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## 'Point man' for Mackenzie mill says he's not sure who owns it; Dan White, once convicted of money laundering, says he's not really in charge of the shuttered pulp mill

Hamilton, Gordon; with research by Sun librarian Carolyn. *The Vancouver Sun* [Vancouver, B.C.] 28 Jan 2009: D.1.

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### Abstract (summary)

[...] Dan White, who described himself as the "point man" behind mill owner Worthington Mackenzie, has a background that includes convictions for money laundering and illegal liquor sales.

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The man at the centre of the Mackenzie pulp mill failure said Tuesday that he's not in charge of the company that owns the mill, making it unclear who will pay the cost of preventing an environmental emergency at the northern B.C. mill site.

Further, Dan White, who described himself as the "point man" behind mill owner Worthington Mackenzie, has a background that includes convictions for money laundering and illegal liquor sales. He was associated with a network connected to some of B.C.'s most notorious underworld figures, including Martin Chambers and the Hells Angels.

White is the lead player in B.C.-registered Worthington Mackenzie, which bought the pulp mill out of receivership last September in a B.C. Supreme Court approved sale, only to run out of money in early January. Worthington stopped maintaining the mill, forcing the provincial government to step in and operate it at a cost of about \$1 million a month.

Within the last six weeks, White has also stepped down as director of Worthington Mackenzie and an associated company, Worthington Mackenzie Land Holdings. He has been replaced by Drago N. Puskaric of Bohinjka Bela, Slovenia, whom White described as a friend, associate and deal-maker.

To save the town of Mackenzie from what Forests Minister Pat Bell called an imminent risk of environmental disaster, the government took over control of the mill last weekend.

The B.C. attorney-general's ministry is now tracking down the shareholders of Worthington Mackenzie to recover the \$1 million a month it is going to cost the government to keep the mill and its volatile chemicals from freezing during the cold northern winter.

And Bell said he's holding White personally responsible for that cost.

But White said in an interview from his office in Edmonton on Tuesday that he's not the one responsible.

"I'm the point man," he said. "I am definitely not the owner."

He said the ownership is held by other companies, but added that he could not easily identify the specific companies that own Mackenzie because of legalities. He said he was not trying to hide the ownership; he just needed time to clarify it himself.

Asked who is going to reimburse the government for taking over the mill's operations, White said: "Currently the taxpayers go to Worthington Mackenzie." But "the company has zero funding." He said unless Worthington Mackenzie can raise fresh capital, the outlook for the mill is bleak.

"The worst-case scenario, if we are forced to do it, which obviously we don't want to do, is the mill will be sold off, the government will be paid, and we will have losses. We will lose our \$10 million."

White has established himself as an Alberta developer who specialized in distressed property sales. His company flourished during the West's robust real estate market. Through Worthington Properties, he stepped into the Vancouver real estate market, developing Koret Lofts in the Downtown Eastside. Worthington also bought Vancouver's Pantages theatre to redevelop it.

However, in the 1990s, White was a prime target in a joint Vancouver police-RCMP investigation into a vicious criminal ring. Further, he was identified in documents tabled in a separate U.S. proceeding that linked him with former Vancouver lawyer Martin Chambers in an illicit cigarette scheme. Chambers, notorious for being both brilliant and criminal, is now serving 15 years in a Florida prison for money laundering.

White acknowledged he had been convicted, but said he has turned his back on that page of his life.

"There's no doubt about it, I got offside, I got into problems. I paid my fine and went on with life and did a lot of very good things since then," he said in a September interview with *The Sun*.

"As soon as I ran into the problems with these issues I immediately abandoned everything that was going on there and focused on real estate and land development."

He said he did not know all the players in the crime ring or how deeply they were involved.

White pleaded guilty to charges of money laundering and cigarette smuggling in 1997. He was fined \$267,000 and received a conditional six-month sentence.

White initially came to police attention in 1994 when an informant told them of a huge liquor shipment and multi-million-dollar money-laundering scheme. Police set up a sting operation and recruited informant Richard Franc as an undercover agent. But things went awry. While making a payment for liquor in Alberta, they under-counted the money by \$10,000. Franc was abducted and threatened at gunpoint. He was only released when police paid the additional \$10,000.

Franc later had to go into a police protection program and ultimately fled Canada in fear of his life.

Details of the case became public when Franc sued the RCMP for breach of contract.

In her 1998 judgement on the Franc case, Justice Mary Boyd identified White as one of five original targets of the investigation. The main target was James Markovitch, the self-proclaimed "godfather" of the Vancouver gypsy community.

"Quite apart from the initial targets, the list of criminal players was eventually discovered to extend to two well-known contract killers, members of the Hells Angels as well as Asian gang associates," Boyd wrote.

White was linked to Chambers through documents filed in U.S. courts that identify both men in a cigarette smuggling ring. The cigarettes were being smuggled through a Vancouver ships chandler. Ships chandlers can legally purchase duty-free cigarettes.

On Oct. 14, 1993, Vancouver financier Paul Deyong wrote the ships chandler to ask for money.

He wrote: "I have talked with Martin Chambers this morning. He called from Toronto. He has authorized me to take delivery of the proceeds of 500 masters [a master case of cigarettes holds 50 cartons] you have sold. He did not know the exact figure but you have informed me it is \$150,000 US and I accept that.

"Also, this letter is your authority to release to Mr. Dan White 297 masters from the inventory you hold on our behalf."

White said Monday that he does know Chambers.

"Do I know Martin Chambers? I do know Martin Chambers. I know a lot of people down there," he said. "What happened back then is I paid my fine and it's behind me. I am not interested in going back there. I am interested in the future and saving the mill."

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Credit: Gordon Hamilton, with research by Sun librarian Carolyn Soltau; Vancouver Sun

### Illustration

Colour Photo: Candace Elliott, Canwest News Service, Files / Dan White, an Edmonton developer, is a key player in Worthington Mackenzie, the company that bought a troubled

pulp mill in Mackenzie last year. ;; Caption:  
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#### Indexing (details)

Subject:	Provincial government
Title:	'Point man' for Mackenzie mill says he's not sure who owns it; Dan White, once convicted of money laundering, says he's not really in charge of the shuttered pulp mill
Author:	Hamilton, Gordon; with research by Sun librarian Carolyn
Publication title:	The Vancouver Sun
First page:	D.1
Publication year:	2009
Publication date:	Jan 28, 2009
Year:	2009
Section:	Businessbc
Publisher:	CanWest Digital Media
Place of publication:	Vancouver, B.C.
Country of publication:	Canada
Journal subject:	General Interest Periodicals--Canada
ISSN:	08321299
Source type:	Newspapers
Language of publication:	English
Document type:	Business
ProQuest document ID:	244013207
Document URL:	<a href="http://proxy.lib.sfu.ca/login?url=http://search.proquest.com/docview/244013207?accountid=13800">http://proxy.lib.sfu.ca/login?url=http://search.proquest.com/docview/244013207?accountid=13800</a>
Copyright:	Copyright Southam Publications Inc. Jan 28, 2009
Last updated:	2010-06-11
Database:	2 databases Canadian Newsstand Major Dailies Canadian Newsstand Pacific