

**PROCEEDINGS AT HEARING
OF
APRIL 21, 2021**

COMMISSIONER AUSTIN F. CULLEN

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April 21, 2021

(Via Videoconference)

(PROCEEDINGS COMMENCED AT 9:30 A.M.)

THE REGISTRAR: Good morning. The hearing is now resumed. Mr. Commissioner.

THE COMMISSIONER: Yes. Thank you, Madam Registrar. Yes, Mr. McCleery.

MR. McCLEERY: Good morning, Mr. Commissioner. The sole witness we have scheduled for today is Mr. Kevin Begg. I'll note for the record before we begin that in addition to our usual cast of characters, Mr. Begg's counsel, Mr. Massey, is in attendance today, and you can see him on your screen, I believe.

THE COMMISSIONER: Yes, thank you.

MR. McCLEERY: One other note before we begin. I've already alerted Madam Registrar and the hearing staff to this, but I wanted to let you and counsel for participants know that I expect I'll be requesting more frequent shorter breaks today than has been our usual practice. So I'll identify I believe when we've reached an appropriate time for a break.

THE COMMISSIONER: Very well. Thank you, Mr. McCleery.

MR. McCLEERY: And with that, if we can proceed with

1 career with the RCMP.

2 A Well, I joined the RCMP in the fall of '67, and
3 I went through training in Regina and Penhold.
4 I was transferred then to Penticton detachment
5 for a summer detail. Following the summer I was
6 transferred to Lake Cowichan, where I was on a
7 small detachment there for one year. I was then
8 moved to Nanaimo. I spent two years in Nanaimo
9 on general duty there and then was transferred
10 to the security and intelligence branch in
11 Vancouver.

12 I spent a year in Vancouver and then was
13 transferred within the same branch to Victoria
14 for three years. I returned to Vancouver in the
15 same branch for five more years, during which
16 time I was sent to university to finish my
17 degree in commerce and economics. I was then
18 transferred to Ottawa within the security and
19 intelligence branch, and I worked for a while in
20 a financial capacity there. I was then assigned
21 to the transition team for the move from
22 security and intelligence branch to CSIS.

23 And following that I was assigned to the
24 negotiating team for the federal-provincial
25 policing agreements as an analyst, financial

1 analyst. My job there was to analyze different
2 proposals put forward by the provinces or the
3 federal government as to the financial impact
4 they would have on the federal government.
5 Following that I was transferred to British
6 Columbia where I was in charge of a unit that
7 looked at and analyzed resource requirements for
8 detachments and units within BC.

9 And after hearing that they wanted to move
10 me back to Ottawa I decided to leave the RCMP,
11 took a job with the Province of BC and -- as a
12 policy analyst at first and then was assigned to
13 the commission of inquiry by Justice Oppal into
14 policing. My job there was to represent the
15 Attorney General at the various meetings, ensure
16 that the commission had what they needed and
17 report back to the Attorney General on the
18 hearings that were going on.

19 Following the commission of inquiry, I was
20 encouraged to apply for the job as Director of
21 Police Services, which I applied for and won the
22 competition. I was in that role for a few
23 years, and part of the job, then, was to
24 implement the recommendations of the BC policing
25 inquiry into policing. And at the end of that,

1 the BC Police Commission was -- the functions of
2 that were rolled into my office as -- and I took
3 over the job as Director of Police Services in a
4 combined office of those two functions.

5 Do you want me to continue on for the rest
6 of my career, or ...

7 Q Well, why don't we maybe just -- I'd like to ask
8 you a couple of followup questions, and then we
9 can carry on. During your tenure with the RCMP,
10 did you have any involvement in money laundering
11 or proceeds of crime investigations?

12 A I did not.

13 Q You indicated -- you described your experience
14 as a policy analyst with the BC Public Service
15 and described how you moved into the role of
16 Director of Police Services. You indicated that
17 part of that job was to implement the
18 recommendations that arose from the commission
19 of inquiry into policing. I wonder if you can
20 maybe describe more generally what else that
21 position involved.

22 A Well, it managed -- the RCMP contract was one of
23 the main parts of it. And so in that role you
24 dealt with municipalities if they had issues
25 with the contract because the contract, the way

1 it works was BC has the contract and they
2 subcontract to municipalities. So issues had to
3 come through our office to be dealt with.

4 We were responsible for developing policy
5 around policing, particularly once the Police
6 Commission responsibilities were shifted into
7 our office, then we became responsible for
8 police policy in relation to the independent
9 departments as well.

10 Q Thank you. I understand that -- sorry -- in
11 around 2004 your title at least changed such
12 that you became an Assistant Deputy Minister as
13 well as the Director of Police Services; is that
14 correct?

15 A Yes. At that point I was assigned five
16 divisions. Police Services was one of them.
17 Victim services was another. Security programs
18 was the other one. The coroner's office and
19 provincial emergency measures.

20 Q And as far as your responsibilities for police
21 services went, did your role change at that
22 stage or was that part of the job essentially,
23 the same as --

24 A My role didn't change at that point. I just
25 added four more divisions onto my

1 responsibility.

2 Q And how long did you remain in that position as
3 Assistant Deputy Minister and Director of Police
4 Services?

5 A I actually left that job in the beginning of
6 2011. I was still an Assistant Deputy Minister
7 in the province until March of 2012, but my
8 responsibilities were entirely renegotiation of
9 the federal-policing agreements.

10 Q Am I correct that your responsibilities shifted
11 such that most of your focus was on the
12 negotiation of those agreements prior to 2011?

13 A Yes. The negotiations were -- well, they
14 started probably around 2007, but they
15 intensified as we moved forward, and by -- well,
16 2009 it was starting to take up a fair amount of
17 my time. I was, you know, shifting my
18 responsibilities to deputies who were working
19 with me. And in 2010 my role was primarily the
20 negotiations and as 2010 went on, it was -- took
21 over -- pretty well by the fall I was out of
22 doing the Director of Police Services role, but
23 officially I was still there.

24 Q Thank you very much. I'm going to ask you a few
25 questions about your reporting relationships at

1 the ministry [indiscernible] division was housed
2 over the course of your time as Director of
3 Police Services and then as Assistant Deputy
4 Minister.

5 In 1994 when you were first appointed
6 Director of Police Services what ministry was
7 responsible for your division?

8 A In 1994 it would have been the Solicitor
9 General.

10 Q Okay. And did that change in -- we'll say
11 between the period of 1994 --

12 A Sorry. Pardon me. I said the wrong ministry
13 there. The Attorney General in 1994 because at
14 that time there was no Solicitor General.

15 Q Thank you. And who was the Attorney General at
16 that time in 1994?

17 A Colin Gableman.

18 Q And did you report directly to the Attorney
19 General?

20 A I did. On operational policing matters.
21 Otherwise, you know, for administration and
22 finance, budget and so on, I reported to the
23 Deputy Minister.

24 Q And what was the extent of our direct contact
25 with the Attorney General, I'll say through the

1 Solicitor General.

2 Q Did the division remain within the Solicitor
3 General's ministry until your retirement?

4 A Yes, it did.

5 Q Are you able to recall which Solicitor General
6 you served under? I appreciate it might be a
7 longer list, but ...

8 A Well, I served under Solicitor General Coleman.
9 And then that was followed by Solicitor General
10 John Les. And then Solicitor General John van
11 Dongen. And then Solicitor General Kash Heed
12 and then Solicitor General Coleman temporarily,
13 and then Solicitor General Shirley Bond.

14 Q Thank you. And did you continue to report
15 directly to the minister as you had when the
16 division was under the AG's --

17 A Yes.

18 Q And compared to what you described with respect
19 to the Attorney General, how frequent was your
20 contact with the Solicitor General during that
21 period? And I know you've given us a long list
22 of solicitors general, so if that varied who you
23 were serving under, please let us know.

24 A Well, normally, you know, it -- it depended on
25 what activity was going on, but it wasn't

1 unusual for me to report or have dialogue,
2 either phone or in person, with the Solicitor
3 General once a week. And with most of the
4 ministers it was along that lines.

5 Solicitor General Kash Heed, it was not that
6 frequent. Solicitor General Kash Heed seemed to
7 have a problem with me and as a result I was
8 approached by the Deputy Minister a few months
9 after Solicitor General Kash Heed had come in,
10 and he indicated that the minister didn't like
11 me and that I should keep my head down and that
12 he would take over the briefings of the minister
13 and I should concentrate my time on the
14 renegotiation of the contract.

15 Q You've just indicated a conversation in which
16 you were advised that Mr. Heed didn't
17 particularly like you. Am I correct that you
18 had a professional acquaintance with Mr. Heed
19 prior to his election as an MLA and appointment
20 as Solicitor General?

21 A Well, I didn't have a lot of contact with him,
22 but he was the chief of police for West
23 Vancouver for a while. I had an experience
24 where several of the chiefs of police came to me
25 after I had missed a municipal chiefs of police

1 meeting and they indicated to me that Mr. Heed
2 had expressed concerns that I was attending
3 municipal chiefs meetings, that I was an ex-RCMP
4 and that he didn't see why someone from the
5 province and an ex-RCMP was attending municipal
6 chiefs meetings. That's about the extent of my
7 contact with him.

8 Q Thank you. And fair to say, then, that there
9 was some level of either professional
10 disagreement or perhaps interpersonal conflict
11 between yourself and Mr. Heed. And just to be
12 clear I'm not asking for details or trying to
13 assign blame, but is it fair to say that there
14 was tension in that relationship that
15 pre-existed --

16 A Yes.

17 Q Okay.

18 A Yes, I agree.

19 Q Is it fair to say that that had the nothing to
20 do with money laundering?

21 A No, it did not.

22 Q We can put that behind us and move forward,
23 then.

24 A M'mm-hmm.

25 Q You indicated your level of contact with the

1 various Solicitors General. It sounds as though
2 it was quite regular. The nature of that
3 contact, were you providing essentially regular
4 briefings to the various solicitors general?

5 A Yes. You know, if there was issues arising in
6 policing, if the Solicitor General received, you
7 know, a query about something and they needed to
8 be briefed on the issue, it would involve that.
9 There was also generally a regular quarterly
10 meeting that I would attend with the senior RCMP
11 for briefing the minister. They would attend to
12 brief the minister on issues that they saw the
13 need for.

14 The same thing happened with the
15 representative from the municipal chiefs
16 association. They would come in for the
17 quarterly briefing and raise issues they had in
18 policing.

19 Q Did you ever continue to brief any of those
20 individuals after they had left the role of
21 Solicitor General?

22 A No, I did not.

23 Q Did you ever provide any of those individuals
24 with information about what was happening in the
25 Police Services division after they had left the

1 role of Solicitor General?

2 A I did not.

3 Q I want to move now and ask you a few questions
4 about evolution of your awareness of the issue
5 of money laundering and your knowledge of
6 policing resources, if any, devoted to that
7 issue during your time as Director of Police
8 Services.

9 Thinking back to 1994 -- and I appreciate
10 it's been some time -- I understand you had
11 recently left the RCMP and had just been
12 appointed Director of Police Services. Do you
13 recall whether money laundering was a priority
14 or an issue of concern for law enforcement at
15 that time as far as you were aware

16 A In 1994 I don't recall the issue coming up. The
17 first that I recall hearing anything about money
18 laundering was in the late 1990s. And there it
19 was police indicating that some businesses were
20 co-opted by the Hells Angels and other organized
21 crime agencies -- or organized crime groups to
22 funnel money through their business, and that
23 was the first that I heard about it.

24 Around the same time the federal government
25 seemed to be picking up their interest in it,

1 and they developed FINTRAC, and certainly that
2 was an acknowledgement by the federal government
3 that there was a money laundering issue.

4 Q And aside from the creation of FINTRAC, in these
5 discussions you had about the risk of criminal
6 organizations, if I have it correctly, coercing
7 businesses into funneling money through their
8 operations, did those discussions involve any
9 requests or suggestions that there was a need
10 for resources dedicated to addressing that
11 issue?

12 A Well, I wouldn't say there were requests for
13 resources to address that issue at that time.
14 We did have a change in the late 1990s of the
15 coordinated law enforcement unit. I had been
16 approached by three former members of CLEU,
17 which was the unit -- it was an amalgamation of
18 RCMP and municipal resources to deal with
19 organized crime activities. And that meeting
20 that I had with three people indicated there
21 were problems with that organization and that it
22 was not having any success in dealing with
23 organized time.

24 I reported back to the Deputy Minister at
25 the time, Stephen Stackhouse. And Stephen and I

1 then attended a meeting with Ujjal Dosanjh,
2 briefed him on the situation. He ordered an
3 independent inquiry -- or not an inquiry, but a
4 review of CLEU. As a result of that review it
5 was recommended that CLEU be shut down and a new
6 structure be created, which was the Organized
7 Crime Agency.

8 And so we built that organization, tried to
9 structure it in a way that it was -- had the
10 resources to deal with organized crime. It had
11 surveillance capacity. It linked in immigration
12 and customs. It had ties in with Canada
13 Revenue. And so we tried to build an
14 organization that could deal more effectively
15 with organized crime.

16 Q And in the development of that agency, was this
17 issue of money laundering that I now understand
18 was -- sort of had just begun to arise, was it
19 designed to try to address that issue or have
20 the resources to address that issue?

21 A There was -- you know, in bringing in
22 immigration and customs and Canada Revenue,
23 there was, you know, an intention to try to
24 build the capacity to deal with money laundering
25 in businesses.

1 Q Thank you. The Organized Crime Agency of BC is
2 a provincial agency; is that right?

3 A It is.

4 Q Are you able to speak to why in a province where
5 I think you're well aware, much of the policing
6 is done by the RCMP, a provincial agency was
7 established to address this issue rather than,
8 say, an RCMP unit?

9 A Well, we wanted to streamline the organization.
10 One of the problems with CLEU is while you had
11 these two units working in the same building,
12 they seemed to work in separation. We wanted to
13 build an organizational structure that forced
14 the policing agencies to all work under the same
15 structure. We also wanted to structure it so
16 that the financial support for this came from a
17 single source and that was the primary target of
18 it, was to streamline it and make it more
19 effective in dealing with organized crime.

20 Q By creating a provincial agency, did the
21 provincial government then have a greater degree
22 of control over its, say, resourcing and
23 organization than it would have had it been an
24 RCMP unit?

25 A Yes. There was a board created for that, and,

1 you know, it was an independent board, but the
2 intention was to try and make sure that the
3 organized crime issues in British Columbia were
4 addressed.

5 MR. McCLEERY: Thank you. Madam Registrar, I wonder
6 if we might CABEA0085, please.

7 Q Mr. Begg, do you see a document on the screen in
8 front of you?

9 A I do, yes.

10 Q And does it read "Establishment of the Organized
11 Crime Agency of British Columbia"?

12 A Yes.

13 Q Do you have any -- this is really a collection
14 of documents more than a single document, but do
15 you have any recollection of seeing this
16 collection of documents from your time with
17 Police Services? And if it would be helpful to
18 scroll through it at all, please feel free to
19 ask Madam Registrar to do that.

20 A Can you scroll through it. Yes.

21 Yes, I believe I would have seen this.

22 Q And are you able to speak to the purpose of a
23 document or collection of documents like this
24 one? And it may be that going back to the title
25 page may assist.

1 A I expect it was to brief the Attorney General.

2 Q To brief him on the [indiscernible] --

3 A Yeah.

4 Q -- agency?

5 A Yes.

6 MR. McCLEERY: I wonder if we can go, Madam

7 Registrar, to page 31 of the document.

8 Q And, Mr. Begg, I'll just confirm, have you had a
9 chance to review this document in preparation
10 for your evidence here today?

11 A I'm not sure if I've -- I mean, I've been
12 through a lot of documents.

13 Q Fair enough. What I'll maybe do is -- do you
14 recall seeing this particular document, this one
15 that begins at page 31 of the collection, in
16 your time with Police Services?

17 A I'm not sure that I -- whether I saw that or
18 not. You know, I recall when I've been
19 reviewing documents looking at this document
20 and -- no, I'm not sure if I actually saw that
21 document originally or not.

22 Q Fair enough. It's been quite some time. I'm
23 not sure that's an entirely fair question.

24 MR. McCLEERY: Madam Registrar, can we move ahead to
25 the bottom of page 33 and top of page 34.

1 Q So, Mr. Begg, I want to just direct your
2 attention to the paragraph that straddles these
3 two pages. What it says is:

4 "Most of the activities mentioned above
5 can be described as 'traditional' illegal
6 activities of organized crime groups.
7 Today, criminal organizations are changing
8 their focus somewhat. While the pursuit
9 of profit remains a central theme, the
10 types of crimes in which organized crime
11 is involved are diversifying and adapting
12 to new technologies. Even though these
13 organizations are still involved in
14 'street crime,' police must now target new
15 types of crimes. For example, money
16 laundering was reported to be an
17 increasing new crime identified by police
18 forces. The Internet also facilitates
19 certain types of crimes by allowing easy
20 communication across the planet. Modern
21 technology is making it much more
22 difficult for police to detect and
23 investigate illegal organized criminal
24 activities."

25 And what I want to ask you, and acknowledging

1 that you don't recall whether you saw this
2 document at the time it was produced or the time
3 the Organized Crime Agency was established, can
4 you comment on whether this paragraph -- in
5 particular the suggestion that money laundering
6 was an increasing new crime identified by police
7 forces. Is that consistent with your
8 recollection that this issue of money laundering
9 was an emerging issue around the time the --

10 A Yes. Yes, I would agree with that.

11 MR. McCLEERY: Thank you. If that could be the next
12 exhibit, please, Mr. Commissioner.

13 THE COMMISSIONER: Yes. Very well. That will be
14 884.

15 THE REGISTRAR: Exhibit 884.

16 **EXHIBIT 884: Establishment of the Organized**
17 **Crime Agency of BC - Attorney General -**
18 **Briefing #3 - February 23, 1999**

19 MR. McCLEERY: And we can take that document down
20 now, Madam Registrar.

21 Q Mr. Begg, I want to now just briefly ask you
22 about another development in law enforcement in
23 the province that I gather is taking place
24 around the same time.

25 When you were first appointed Director of

1 Police Services, the Canada ports police were
2 active in the ports of this province; is that
3 correct?

4 A That's correct.

5 Q But that agency was disbanded at some point
6 during your tenure?

7 A Yes, it was.

8 Q Do you recall roughly when that happened?

9 A I think it was in the later 1990s around --
10 actually around the time that we created the
11 OCA.

12 Q Okay. And was -- the decision to disband the
13 ports police would have been a [indiscernible]
14 decision; is that fair?

15 A It was a federal decision which we objected to
16 quite strenuously.

17 Q Can you describe why -- when you say "we" are
18 you speaking of the provincial government
19 generally or --

20 A The provincial government, yes. Sorry.

21 Q What was the nature of your -- or the provincial
22 government's objection to that decision?

23 A Well, we felt -- the provincial government felt
24 that a lot of organized crime activity is
25 focused around the ports. The importation of

1 drugs, the -- you know, a lot of activities by
2 organized crime groups in the port. We felt
3 that this would leave the port very vulnerable.
4 We did negotiate an agreement with the federal
5 government which provided some assistance,
6 financial assistance to OCA for some capacity at
7 the port, but it was far less than what
8 originally had been there when the ports police
9 were in place.

10 Q Fair to say, then, that the loss of the ports
11 police despite [indiscernible] for the OCA left
12 a gap in law enforcement at the ports?

13 A We felt it did, yes.

14 Q And through your tenure with Police Services was
15 that gap ever filled in a way that you thought
16 was satisfactory?

17 A No, it was not.

18 Q Did -- can you speak to why -- you've indicated
19 that the creation of the OCA may have dedicated
20 some resources to filling that gap but they
21 weren't adequate. Did the province consider
22 either creating a new agency with a similar
23 mandate to the ports police or perhaps more
24 resources to the OCA for that purpose?

25 A Well, I don't recall, you know, any, you know,

1 formal plans to replace it because the ports are
2 federal jurisdiction. And -- but, as I say, the
3 resources that we did negotiate were payments to
4 provide for Vancouver city officers and some
5 RCMP officers, you know, to work on the port as
6 well. But as I say, it did not replace the --
7 what had been there under the ports police.

8 Q And are you aware of any analysis conducted or a
9 study into whether there was in fact an increase
10 in, say, criminal activity or organized criminal
11 activity in the ports following that change?

12 A I'm not aware of any study or -- that looked at
13 that to my knowledge.

14 Q But is it fair to say that organized criminal
15 activity at the ports remained a concern for you
16 throughout your -- the rest of your tenure?

17 A It did.

18 Q I want to move ahead now and spend a bit of time
19 discussing the Integrated Illegal Gaming
20 Enforcement Team, which I'll refer to as IIGET.
21 I wonder if you can maybe begin by describing --
22 I'll ask you to confirm. IIGET was created
23 during your tenure as director of Police
24 Services; is that right?

25 A That's correct.

1 Q Can you describe, at least to the extent you're
2 aware, how IIGET came into being and any role
3 you might have played in its creation.

4 A Well, I -- the first that came to my attention
5 was I received a phone call from Minister
6 Coleman indicating that I would be receiving a
7 call from BCLC and GPEB to meet regarding the
8 setting up of an illegal gaming unit which would
9 be funded by BCLC.

10 Q Thank you. And Minister Coleman was the
11 Solicitor General at the time?

12 A He was, yes.

13 Q And you indicated that your involvement began
14 with that call from Minister Coleman. Do you
15 know anything about what prompted Minister
16 Coleman to make that phone call?

17 A I don't -- I just assumed that he had met with
18 the two organizations and they had come to this
19 conclusion.

20 Q And the phone call that Minister Coleman said
21 you would receive, I wonder if you can advise
22 whether you received that call and sort of what
23 took place from there.

24 A Well, of course the reason that they had to deal
25 with Police Services was because the RCMP

1 contract is managed by Police Services division,
2 and so we would have to, you know, be part of
3 setting it up and the documentation and so on to
4 establish it. So we met with the RCMP and got
5 some representation from there to start the
6 process of setting up the structure and getting
7 it underway.

8 Q And I want to ask you now about IIGET's mandate.
9 In particular to your recollection did IIGET's
10 mandate include the investigation of illegal
11 activity in legal casinos?

12 A It did. The mandate was left very broad because
13 we didn't want to interfere with police
14 independence. So if they found something that
15 led them in that direction, they weren't
16 restricted from going there because of mandate.
17 So it was left very open.

18 Q Okay. While that may have been part of the
19 mandate, was it your understanding that that
20 was -- maybe I'll say a central part of the
21 mandate that the illegal activity in legal
22 casinos was to be a focus of IIGET's work?

23 A No. The mandate was really illegal gaming,
24 lower level and mid-level illegal gaming.

25 Q So is it fair to say that while legal casinos

1 were included in IIGET's mandate so as not to
2 restrict the unit's ability to follow an
3 investigation where it might lead, the intention
4 was that IIGET's focus would be on illegal
5 gaming taking place outside of legal casinos?

6 A That's correct.

7 Q Thank you. And IIGET, am I correct, was
8 established with the expectation it would work
9 in partnership or collaboration with the Gaming
10 Policy Enforcement Branch?

11 A Yes. Some of the positions were actually GPEB
12 positions and they were placed in a common
13 building and they were to work in unison
14 because, you know, there was information that
15 would pass between them and I think would be
16 effective in having them together.

17 Q Did you ever become aware of any friction
18 between IIGET and GPEB?

19 A Yes, I did become aware of that.

20 Q Okay. And to the extent you were aware of it,
21 what was -- how did that friction manifest or
22 what did it look like in practical terms?

23 A There was I think some concern by the RCMP that
24 GPEB were interfering with their independence
25 and objecting to them investigating something

1 that IIGET felt that they had the authority to
2 investigate. I think there maybe was some other
3 personal problems maybe between several people.
4 In the end, management of the two
5 organizations -- of the RCMP and GPEB seemed to
6 sort things out.

7 Q Do you recall what the nature of the
8 investigation was that IIGET pursued or wanted
9 to pursue that GPEB felt they perhaps didn't
10 have the mandate or --

11 A I'm not absolutely certain. I think it was
12 something to do with race track investigations.

13 MR. McCLEERY: Madam Registrar, I wonder if we might
14 see document CAN000097.

15 Q Mr. Begg, we have here what appears to be
16 exchange of emails dated February 25th, 2005,
17 between yourself and Al MacIntyre. Do you
18 recall what role Mr. MacIntyre might have held
19 around that time?

20 A He would be the second in charge of the RCMP in
21 the province, I believe, at that time.

22 Q So the first email seems to be from
23 Mr. MacIntyre to you and says:

24 "Kevin, perhaps, given the recent events
25 involving IIGET, we can discuss this issue

1 and others (Galiano Island) at the next
2 Consultative Board meeting on April 6."

3 Have I read that correctly?

4 A Yeah.

5 Q And then it appears your response is:

6 "I agree. We should likely discuss this
7 at the consultative Board. However, in
8 the mean time, section 2.2 makes it clear
9 that Police Independence is paramount."

10 I'll just note that the subject line here reads
11 "IIGET file 05-661 Loansharking Investigation."
12 And I'm wondering if that assists at all with
13 your recollection as to the nature of the
14 investigation that led to that -- the conflict
15 or disagreement between GPEB and IIGET as to
16 whether they ought to be pursuing that
17 particular investigation.

18 A I'm not sure. This email, I believe, talks
19 about two different things. The Galiano Island
20 thing is a contract issue that was something to
21 do with policing of Galiano island. What -- I'm
22 really not sure what the context of the loan
23 sharking investigation was.

24 MR. McCLEERY: Fair enough. And, Mr. Commissioner, I
25 apologize for not addressing this earlier. I'll

1 ask that this not be livestreamed as there is
2 phone numbers and email addresses in it. I did
3 raise that with our hearing staff earlier, but
4 I'll address it on the record as well.

5 THE COMMISSIONER: Very well. I'll make that
6 direction, Mr. McCleery.

7 MR. McCLEERY: Thank you. And I'll ask that that be
8 marked as the next exhibit. And I'm finished
9 with that document now, Madam Registrar.

10 THE COMMISSIONER: That will be 885.

11 THE REGISTRAR: 885.

12 **EXHIBIT 885: Email exchange between Kevin Begg**
13 **and Al MacIntyre, re IIGET File 05-661**
14 **Loansharking Investigation - February 25, 2005**

15 MR. McCLEERY:

16 Q Mr. Begg, as alluded to in that email, or
17 perhaps not, but it's the case that you were the
18 chair of the IIGET Consultative Board; is that
19 correct?

20 A Yes.

21 Q And do you recall any discussions at
22 Consultative Board meetings about whether IIGET
23 should be involved in investigations of illegal
24 activity in legal casinos?

25 A I don't recall that, no.

1 Q Thank you. What did your role as Chair of the
2 Consultative Board involve?

3 A Well, we -- I chaired the meetings. You know,
4 we didn't manage the unit. We were there as an
5 advisory and to give feedback to the IIGET unit.

6 Q Aside from your chairing those meetings, did you
7 have any responsibility for management or
8 oversight of IIGET?

9 A No, I did not. We met -- you know, we paid the
10 bills through -- you know, the RCMP spent the
11 money and we would reimburse the money, but
12 that's the extent of it.

13 Q Thank you. Did that role, though, provide you
14 with an opportunity to observe how IIGET was
15 developing and performing?

16 A Yes, it did.

17 Q And over the course of the, I think, five or six
18 years that IIGET was in existence, what were
19 your impressions or observations of IIGET's
20 development and performance?

21 A Well, in the beginning I felt that it got off to
22 a good start. They seem to be actively
23 investigating and, you know, proceeding with
24 charges and warnings and so on in lower level
25 and mid-level gaming issues, illegal gaming

1 issues. The unit then seemed to -- well, change
2 managers not too long after it got started. The
3 unit seemed to then drop off in its
4 productivity.

5 There were significant vacancies in the
6 unit. Turnover was continual and frequent. And
7 the vacancies would be left for extensive
8 periods of time, so there were times when this
9 unit was only roughly half staffed. And the --
10 you know, the results were just not coming in as
11 they were expected they should have.

12 Q You mentioned a change in the leadership of the
13 agency. Was that from Tom Robertson to Fred
14 Pinnock?

15 A Yes.

16 Q The Commissioner has heard some evidence about a
17 significant investigation into an online gaming
18 operation undertaken by IIGET. Do you recall
19 learning about that investigation?

20 A Yes. You know, the unit was supposed to be
21 tasked at lower level and mid-level illegal
22 gaming. The unit then got off onto an
23 investigation without informing the consultative
24 board into an internet gaming thing, which
25 turned out to be actually based in the United

1 States and not in Canada. And so the -- after a
2 year the investigation had to be turned over to
3 the American authorities. And of course the
4 problem was that during that year there were
5 absolutely no results produced, you know,
6 statistically.

7 Q Is it fair to say that was not the type of
8 investigation the Consultative Board thought
9 IIGET should be pursuing?

10 A That's correct.

11 Q After learning about the investigation, did the
12 Consultative Board give any direction or advice
13 to IIGET as to whether it should pursue those
14 types of targets?

15 A The Consultative Board requested that they
16 refocus their attentions back to mid-level
17 illegal gaming.

18 MR. McCLEERY: Thank you. Mr. Commissioner, I think
19 we've reached a point where a break with would
20 be of assistance and I'll suggest 10 minutes, if
21 that's agreeable to you.

22 THE COMMISSIONER: Yes, very well. We'll take
23 10 minutes.

24 THE REGISTRAR: The hearing is now adjourned for a
25 10-minute recess until 10:24 a.m.

1 Q Mr. Begg, do you recognize this proposal or
2 business case as it's titled?

3 A Yes, I think that's one that I recognize. Yes.

4 Q Okay. And if it will be helpful to look -- see
5 some other pages, we can certainly do that. But
6 you recognize this as a business case prepared
7 by Fred Pinnock to expand the Integrated Illegal
8 Gaming Enforcement Team?

9 A Yes.

10 Q Do you recall whether this was brought to the
11 attention of the Consultative Board?

12 A Yes, it was.

13 Q Okay. And do you recall what the Consultative
14 Board's response or reaction to the proposal
15 was?

16 A Well, the Consultative Board didn't respond to
17 that or act on that because we had initiated a
18 review, Cathy Tait's review, of the unit, and so
19 we weren't able to action this until after the
20 review was done.

21 Q So is it fair to say this did not -- to your
22 knowledge did not proceed beyond the
23 Consultative Board?

24 A That's correct.

25 Q Would it have been the role of the Consultative

1 Board to decide whether or not to implement a
2 proposal like this one?

3 A No, it would have been the role to move the
4 decision on to the minister and Treasury Board
5 if it was involving funding.

6 Q Okay. And fair to say it also would not have
7 been your role as Director of Police Services to
8 decide whether or not to implement a proposal
9 like this one?

10 A That's correct.

11 Q Would a proposal like this one -- were it not
12 for this issue of it not being sort of the right
13 time given the review that was going on, would a
14 proposal like this one typically have been
15 brought to the attention of the Solicitor
16 General?

17 A Yes. Normally the process would be that the
18 individuals on the Consultative Board would have
19 gone to their respective minister or to their
20 respective organization in government. It would
21 have -- an information note would have been put
22 forward and a Treasury Board submission.

23 Q And in this case do you recall who was the
24 Solicitor General in 2007 when this was
25 prepared?

1 A In 2007 it would have been -- I believe it was
2 John Les.

3 Q And you've indicated as you -- twice now that
4 this did not proceed because of the ongoing
5 review. Do you --

6 A That's correct.

7 Q -- recall whether this proposal was provided to
8 Solicitor General Les?

9 A No, the proposal wouldn't have been provided
10 because we were waiting for the review to be
11 completed. And at that time a different -- a
12 different proposal was put forward.

13 MR. McCLEERY: Thank you. Madam Registrar, can we
14 move to exhibit -- sorry, appendix Q to this
15 same exhibit. I think it's PDF page 281. And
16 again for those working from document numbers,
17 this is CAN000077.

18 Q Mr. Begg, is this a document that you recall
19 seeing from your time with Police Services?

20 A I do not.

21 Q Do you -- this was -- did you have a chance to
22 review this document in anticipation of your
23 evidence today?

24 A I did, yes.

25 Q And to your recollection this did not come

1 forward to the Consultative Board or otherwise
2 to your attention?

3 A No. This appears to have been a document that
4 was internal to the RCMP and would have been
5 provided to RCMP management.

6 Q And you have no knowledge as to whether this
7 would have been provided to the Solicitor
8 General or anyone else in the government of
9 British Columbia?

10 A I do not believe this would have been provided
11 to the Solicitor General.

12 MR. McCLEERY: If we can move, Madam Registrar, from
13 this document to CAN000114.

14 Q Mr. Begg, do you see -- it looks like a series
15 of emails on the screen in front of you.

16 A Yes.

17 Q You do not appear to be the author of or
18 recipient of any of these emails and I don't
19 mean to suggest that you were. But I want to
20 drawing your attention to the paragraph in
21 roughly the middle of the screen underneath a
22 heading that says "Dick Bent." It says:

23 "Al, I've approached Kevin."

24 Do you see that paragraph?

25 A Yes, I do. Yeah.

1 Q I'll just carry on from there:

2 "Al, I've approached Kevin about tapping
3 into the huge amount of money that goes to
4 the municipalities from the gaming revenue
5 from casinos each year. Last year there
6 was \$65M sent to the municipalities in
7 2005, and is even higher this year. Kevin
8 was supportive to going to the appropriate
9 ministries with a good business case
10 suggesting peeling a few million off the
11 top to support this policing response.
12 What we're proposing is a crim intell
13 component and a team to conduct criminal
14 investigations inside the casinos for
15 things outside the IIGET mandate (things
16 like loan-sharking, extortion,
17 prostitution, etc). Ward said that with a
18 provincial commitment he thinks the City
19 of Richmond will dedicate a couple of
20 bodies to this team."

21 Now, this appears from that paragraph to have
22 been authored prior to the production of any
23 business case like the one that we saw, and it
24 does not provide a last name for the Kevin
25 referred to here, so it's not necessarily

1 referring to you.

2 I'm wondering if you recall ever having a
3 conversation with Mr. Bent of the sort described
4 in that paragraph.

5 A You know, I don't really recall it, but I can't
6 say that I didn't have a conversation like that.

7 Q Fair enough. Do you recall any discussion of
8 the creation of a casino-focused law enforcement
9 unit around this time in 2006?

10 A I don't.

11 MR. McCLEERY: Okay. Thank you. If that can be the
12 next exhibit, Mr. Commissioner.

13 THE COMMISSIONER: Yes. All right. We'll make that
14 the next exhibit.

15 THE REGISTRAR: Exhibit -- sorry.

16 THE COMMISSIONER: I'm sorry, I take it,
17 Mr. McCleery, it's being exhibited largely due
18 to the fact that it's been referred to, not
19 necessarily --

20 MR. McCLEERY: Mr. Commissioner, obviously Mr. Begg
21 was unable to identify and does not recall the
22 context for this email and clearly was not a
23 recipient or the author of it, but given that
24 it's been referred to and that I've read from
25 it, I think it would be helpful to have it in

1 the record for that purpose.

2 THE COMMISSIONER: No, I agree. On that footing
3 we'll mark it as the next exhibit.

4 THE REGISTRAR: Exhibit 886, Mr. Commissioner.

5 **EXHIBIT 886: Email from Al MacIntyre to Dick**
6 **Bent re River Rock Casino - A Policing**
7 **Response - September 18, 2006**

8 MR. MCCLEERY: All right. Madam Registrar, if we can
9 move from this now back to exhibit 77. And if I
10 could have appendix S to that exhibit, which I
11 believe is page 301 of the PDF. Thank you.

12 And again for those working from documents
13 numbers, it's CAN000043.

14 Q Mr. Begg, we have here a proposal titled
15 "Business Case: Building Capacity Expansion of
16 the Integrated Illegal Gaming Enforcement Team"
17 and it appears this one was prepared by
18 Inspector Wayne Holland. Do you recall
19 receiving this report during your time as
20 Director of Police Services?

21 A Yes.

22 Q And do you recall this being a proposal to
23 expand IIGET prepared by Wayne Holland, who was
24 the officer in charge of IIGET at that time?

25 A Yes.

1 Q And as we've discussed earlier with respect to
2 the previous proposal, is it fair to say it
3 would not have been your role or that of the
4 Consultative Board to decide whether or not to
5 approve or implement this proposal?

6 A That's correct.

7 Q And for a proposal of this sort, is it fair to
8 say it would have been the role of the Treasury
9 Board to [indiscernible]?

10 A That's correct.

11 MR. McCLEERY: Okay. Mr. Commissioner, I'm going to
12 move now into some questions asking Mr. Begg
13 about materials that were submitted to the
14 Treasury Board and his understanding of
15 decisions that were made by the Treasury Board.

16 Before I do that I understand there may be a
17 matter that my friend Ms. Friesen wants to
18 suggest, and I'll suggest this is an appropriate
19 time for that.

20 MS. FRIESEN: Yes, thank you. It's my understanding
21 as Mr. McCleery stated that Mr. Begg's
22 evidence -- his anticipated evidence here will
23 be in response to Mr. McCleery's questions will
24 be in whole or in part subject to public
25 interest immunity. And I wish to put on the

1 record that to the extent that any of this
2 evidence is subject to public interest immunity,
3 it's provided to the commission pursuant to
4 section 29 of the *Public Inquiry Act* such that
5 any privilege or immunities that apply to the
6 evidence is not waived or defeated for any other
7 purpose.

8 THE COMMISSIONER: All right. Thank you,
9 Ms. Friesen. We will note that and proceed on
10 that footing.

11 MR. McCLEERY: Thank you very much, Mr. Commissioner.

12 Q With that, Mr. Begg, can you advise as to
13 whether a submission to the Treasury Board was
14 prepared based on this proposal from the
15 Mr. Holland?

16 A Yes. There were two submissions that my staff
17 prepared and forwarded to the Treasury Board
18 analyst. One was for an increase in resources
19 for IIGET, and the other one was for a move of
20 funding from BCLC over to government revenues --
21 or government coffers.

22 Q The first of those submissions for expansion of
23 IIGET, was it essentially consistent with
24 Mr. Holland's proposal that we see on the screen
25 here?

1 A Yes.

2 Q And speaking first of that, that proposal to
3 expand IIGET, were you advised of the outcome of
4 that submission?

5 A Yes. My director of finance indicated to me
6 that that had been rejected.

7 Q And you would not be privy to the deliberations
8 of the Treasury Board as to that decision; is
9 that fair?

10 A No, I was not.

11 Q You indicated a second proposal was also put
12 forward and that was to -- essentially to
13 maintain funding for IIGET at the existing
14 levels; is that fair?

15 A Yes. For the government to take over funding
16 IIGET rather than BCLC funding it.

17 Q And can you speak to why there would have been a
18 need for government to take over funding in
19 place of BCLC?

20 A BCLC were indicating that they didn't feel they
21 had the mandate to fund this organization. And
22 therefore we had to, you know, shift the funding
23 to the government.

24 Q And is it fair to say that BCLC -- well, did
25 BCLC essentially refuse to continue funding

1 IIGET or was that decision made by somebody else
2 on their recommendation?

3 A They were refusing to fund it, yes.

4 Q Thank you. Once -- sorry, I think I neglected
5 to ask what the outcome of the second submission
6 was. The submission to -- for the province to
7 take over funding IIGET in place of BCLC, were
8 you advised of the outcome of that submission?

9 A Yes. Director -- my Director of Finance
10 indicated that he had been informed that it was
11 rejected.

12 Q And again, you would not have been privy to the
13 deliberations of the Treasury Board on that
14 decision?

15 A That's correct.

16 Q Once it became apparent that funding for IIGET
17 was not going to continue either from BCLC or
18 from the province, did you take any steps to try
19 to secure funding?

20 A Yes, I did. I contacted Derek Sturko, who was
21 the ADM and General Manager of GPEB, and
22 outlined to him the funding issue that we were
23 wrestling with. I asked that he contact his
24 minister, which was Minister Coleman, and see if
25 he was prepared to intervene either with the

1 Treasury Board or with BCLC to establish the
2 funding.

3 And about four days later, I received a
4 phone call from Minister Coleman. I went
5 through and explained to him the problem we were
6 having with the funding. Minister Coleman then
7 started a discussion about the poor performance
8 of the unit. It was clear to me that he had
9 read the Tait report, which was not a very
10 glowing report on the performance of the unit.

11 And he went through the problems of a pilot
12 project not being staffed or half the time not
13 being staffed. He went through the issue of
14 very few results. That they had had six years
15 to get this thing working right and they hadn't
16 done that.

17 I outlined to the minister that we had been
18 working with the unit to try to address the
19 shortcomings that were identified in the Tait
20 report and that we were trying to establish the
21 funding for the unit and that I felt that the
22 new individual that had been assigned by the
23 RCMP to the unit was an effective manager and
24 that I felt that he would be able to do a good
25 job.

1 The minister's reply in response to that
2 was that the RCMP seriously dropped the ball on
3 this project, that this had been an absolute
4 waste of money and that I should inform the RCMP
5 that at the end of the MOU the funding would run
6 out.

7 So I -- after that discussion, I set up a
8 meeting with Solicitor General van Dongen. I
9 outlined the funding issue with Solicitor
10 General van Dongen and outlined the discussion
11 that I had had with Minister Coleman and what
12 the results of that discussion were. And
13 Minister van Dongen indicated that he felt that
14 this was a gaming issue and that if Minister
15 Coleman didn't want to intervene in the funding
16 issue, then so be it.

17 And so the following day I contacted Dick
18 Bent and advised him that I had been instructed
19 that the funding would end at the end of the MOU
20 and that the unit would have to fold up.

21 Q Now, do you recall what Mr. Bent's response to
22 that was?

23 A He had concerns that it be folded up. He also
24 felt that they were, you know, getting to the
25 point where they could get the thing back, you

1 know, on track, and -- but, you know, he agreed
2 that he would proceed with the instructions.

3 Q In the midst of your answer you mentioned that
4 there was a new manager with IIGET that you had
5 some confidence in. Was that Wayne Holland?

6 A That was Wayne Holland, yes.

7 Q Fair to say based on that response that you did
8 not believe that IIGET should be disbanded?

9 A No, I mean, we had made the decision, you know,
10 a year earlier that -- after the Tait report
11 that we felt that with the recommendations being
12 implemented that were recommended by Cathy Tait
13 that the unit could be a viable unit for dealing
14 with low-level and mid-level illegal gaming.

15 Q Are you aware of any recommendation from the
16 consultative board that IIGET should be
17 disbanded?

18 A No, I'm not aware of that. As I say, the -- you
19 know, each of the members of the Consultative
20 Board were responsible for briefing their own
21 ministers or their manager, and so -- but I am
22 not aware of any direction from the Consultative
23 Board to disband it.

24 Q And are you aware of any letter or briefing
25 document to Minister Coleman that would have

1 recommended that IIGET be disbanded?

2 A I'm not aware of anything that went as a joint
3 submission to Minister Coleman from the
4 Consultative Board. However, I'm not aware of
5 what his representative on the board would have
6 briefed him on.

7 Q Is it possible that Minister Coleman could have
8 received some letter or briefing document that
9 you were not aware of?

10 A That's possible, yes.

11 Q You just referred to an exchange that you had
12 with Minister Coleman. Minister Coleman was not
13 the Solicitor General at the time. That was
14 [indiscernible]; is that right?

15 A Yes. He had gone to -- I think it was social
16 services. I'm just not sure what ministry it
17 was that he was in, but he did have
18 responsibility for gaming at that time.

19 Q Was it unusual for you to be in contact with
20 Minister Coleman when he was not the sitting
21 Solicitor General?

22 A No, the -- in this case he was the individual
23 who -- or the minister that had initiated the
24 IIGET project, and he was now -- at that time
25 that it was initiated, he was the Solicitor

1 General, and I reported to him. However, he had
2 been gaming and his responsibilities had been
3 moved. And -- but it was still a gaming
4 initiative and gaming had dollars involved in
5 this as well, so the place to go I felt
6 initially was to GPEB and to their minister.

7 Q And to be clear, I don't mean to suggest there
8 was anything improper about that communication
9 with Minister Coleman. Was there any other time
10 that you can recall that you were in contact
11 with Minister Coleman or provided him with
12 information when he was not the sitting
13 Solicitor General?

14 A No.

15 Q You mentioned that you thought that IIGET should
16 have been reformed rather than disbanded. Is
17 that a fair summary of your perspective?

18 A Yes. Yes, it was.

19 Q When you -- did the decision to disband IIGET
20 create a gap in law enforcement in the province?

21 A I didn't feel it created a gap because the
22 responsibility for this sort of investigation is
23 actually the police of local jurisdiction.
24 However, at the same time this unit had not
25 performed well and had not created a major

1 initiative that was dealing with illegal gaming,
2 so I didn't feel that it was -- that it --
3 disappearing was going to cause a major gap in
4 policing, no.

5 MR. McCLEERY: Thank you. I'm just noting that
6 exhibit 77 is still up on the screen, and we can
7 take that down now, Madam Registrar.

8 Q Is it fair to say that you believe there was a
9 need for law enforcement -- a law enforcement
10 unit focused on illegal gaming as IIGET was?

11 A Yes.

12 Q Earlier on we looked at a proposal from
13 Mr. Pinnock that, again, in fairness, you did
14 not recall having seen, to establish a
15 casino enforcement intelligence unit. Did you
16 at that time have reason to believe or even
17 consider whether there was a need for greater
18 law enforcement presence in legal casinos in BC?

19 A Not at the time -- at that time. Around early
20 2010 I know that I had discussions with Al
21 MacIntyre, you know, at a fairly informal level
22 at that point. But at that point we were
23 feeling that we needed to create something in
24 CFSEU which would deal with, you know, more
25 focus on casinos and illegal gaming and so on.

1 Q Do you recall how that need or the possible need
2 for that kind of a unit with a focus on legal
3 casinos first came to your attention?

4 A I believe it was probably from, you know, police
5 contacts that I had that were -- started talking
6 about things at casinos.

7 Q Do you recall any specific conversations with
8 those contacts or what information that might
9 have they provided to you?

10 A Well, as I say, I believe it was probably Al
11 Macintyre's, you know, because I had a fair
12 amount of dialogue with Al MacIntyre and Gary
13 Bass, the commanding officer. And I believe
14 that my -- you know, my views on it were coming
15 from what I was hearing from them.

16 Q And do you recall in any specific detail what
17 the nature of the concerns they were raising
18 were? What was the type of potential criminal
19 activity they were worried about in casinos?

20 A They were starting to be concerned about, you
21 know, money laundering and loan sharking and
22 these sorts of things around casinos.

23 Q Do you recall if any of those conversations
24 involved a discussion of large cash transactions
25 that were taking place in casinos?

1 A I don't specifically recall that, no.

2 MR. McCLEERY: Madam Registrar, I wonder if we might
3 see exhibit NN to the affidavit of Larry Vander
4 Graaf, which is exhibit 181. And that, I
5 believe, is document number GPEB0579.

6 Q While this is coming up, Mr. Begg, you were
7 acquainted with Mr. Vander Graaf while he was --
8 sorry, while you were Director of Police
9 Services?

10 A Yes, I was.

11 Q You knew him to be the executive director of the
12 investigations division at GPEB?

13 A Right.

14 THE REGISTRAR: Sorry, Mr. McCleery, which tab do you
15 want to go to?

16 MR. McCLEERY: It's exhibit NN, and I don't have the
17 PDF page number. It's very close to the bottom
18 of the affidavit, though.

19 Q In his evidence before the commission, Mr. Begg,
20 Mr. Vander Graaf suggested -- to be fair, he
21 wasn't entirely certain -- that you might have
22 been the author of this document. Do you recall
23 having written this document?

24 A I did not write the document, and I would not be
25 writing a document, preparing a document for ADM

1 Derek Sturko.

2 Q We see the date here is November 22nd, 2010.
3 Earlier on you described a point in your career
4 where you shifted your focus primarily to RCMP
5 contract negotiations. Would that have been
6 before or after November 22nd, 2010, if you can
7 recall?

8 A I shifted my focus well before November 22nd,
9 2010.

10 Q So this document would have been prepared well
11 after you had made that shift; is that fair?

12 A Yes, that's correct.

13 Q You indicated you don't recall -- you didn't
14 author this document. And I gather you don't
15 recall seeing it from your time with Police
16 Services either; is that fair?

17 A I don't recall seeing it during that time, no.

18 Q Have you had a chance to review this document in
19 preparation for your evidence today?

20 A I have, yes.

21 MR. McCLEERY: I wonder if we can go to page 367 of
22 the PDF, Madam Registrar.

23 Q Mr. Begg, we see there's a recommendation on
24 this page. The bolded heading says "Create a
25 Combined Forces Special Enforcement Unit Task

1 Force to Address Organized Crime Operations
2 Related to Gambling." Is this in general terms
3 sort of consistent with the conversations you
4 described earlier with Mr. MacIntyre of a casino
5 focused policing unit?

6 A Yes, it is very similar. And the only
7 difference is this goes into far greater detail
8 around resourcing and that sort of thing than I
9 had had discussions. My expectation with my
10 conversation with Al MacIntyre was that they
11 would formalize those -- that discussion into a
12 submission to us when they were ready to proceed
13 with a request to Treasury Board.

14 Q And do you know if that submission ever came
15 forward to Police Services?

16 A I don't. As I say, I moved off into my other
17 role, and my job was picked up by Clayton
18 Pecknold. He arrived in the fall of 2010, as I
19 recall. Prior to that my deputies had been sort
20 of managing some of this stuff, but Clayton
21 started in the office in the fall, I believe, of
22 2010. And I completely left the official
23 position of Director of Police Services in the
24 beginning of 2011.

25 Q And I think you indicated that this memo goes

1 into a greater level of detail than the
2 conversations you had. Is that correct?

3 A Yeah, that's correct.

4 Q And we can see the middle paragraph here in this
5 memo says:

6 "While a detailed business case has not
7 yet been conducted --"

8 It's a little hard to read.

9 MR. McCLEERY: Can we zoom in a little bit, Madam
10 Registrar. We can stay on the same page,
11 actually, and just zoom in a little bit on the
12 middle paragraph there. And go farther, if
13 possible. That's perfect there.

14 Q So it says:

15 "While a detailed business case has not
16 yet been conducted --"

17 I think it says:

18 "-- in order of magnitude estimation for
19 the size of the task force necessary to
20 address money laundering and loan sharking
21 at licensed gaming venues in an effective
22 manner would be approximately 40 CFSEU
23 officers. A similarly rough estimate of
24 required budget would likely be between 10
25 and 15 million annually."

1 It's fair to say that the conversations you had
2 did not progress to the point of identifying the
3 number of officers required or the budget for
4 the unit?

5 A That's correct.

6 MR. McCLEERY: Thank you. We can take that down now
7 as well, Madam Registrar.

8 Q Mr. Begg, Mr. Vander Graaf also gave evidence
9 that in or around 2009 when GPEB was within the
10 Ministry of Housing and Social Development, he
11 recalled speaking with you at a meeting of the
12 BC Association of Chiefs of Police, and he
13 recalls suggesting to you that GPEB should be
14 moved from that ministry to the Ministry of the
15 Solicitor General.

16 Do you recall having any such conversation
17 with Mr. Vander Graaf?

18 A I don't specifically recall that conversation,
19 no.

20 Q Do you recall GPEB being moved to the Ministry
21 of the Solicitor General?

22 A I do recall it being moved.

23 Q Okay. And did you have any involvement in
24 deciding to make that change or responsibility
25 for GPEB following that move?

1 A No.

2 Q And you're not aware of the reasons why GPEB
3 would have been moved over at that time?

4 A No, I'm not.

5 Q Thank you. One of the solicitor generals you
6 mentioned earlier that you served under was Kash
7 Heed; is that right?

8 A That's correct.

9 Q Did you ever express concern to Premier Gordon
10 Campbell about the appointment of Kash Heed as
11 Solicitor General?

12 A I did not.

13 Q Okay. During Mr. Campbell's tenure as Premier,
14 did you -- what, if any, contact did you have
15 with Premier Campbell?

16 A I only met with Premier Campbell directly once,
17 and that was approximately a month after he
18 became Premier. And the reason for the meeting
19 was the Premier was resisting the creation of a
20 personal security unit. And I was asked by the
21 Solicitor General to brief the Premier on the
22 need for it and the details of it.

23 Q And did you ever attend the meeting at which any
24 other individuals expressed concern to Premier
25 Campbell about the appointment of Mr. Heed as

1 Solicitor General?

2 A I did not.

3 Q By the time Mr. Heed became Solicitor General,
4 IIGET had already been disbanded; is that
5 correct?

6 A That's correct.

7 Q Do you recall having any conversation with
8 Mr. Heed about what would become of the policing
9 positions that had been assigned to IIGET?

10 A I don't recall that, no.

11 Q Do you recall Mr. Heed having such a
12 conversation with anyone else in your presence?

13 A Not that I can recall.

14 Q Did you have any discussion with Mr. Heed about
15 new positions being created within GPEB?

16 A I did not. And I would not because GPEB was not
17 in my ministry.

18 Q Do you have any knowledge of whether Minister
19 Coleman agreed to have additional positions
20 created within GPEB or gaming enforcement issues
21 following the disbanding of IIGET?

22 A I was not aware of that.

23 Q Did you ever tell Mr. Heed that the matters that
24 had been investigated by IIGET would now be
25 looked after by GPEB?

1 A I don't recall that, no.

2 Q Do you recall anyone else telling Mr. Heed that
3 in your presence?

4 A Not that I can recall.

5 Q Thank you. Before I conclude my questions for
6 you Mr. Begg, I want to ask you about your views
7 generally on the law enforcement approach to the
8 issue of money laundering. You had a long
9 career with the RCMP followed by many years in
10 which you were responsible for thinking about
11 how policing in this province should work. This
12 commission is tasked with considering how to
13 better address the issue of money laundering in
14 the province.

15 I wonder if you have any views as to what an
16 effective policing response to money laundering
17 and proceeds of crime might look like.

18 A Well, I think the first thing is is that you
19 have to have highly trained people. I would say
20 that the people in a unit like that would need
21 to be accountants and lawyers. I don't think
22 that the current structure of policing
23 facilitates that. The RCMP have a staffing
24 process where people come in at the bottom and
25 they move up gradually through the organization.

1 And I think that, you know, to facilitate a unit
2 that has the proper qualifications, you need to
3 have these people come in with experience and be
4 paid for -- paid at a rate that would keep these
5 type of people in the job. So I just don't
6 think that the current structure facilitates,
7 you know, the hiring of the proper
8 qualifications.

9 Q I understand that portions of your career both
10 with the RCMP and with the public service were
11 focused on contract negotiations and managing
12 the contract -- province's contract with the
13 RCMP. Do you have a view as to whether it makes
14 a significant difference as to whether money --
15 units assigned -- dedicated to policing money
16 laundering are provincial units, RCMP units or
17 some combination of the two?

18 A Well, the problem with them being federal units
19 is you have no input or control over it, and if
20 they decide to not do something, they don't do
21 it. And whereas if you have a unit that is
22 provincially based, then you have more control,
23 you can determine what their priorities are and
24 I just don't think that that happens with the
25 federal side.

1 MR. McCLEERY: Thank you very much.

2 Mr. Commissioner, I think I'm very close to
3 finished, if not finished. I might suggest this
4 is a good time for another 10-minute break,
5 after which I can advise as to whether I have
6 anything further for Mr. Begg.

7 THE COMMISSIONER: All right. Thank you,
8 Mr. McCleery. We'll take 10 minutes.

9 THE REGISTRAR: The hearing is now adjourned for a
10 10-minute recess until 11:10 a.m.

11 **(WITNESS STOOD DOWN)**

12 **(PROCEEDINGS ADJOURNED AT 11:00 A.M.)**

13 **(PROCEEDINGS RECONVENED AT 11:10 A.M.)**

14 **KEVIN BEGG, a witness**
15 **for the commission,**
16 **recalled.**

17 THE REGISTRAR: Thank you for waiting. The hearing
18 is resumed. Mr. Commissioner.

19 THE COMMISSIONER: Yes, thank you, Madam Registrar.
20 Yes, Mr. McCleery

21 MR. McCLEERY: Thank you, Mr. Commissioner.

22 Mr. Begg, thank you very much for answering
23 my questions.

24 Mr. Commissioner, I have nothing further for
25 Mr. Begg.

1 THE COMMISSIONER: Thank you. I'll now call on
2 Mr. Stephens on behalf of the BC Lottery
3 Corporation, who has been allocated 10 minutes.

4 MR. STEPHENS: Thank you, Mr. Commissioner.

5 **EXAMINATION BY MR. STEPHENS:**

6 Q Mr. Begg, can you hear me okay?

7 A Yes, I can.

8 Q I'm Mr. Stephens. I act for BC Lottery
9 Corporation. I would like to ask you a question
10 about the Tait report. Mr. McCleery asked you
11 about that and you referenced, but we haven't
12 called it up yet.

13 MR. STEPHENS: Madam Registrar, I would ask if you
14 could call up exhibit C to the overview report
15 which Mr. McCleery referred to, which I believe
16 is exhibit 77. If you could go to the first
17 page under appendix C, Madam Registrar.

18 Q Mr. Begg, can you see that document on the
19 livestream? It's entitled "Effectiveness Review
20 of the Integrated Illegal Gaming Enforcement
21 Team"?

22 A Yes, I can.

23 Q And that was prepared by Catherine Tait,
24 submitted November 2007?

25 A That's correct.

1 Some interviewed for this review question
2 its role in funding IIGET, which focuses
3 on illegal gaming that occurs away from
4 legal gaming venues. The current funding
5 arrangement was put in place when IIGET
6 was created. The then Solicitor General
7 instructed BCLC to provide funds for
8 IIGET."

9 And then just dropping down, and I'll just read
10 the first couple of sentences underneath the
11 "Recommendation" heading. Catherine Tait says
12 that:

13 "If the Consultative Board recommends a
14 continuation of IIGET to the Solicitor
15 General, it should also recommend
16 restructured funding arrangements. BCLC
17 does not have an enforcement function and
18 should not directly fund an enforcement
19 unit that has a mandate to address illegal
20 activity that occurs away from legal
21 gaming venues. Therefore it is
22 recommended that a submission be made to
23 Treasury Board to earmark funds for IIGET
24 within the consolidated revenue fund."

25 And you see that -- you see those portions of

1 the report, Mr. Begg?

2 A Yes.

3 Q And so you'll agree with me that Catherine Tait
4 in her report recommended that BCLC not continue
5 to fund IIGET?

6 A That's correct.

7 MR. STEPHENS: Thank you, Madam Registrar. That
8 document can be taken down.

9 Q And the other question I would ask, Mr. Begg, is
10 with reference to exhibit 886.

11 MR. STEPHENS: Madam Registrar, I'd ask if you could
12 pull up 886.

13 And I believe Mr. Commissioner, this would
14 not be livestreamed. I think Mr. McCleery ask
15 this not be livestreamed for personal
16 information purposes.

17 THE COMMISSIONER: All right. That's fine. Thank
18 you.

19 MR. STEPHENS:

20 Q And, Mr. Begg, you'll see this is the email
21 exchange that you're fairly not a participant of
22 at the time, but Mr. McCleery asked you some
23 questions about that involved correspondence
24 from and to Al MacIntyre. Do you recall -- you
25 recall that email Mr. McCleery was asking you

1 Q Mr. Begg, can you hear me all right?

2 A Yes, I can.

3 Q Great. Thank you. I just have a few questions
4 for you this morning. You've given evidence
5 regarding the Organized Crime Agency of BC
6 earlier in answer to questions from
7 Mr. McCleery. And I'll just refer to that for
8 simplicity as OCA, if that's convenient.

9 A Okay.

10 Q The OCA became operational in approximately
11 1999; is that correct?

12 A That's correct.

13 Q Okay. And you provided evidence that it was in
14 the purview of the OCA to mandate -- within
15 their mandate to target money laundering. Is
16 that an accurate reflection of your evidence?

17 A Yes.

18 Q Okay. And just with respect to illegal gaming
19 specifically, are you aware of any successful
20 illegal gaming investigations conducted by OCA
21 prior to the creation of IIGET?

22 A Yes, as a matter of fact I am. In fact I
23 believe it was one of their first successful
24 investigations. They were investigating some
25 internet child porn that they were looking at

1 and ultimately they found that this was not --
2 it was more than just a porn site; it was an
3 illegal gaming, internet gaming site. The place
4 was located on 4th Avenue in Vancouver, and so
5 they raided the site and froze their bank assets
6 and so on. And ultimately they seized -- I
7 believe it was something like 7 million US in
8 illegal gaming funds.

9 Q Okay. And you didn't have direct involvement in
10 that investigation, I take it?

11 A No. I'm just going from briefings that I
12 received from OCA.

13 Q Okay. Thank you. Did this result in a
14 recommendation of charges against Starnet under
15 the *Criminal Code* for illegal gaming?

16 A Yes.

17 Q And to your knowledge were there any convictions
18 associated with the Starnet charges?

19 A I've forgotten just what the end result was. I
20 just -- the one thing I do recall was that they
21 forfeited without contesting the \$7 million.

22 Q Okay. Thank you. And you were the Assistant
23 Deputy Minister at the time in 2004 when the OCA
24 then moved under the purview of the CFSEU; is
25 that correct?

1 A That's correct.

2 Q Okay. And during your tenure as Director of
3 Police Services and ADM, did you have
4 familiarity with the training and expertise of
5 the officers with the OCA?

6 A Yes, generally. Yes.

7 Q And did any of those officers have financial
8 training or expertise?

9 A I believe there was one or two in there that
10 were financially trained. Certainly the people
11 doing the Starnet investigation were computer
12 literate and -- but, you know, the majority of
13 people in there were people who had experience
14 in drug -- major drug investigations.

15 MS. FRIESEN: Okay. And I just want to move topics
16 here. I have a few questions for you regarding
17 the -- a couple of documents, but first the
18 business case that you were taken to, the one
19 prepared by Wayne Holland and dated December 19,
20 2007. And I'd like to take you to some portions
21 of that proposal.

22 And so that is -- Madam Registrar, could I
23 please have CAN00043. Thank you.

24 Q And that's -- you see that, Mr. Begg? That's a
25 copy of the business case drafted --

1 A Right.

2 Q -- by Mr. Holland?

3 A Yes.

4 MS. FRIESEN: Thank you. And, Madam Registrar, if
5 you could turn to page 4 of this document.

6 Sorry, it's not the PDF 4. It would be the --

7 my apologies. It would be the -- it's number 4

8 at the bottom of the page. That's right. Thank

9 you.

10 Q So you'll see there, Mr. Begg, that on this page

11 under the heading "Vision, Mandate, Activities

12 and Desired Outcomes of the IIGET Program"

13 you'll see the sentence that starts "the mandate

14 of IIGET is to."

15 Do you see that there, Mr. Begg

16 A Yes.

17 Q And it says:

18 "The mandate of IIGET is to maintain the

19 integrity of public gaming in British

20 Columbia by enhancing the level of

21 enforcement specifically targeting illegal

22 gaming."

23 Did I read that accurately?

24 A Yes.

25 Q And that was the mandate as outlined by

1 Mr. Holland?

2 A Yes.

3 Q Okay. And you gave evidence stating that
4 IIGET's mandate was broad so that it did not
5 interfere with police independence; is that
6 accurate?

7 A That's right.

8 Q And this mandate that's reflected here in this
9 business case, is that reflective essentially of
10 your understanding of IIGET's mandate and focus?

11 A Yes.

12 Q Okay. Thank you. If I could turn now to the
13 report by Catherine Tait that Mr. Stephens
14 showed you, Mr. Begg, and that's exhibit 77,
15 appendix C. And that's the effectiveness review
16 of the IIGET team prepared by Ms. Tait.

17 And, Mr. Begg, you received and reviewed
18 this report while you were ADM; is that right?

19 A That's right.

20 Q Okay. And earlier this morning you gave
21 evidence with respect to the significant
22 vacancies at IIGET and the high turnover of RCMP
23 members within IIGET. Do you recall giving that
24 evidence?

25 A I do.

1 Q And I would just like to turn to page 33 of this
2 document. Now -- right. Okay. So we're at
3 page 33. And just at the second bullet point
4 there it states:

5 "Turnover results in many positions being
6 filled with staff who are new to illegal
7 gaming investigations. Most RCMP staff
8 reported that they knew very little about
9 illegal gaming before they joined the
10 unit."

11 Did I read that accurately, Mr. Begg?

12 A That's correct, yeah.

13 Q Okay. So this paragraph highlights some issues
14 with respect to training and expertise. During
15 your tenure do you recall making any
16 observations about the sufficiency of training
17 and expertise within this unit?

18 A I'm not sure of the context that you're asking
19 that in. Are you asking me that -- whether
20 their training was adequate, or ...

21 Q Did you form an opinion with respect to the
22 adequacy of their training?

23 A Well, I wasn't that familiar with exactly what
24 their training was. My recollection was that
25 they were sent to Toronto to a course down there

1 to train for gaming investigations. I can't
2 tell you whether that was inadequate training or
3 not because I'm not an expert in training. And
4 to tell you the truth, I don't know what the
5 actual syllabus was of that training program.

6 Q Okay. The summary that I read to you from
7 Ms. Tait's report regarding the staff being new
8 to illegal gaming investigations, does that
9 accord with your recollection with respect to
10 the experience level and expertise of the member
11 officers within that unit?

12 A Yes. That's correct.

13 Q Okay. I'd like to turn now, again -- and I'm
14 jumping around a little bit, so my apologies.
15 But I'd like to turn now again to CAN000043, and
16 that's the business case drafted by Mr. Holland.
17 And I'd like to turn to the -- under the
18 executive summary of this document, and that's
19 page number 1. So the page that is numbered 1
20 at the bottom right-hand corner of the document.

21 Now, Mr. Begg, I'm going to refer to a
22 paragraph under the executive summary,

23 MS. FRIESEN: And it's just further down the page,
24 Madam Registrar, if we could go a bit further
25 down. Thank you.

1 Q Now, so this is -- this proposal, this is for
2 the expanded resources; is that correct? The
3 document that we are looking at, Mr. Begg.

4 A Yes, I believe so.

5 Q Okay. And halfway down the page you'll see
6 there's a paragraph that states:

7 "The resources are required in order to
8 address a significant backlog of files
9 that remain in the 'still under
10 investigation' status due to a lack of
11 investigative, analytical and clerical
12 personnel."

13 Did I read that accurately?

14 A I can't see it here. I'm not sure where you're
15 reading from.

16 Q Sorry. So it's halfway down the page. And it
17 starts off with the words "the resources."

18 A Okay. "The resources are required"?

19 Q Yes.

20 A Yes.

21 Q Okay. So I'll just read it again for your
22 benefit, if you don't mind:

23 "The resources are required in order to
24 address a significant backlog of files
25 that remain in the 'still under

1 investigation status' due to a lack of
2 investigative, analytical and clerical
3 personnel."

4 Did I read that accurately?

5 A Yes.

6 Q Was it your understanding that one of the
7 purposes of the request for additional resources
8 as laid out in this business case was to address
9 the existing backlog of files within IIGET?

10 A I don't specifically recall. You know, I
11 reviewed that report 13 years ago or something
12 like that. So I'm not sure, you know, what my
13 recollections were at that time.

14 Q Okay. Thank you. And just with respect to the
15 four options, I just wanted to turn to the
16 options outlined within this proposal. And if
17 we could turn to page number 10 of this
18 document. Again, the number that's in the
19 bottom right-hand corner.

20 So this business case prevents four --
21 presents four options, and you'll see there that
22 there are three of these options set out on this
23 particular page. And each option has a number
24 of bullet points underneath that. And I don't
25 mean to test your memory, Mr. Begg, but is it

1 And:

2 "- A true estimate of the state of
3 illegal gaming in British Columbia
4 would be provided to the Consultative
5 Board on an annual basis."

6 Does that accord -- was that your understanding
7 of what the anticipated outcomes would be should
8 option number 4 be adopted?

9 A I assume it was. Once again, dealing with this
10 13 years ago doesn't really give me a lot of
11 comfort in trying to say precisely that that was
12 my belief at that time.

13 Q That's fair, Mr. Begg. Thank you. But in any
14 of these anticipated outcomes there's no
15 reference to targeting crime in legal gaming
16 venues; is that correct?

17 A That's correct.

18 MS. FRIESEN: Okay. Thank you. Mr. Commissioner,
19 those are my questions.

20 MR. McCLEERY: I believe you're muted,
21 Mr. Commissioner.

22 THE COMMISSIONER: Yes, I'm sorry.

23 Mr. Massey, do you have any questions you
24 wish to pose to Mr. Begg?

25 MR. MASSEY: No, I don't. Thank you, Mr. Commissioner.

1 THE COMMISSIONER: Thank you. Anything arising,
2 Mr. Stephens?

3 MR. STEPHENS: No, thank you, Mr. Commissioner.

4 THE COMMISSIONER: Mr. McCleery?

5 MR. McCLEERY: No, thank you, Mr. Commissioner.

6 THE COMMISSIONER: Thank you, Mr. Begg. Your
7 evidence has been very helpful in illuminating
8 your involvement with the Police Services branch
9 over a considerable period of time and helping
10 us understanding what issues were afoot at the
11 time and how they were dealt with by yourself
12 and by others. So I'm grateful to you for the
13 time you've taken to share your experiences and
14 insights with the commission. You're excused
15 from further testimony now.

16 **(WITNESS EXCUSED)**

17 THE COMMISSIONER: And, Mr. McCleery, I gather we
18 have no further witnesses for today and we'll be
19 adjourning till tomorrow at 9:30; is that correct?

20 MR. McCLEERY: That's correct.

21 THE COMMISSIONER: All right. Thank you.

22 THE REGISTRAR: This hearing is now adjourned until
23 April 22nd, 2021, at 9:30 a.m. Thank you.

24 **(PROCEEDINGS ADJOURNED AT 11:32 A.M. TO APRIL 22, 2021)**

25