Food Canada
Thomas D'Arcy McGee Building	Ottawa	Courts Administration Service
Joseph Shepard Building	Toronto	Employment & Social Development Canada

¹ Tenant list based on Treasury Board's Directory of Federal Real Property.