

**PROCEEDINGS AT HEARING  
OF  
APRIL 28, 2021**

**COMMISSIONER AUSTIN F. CULLEN**

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**April 28, 2021**

**(Via Videoconference)**

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

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

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

MR. MARTLAND: Thank you, Mr. Commissioner. Today's witness is Rich Coleman, and he's in attendance at his lawyer's office. So Gavin Cameron, his counsel, is also in attendance on the same video.  
Madam Registrar, if the witness could please be sworn.

**RICH COLEMAN, a witness  
called for the  
commission, sworn.**

THE REGISTRAR: Please state your full name and spell your first name and last name for the record.

THE WITNESS: Richard Thomas Coleman. My first name is Richard, R-i-c-h-a-r-d. I go by Rich.

THE REGISTRAR: And please also spell your last name.

THE WITNESS: Sorry. C-o-l-e-m-a-n.

THE REGISTRAR: Thank you.

THE COMMISSIONER: Yes, Mr. Martland.

MR. MARTLAND: Thank you.

1                   **EXAMINATION BY MR. MARTLAND:**

2                   Q     Mr. Coleman, what I'll do is if I might start,  
3                             please, with asking you to sketch your  
4                             background. We don't need a comprehensive bio,  
5                             but I think a description in particular of your  
6                             background in policing and then leading into  
7                             elected office and different positions you've  
8                             held during the course of many years as an  
9                             elected official, please.

10                  A     Yes. Well, I was in the RCMP from 1974 to 1980,  
11                             for about seven and a half years. I left  
12                             Alberta at that time where I was stationed and  
13                             started going into the private sector in  
14                             business for the next 16 years.

15                             After that in 1996 I ran in a provincial  
16                             election and was successfully elected in the  
17                             provincial election in 1996 into the official  
18                             opposition under the BC Liberal Party banner. I  
19                             was elected the caucus chair shortly thereafter  
20                             for a year of an opposition caucus. And  
21                             consequent to that served the next four years as  
22                             the official opposition whip.

23                             I ran again in 19 -- or sorry, 2001 for the  
24                             BC Liberal Party in a provincial election. This  
25                             time the provincial election was won by the BC

1 Liberal Party. And about a month after my  
2 election I was given the appointment to Minister  
3 of Public Safety and Solicitor General.

4 Q And maybe if I might, just to make sure I do  
5 this in sequence, before we move into your time  
6 as part of the governing party in 2001 onwards,  
7 if you could tell us a little bit -- you  
8 mentioned being stationed in Alberta as an RCMP  
9 member. In a general way, what sort of duties  
10 and responsibilities as a member of the RCMP did  
11 you have, and -- I suppose an obvious  
12 question -- did any of those, whether  
13 investigations or work that you did, relate to  
14 money laundering or proceeds of crime type  
15 cases?

16 A There were no proceeds of crime or money  
17 laundering cases. My duties were mainly general  
18 duty except for a short period of time where I  
19 did go undercover.

20 Q All right. Thank you, then. And you mentioned  
21 that you spent about 16 years in business. What  
22 sort of business? What line of work were you in  
23 then?

24 A I was in the security business, and then I went  
25 into real estate consulting and development.

1           Q     And what riding -- the riding may have changed  
2                   names but where is a riding that you've been  
3                   elected in?

4           A     For almost my entire career the riding was  
5                   referred to as the riding of Fort  
6                   Langley-Aldergrove which represents a large  
7                   portion of the Township of Langley, including  
8                   the area of Aldergrove. In the last two  
9                   elections the boundary changed, they changed  
10                  that out a bit, but basically the riding's  
11                  always been inside a piece of the Township of  
12                  Langley.

13          Q     All right. Thank you. And I don't want to  
14                  short circuit all that time in government, but  
15                  you chose not to run in the recent 2020  
16                  provincial election, but until then I take it  
17                  you've been continually reelected in that  
18                  riding?

19          A     Yeah, I was re-elected six times.

20          Q     All right. So if we could go back, then, to  
21                  2001, and you started to speak about your time  
22                  when the Liberal Party forms the majority, forms  
23                  the government and the posts that you held,  
24                  please.

25          A     Well, I was Solicitor General from January -- or

1 from '01 to '05. After that -- after the '05  
2 election I was put in the position of being the  
3 Minister of Forests. I was the Minister of  
4 Forests from '05 to '08, and then I was Minister  
5 of Social Development. I was given a housing  
6 portfolio in '05, so it was Ministry of Forest  
7 and Housing, the minister responsible for  
8 housing. '08 it became Minister of Social  
9 Development, minister responsible for housing.  
10 And in '09 after the election I was given a  
11 different portfolio. And I'll just have to  
12 check my notes as I -- if you don't mind, for a  
13 second.

14 Q Are those notes that you have just with respect  
15 to dates or different portfolios, periods when  
16 you held office?

17 A Yes.

18 Q Okay.

19 A So after that -- at one point in time after the  
20 election I was still Minister of Social  
21 Development and responsible for housing and I  
22 was moved into energy and mines. And I was in  
23 energy and mines for a few years, and then I was  
24 sent back to Solicitor General in -- I think it  
25 was about October of 2010 the last cabinet

1 Premier Campbell can put in that place. I  
2 served in that role through till the changeover  
3 of government, and then I was put into energy  
4 and mines.

5 So basically there's one little gap there,  
6 and I would have to consult some notes, which I  
7 don't have right in front of me at the moment.  
8 And then -- but I basically it was -- I went  
9 from social development to -- and then back to  
10 solicitor general. And then I went to energy  
11 and mines with Premier Christy Clark, and I  
12 stayed in that portfolio through to -- I think  
13 it was 2013. And then in 2013 I was made the  
14 Minister of Natural Gas Development.

15 Q Am I right that you've also served as Deputy  
16 Premier?

17 A I was the Deputy Premier from 2013 to 2017.

18 Q All right. Thank you. You've referred to a few  
19 of these portfolios or assignments or areas of  
20 responsibility and maybe before getting into  
21 some questions around the gaming portfolio at a  
22 general level, if you could help the  
23 Commissioner and all of us understand from your  
24 time in cabinet how these areas of  
25 responsibility or portfolios worked. Were they



1                   always tied to a particular cabinet position,  
2                   such as Solicitor General, or ministry or would  
3                   they move around? And if so, how did that work?

4           A        Yeah, they would definitely move around. I  
5                   think I'll give you a couple of examples of  
6                   appointments that affected me and that might  
7                   give you some context. So, for instance, when  
8                   you become a minister, you basically meet with  
9                   the Premier probably a week before the cabinet  
10                  is sworn in. Under secrecy you are advised by  
11                  the Premier what minister he wants you to  
12                  become. You serve at the pleasure.

13                         You then in the next week basically wait  
14                         until the day of the swearing in, which usually  
15                         takes place at government house. You're sworn in  
16                         at government house. And at that point in time  
17                         after the swearing in, usually the staff that  
18                         you've been assigned to come up and introduce  
19                         themselves that they're going to be working for  
20                         you in your minister's office. And at the same  
21                         time you also meet your Deputy Minister, who's  
22                         also been assigned too. You are delivered a  
23                         binder to your office or a number of binders  
24                         which describe everything in transition with  
25                         regards to that portfolio and that ministry.

1                   After you are sworn in, you also pick up the  
2                   press release and the backgrounder for each  
3                   minister that is released as you were being  
4                   sworn in. And at that point you find out the  
5                   other duties that you might have. So when I was  
6                   sworn in, for example, as the Solicitor General,  
7                   I didn't know I had the portion of the liquor  
8                   side as far as licensing control. I also didn't  
9                   know I had gaming. I didn't know that I had  
10                  responsibility for the prisons in British  
11                  Columbia and consumer protection and a number --  
12                  those things are all listed on a list that you  
13                  get, and then you start to get briefed to  
14                  understand what each -- pieces of that portfolio  
15                  include. And that happens every time there is a  
16                  cabinet change.

17                  These files can move depending on if the  
18                  Premier has a priority they want a minister to  
19                  concentrate on and move someone to another one.  
20                  That can be done at any time at the decision of  
21                  the Premier, not the decision of the minister.

22                  Q     What's it like as you are, I suppose, given the  
23                  brief and have to learn your way into areas such  
24                  as liquor distribution or prisons, gaming, other  
25                  kinds of portfolios?

1           A     Well, first of all, you do a lot of reading. I  
2                    tried to read all my material before it ever  
3                    arrives for someone who's coming to actually  
4                    brief me so I am up to speed. You also spend  
5                    time making sure you are going to the locations  
6                    where your ministry affects something.

7                    So if you're Solicitor General, you meet  
8                    with the BC chiefs of police, you meet with the  
9                    RCMP, you meet with the leadership of different  
10                   organizations.

11                   In the case of the prison side, when I  
12                   received that in 2001 I toured all the prisons  
13                   in British Columbia to have an understanding of  
14                   how they work, what they were, what their  
15                   capacities were, those sort of things.

16                   Consumer protection was more of a briefing  
17                   thing, but some ideas come out of the meeting  
18                   with the bureaucracy where we thought we could  
19                   do better things and we gave them the  
20                   initiative -- the opportunity to go do what they  
21                   think is better for government and better for  
22                   the operation.

23                   So you basically spend probably the first 30  
24                   to 60 days really getting up to speed on your  
25                   portfolio as best you can. At the same time you

1           have already been appointed to cabinet  
2           committees and other things as a minister that  
3           you attend those meetings plus cabinet,  
4           et cetera.

5           Q     And so I take it in terms of that process of  
6           really getting up to highway speed learning the  
7           topic area, that entails briefing binders,  
8           background reading, you've described meetings,  
9           going out to different affected locations,  
10          whether that's the prisons in that example or  
11          going out to sort of meet the affected, I  
12          suppose, stakeholders or parties?

13          A     Yes, that's true.

14          Q     When you refer to -- if I could introduce to  
15          your staff and the deputy minister, are you  
16          there describing the non-partisan civil service  
17          that is sort of ongoing --

18          A     So you -- the Premier's office through their  
19          chief of staff usually appoints the initial  
20          staff, particularly in the first term of  
21          government because I would have applied to work  
22          in a minister's office which would -- something  
23          we'd call political staff. But they're the  
24          order in counsel employees that go in because  
25          they're working in the minister's office.

1                   When I talk about the other -- the Deputy  
2                   Minister is my, basically for lack of a better  
3                   description, CEO for the running of a ministry,  
4                   and they have to understand everything in that  
5                   ministry. And you have a very tight working  
6                   relationship with your Deputy Minister because  
7                   they are the ones that are dealing with the  
8                   professional public service, and they are the  
9                   professional public servant in your operation.

10            Q     The focus of many of my questions today, sir,  
11                 will focus on the topic of the gaming portfolio  
12                 or the gaming sector, although not all my  
13                 questions. I wonder if I might probably useful  
14                 to start by seeing if we can pin down the dates  
15                 in which you held responsibility for the gaming  
16                 portfolio.

17                   Now, you may have your own notes. I've got  
18                   my own, but I understand that you held that  
19                   portfolio, perhaps with some footnotes to part  
20                   of this as to where you had a partial area of  
21                   responsibility, but variously 2001 to 2005, 2008  
22                   to 2010 with an asterisk beside it. And then at  
23                   the end of 2010 that shifts into a different  
24                   kind of responsibility. And then 2012 through  
25                   to June 2013.

1           A     That's --

2           Q     [Indiscernible] on that question, but I wonder  
3                   if you want to let me know if that sounds right.

4           A     It sounds close, yes.

5           Q     Okay. And then I referred to this 2008 to 2010,  
6                   it sounds like -- what's the nature of your  
7                   involvement or responsibility for gaming during  
8                   that period of time, please.

9           A     In 2008 the file came back to me. One portion  
10                  of it was just the policy branch, if I recall,  
11                  and the other the enforcement branch of the  
12                  statutory offices were with the public -- the  
13                  Minister of Public Safety, Solicitor General.

14          Q     Okay.

15          A     That changed over during the interregnum period  
16                  of the 2009 election when the minister stepped  
17                  down and I was handed that -- put that back into  
18                  my portfolio as the Solicitor General for a  
19                  short period of time during the interregnum  
20                  period until the election was over and the new  
21                  cabinet was sworn in.

22          Q     Okay. So during much of that time you, I  
23                  suppose, have half the file in the sense that  
24                  you're dealing with the policy side but not the  
25                  enforcement side?

1           A     That's correct.

2           Q     Okay. Was gaming a portfolio that you sought or  
3                    wanted?

4           A     No.

5           Q     Did that change ever over the different times  
6                    the ball bounced back at you and the file came  
7                    back to you? Was it something that you had  
8                    wanted to have or sought or asked for?

9           A     No, I didn't. I didn't seek or ask for it.  
10                    Basically it was either sent to you or cabinet  
11                    shuffle -- it came back into your duties at the  
12                    wish of the Premier, but at no time did I, for  
13                    lack of a better description, ask for the file.

14          Q     Was gaming a file or portfolio that carried with  
15                    it any benefit to you, whether personally or  
16                    professionally in your view?

17          A     No.

18          Q     Maybe, again, focused on gaming but expanding a  
19                    little. What other kinds of files or portfolios  
20                    did you have conduct of when you were also the  
21                    minister responsible for gaming? So in other  
22                    words, what else did you have on your plate  
23                    during those periods of time?

24          A     So in the first four years I had the liquor  
25                    control and licensing, later added in about 2003

1           the Liquor Distribution Branch as well. I had  
2           ICBC sent to me at a point in time probably two  
3           years in where there was additional  
4           responsibility. The Crown corporation which was  
5           the BC Lottery Corporation, the Gaming Policy  
6           Enforcement Branch. I had consumer protection.  
7           I also had -- in addition to that I had the  
8           prisons and then I also had policing, of course.  
9           And then there were other ancillary smaller  
10          files that were also in that portfolio.

11          Q     And just to give a sense of some of the work  
12                that you were involved in or major initiatives,  
13                could you give us a perspective on -- let's  
14                maybe focus on that first round of times of the  
15                '01 to '05. What other -- what's going on with  
16                respect to work in the policing side or prisons  
17                and other things that are high priorities?

18          A     The first -- policing was a big challenge to  
19                start with. The policing budget had not been  
20                increased in nine years in BC. The RCMP were  
21                managing the provincial budget with vacancies.  
22                So they basically had about 125 to 150 vacancies  
23                in BC, which was unfortunate because we actually  
24                had detachments where somebody was only there --  
25                one person because of maternity leave or



1                   holidays where you had places in BC dramatically  
2                   understaffed.

3                   I sat down and had to do a lot of work with  
4                   the RCMP during that period of time to identify  
5                   the needs and issues. They had brought in a  
6                   general manager from their commercial fraud who  
7                   was very good with numbers who started to build  
8                   the financial structure so I could understand  
9                   what I could take to Treasury Board in order to  
10                  increase the police budget in a time where  
11                  frankly there were significant challenges with  
12                  regard to funding in our government.

13                  I managed to get 150 members brought up to  
14                  speed in addition to some of the dollars for  
15                  policing, worked with the RCMP to start funding  
16                  special and more extensive investigations,  
17                  things like anti gang task force and things like  
18                  that where we would go to Treasury Board for a  
19                  one off to do major investigations.

20                  In addition to that we started an initiative  
21                  called PRIME. PRIME was to get to where we  
22                  would become a jurisdiction where every police  
23                  officer, no matter what police department or  
24                  what uniform they wore, would be able to share  
25                  information in real time. That platform is

1                   called PRIME.

2                   During that period of time I'd work on a  
3                   piece of legislation to make it BC's system  
4                   because there was push and pull between both the  
5                   municipal police forces and the heads of the  
6                   RCMP with regards that they all wanted their own  
7                   system. BC legislated that PRIME is the system  
8                   for British Columbia. And after some to and  
9                   fro, PRIME legislation was passed, and today BC  
10                  is the only jurisdiction in North America where  
11                  the police forces are all on the same  
12                  information management system. There's nowhere  
13                  else in North America.

14                 Q    I didn't appreciate that. And I wonder if I  
15                     might pick up on the reference to PRIME. Tell  
16                     me if I have this right. I understand that's a  
17                     real time information system that is not -- so  
18                     as you describe it, it's not simply Vancouver  
19                     police have one -- or I suppose it used to be  
20                     Vancouver police might have had one system,  
21                     neighbouring Burnaby RCMP would have a different  
22                     computer system. And what PRIME did was to  
23                     really draw together in a unified way all of  
24                     that database for the real time access by  
25                     investigators and patrol officers.

1           A     Really it is -- it really is the basis for  
2                   intelligence-based policing. So you can have an  
3                   incident take place, let's say, in Surrey and in  
4                   real time the suspect and information would be  
5                   on the computer of a Vancouver Police Department  
6                   member as well. And that goes right across the  
7                   province.

8                             And that was really a significant initiative  
9                             that I felt was very important given a couple of  
10                            files that we had that were sad files. In one  
11                            case the police officer had stopped somebody on  
12                            the side of the road, there was no information  
13                            of wants and warrants or anything to do with  
14                            probation or whatever in his computer. And two  
15                            hours later, somebody in the community, an  
16                            ex-spouse was killed by the individual and the  
17                            police officer just didn't have the information.

18                            I think that that piece of work that was  
19                            done by a lot of people but particularly by the  
20                            police forces in BC to come together, including  
21                            the RCMP, to accept this was a big step for  
22                            policing in BC.

23           Q     And you -- I've asked you a question about  
24                   PRIME. That's an example of, I suppose,  
25                   building a bridge between municipal police

1 departments. I think there's around a dozen in  
2 the province under the provincial *Police Act* and  
3 on the other hand the RCMP serving effectively  
4 as the provincial police force.

5 Are there other examples of integration  
6 between RCMP and municipal departments?

7 A We made sure that the 911 system both on  
8 Vancouver Island and on the Lower Mainland was  
9 basically more unified rather than having  
10 individual operations on their own 911s as far  
11 as emergency stuff was concerned. And that just  
12 drew into more and more of that through those  
13 particular things.

14 After we had done the work and the gentleman  
15 who was with the RCMP had put together the  
16 formula to fund investigations, we were able then  
17 to look at integrated investigations that would  
18 be affecting more than one jurisdiction.

19 Our first integrated unit, which was the  
20 Integrated Homicide Investigation Team was put  
21 together. And that particular team is still  
22 functioning today and is one of the most  
23 successful integrated teams in North America. I  
24 think I can say that it was the times that I was  
25 aware of it. A very good solve rate. It takes

1           the best of investigators, and if there's a  
2           murder in a particular community, it sends that  
3           team in there with them. And that integrated  
4           unit has people seconded into it from different  
5           police forces, which is also good for the police  
6           forces because they build capacity, investigative  
7           talent and expertise so that when can they leave  
8           IHIT they can take that expertise back to their  
9           investigations in their home police department

10          Q     Thank you. If we go back to the -- I was asking  
11                about these different cabinet posts and areas of  
12                responsibility and how they overlapped with the  
13                gaming portfolio or responsibility. As I hear  
14                you describe it, it seems like there's some  
15                periods of time in which gaming follows you  
16                along even to what might seem like an unlikely  
17                destination. So, for example, the minister --  
18                as Minister For Energy and Mines, there's a  
19                period of time where you have that  
20                responsibility in that role.

21                        Appreciating it may not have been your  
22                        decision or even your preference, do you have a  
23                        sense of why that happened, why it followed you?

24          A     I don't. I think at times it's just a case of  
25                what are the circumstances around where the

1                   political world is and the operational world of  
2                   the government is. And you have to remember --  
3                   I recall, for one example, there was a period --  
4                   after Premier Campbell left there was a  
5                   leadership campaign and that required some  
6                   people who decided to step out of cabinets to  
7                   be -- or things being moved around, and I think  
8                   that may have been one of the things that had  
9                   some effect there.

10                   At the same time, after the leadership some  
11                   people decided they weren't going to stay or  
12                   whatever. And that -- in that capacity I think  
13                   the Premier had to move things around with  
14                   people probably with a bit more experience given  
15                   the new Premier was having to build a cabinet  
16                   which was devoid of some of the people that  
17                   decided -- who had expertise or experience had  
18                   decided to move on. And I think at those points  
19                   in times they make their decisions however they  
20                   do it.

21                   Usually with your chief of staff or head of  
22                   your public service you would sit down, discuss  
23                   and then the assignment is just given to you by  
24                   you order in council. You're informed of it.

25                   Q     One of the important periods of time during

1           which you have responsibility for the gaming  
2           portfolio is the run of years of about 2001 to  
3           2005. There's a fairly significant  
4           transformation in gaming in the province.

5           I wonder if you could please just give us a  
6           sketch of what that change was and what the old  
7           setup was and how that changed to something more  
8           familiar today.

9           A     Yeah. Yeah. I would describe gaming in 2001 as  
10          somewhat fractured and a bit dysfunctional in  
11          BC. And I wouldn't put that blame on anyone in  
12          particular. It's just that during the end of  
13          the last government with the difficulties that  
14          occurred was some unfortunate circumstances that  
15          had happened. And then the expansion into --  
16          just the early expansion into putting some slots  
17          into some gaming facilities plus an initiative  
18          of the previous government done where they  
19          wanted to do destination casinos. And that had  
20          gone out and some of those had been awarded, not  
21          built.

22          And at the same time the conduct of gaming  
23          for the most part was being done in small  
24          casinos across British Columbia where you had a  
25          service provider but the actual conduct and

1 management people with the licence on any given  
2 day was a charity.

3 So back in that day a charity like -- my  
4 Kinsmen Club would be a good example because I  
5 worked at some charity casinos back then or minor  
6 hockey or whatever would apply for a gaming  
7 licence. They would be awarded one day or --  
8 excuse me, it would be two to three days in a  
9 casino.

10 So those groups would send their volunteers  
11 to a casino around 5:00 or 6 o'clock at night.  
12 They would be the volunteers on the floor.  
13 Basically in those days, if you can imagine, they  
14 were smoke filled, so it was cleaning ashtrays,  
15 making sure --

16 Q I remember a bit, yes.

17 A There was usually one person in the cash cage  
18 with an employee. Video surveillance was  
19 virtually non-existent except for basically on  
20 the cash cage and there was supervision behind  
21 the people that run the card and the roulette  
22 games and there were no slot machines.

23 So a charity would go do -- work that for  
24 two to three nights. For the charity's benefit  
25 the government had said if the casino doesn't



1           make money in those two nights, you won't -- and  
2           if it loses money, we're not going to ask you to  
3           pay for the losses. If the casino made money,  
4           then that charity got the wins proportioned to  
5           that charity and that money went back into the  
6           community for charitable works and stuff into  
7           the community.

8           So that's what was inherited. The legal  
9           structure wasn't totally weak, but it wasn't  
10          remarkably strong either. So the first situation  
11          was you had this situation. And the second  
12          situation is we as a political party had run in  
13          the 2001 election as a party that would not  
14          expand gaming. So we have -- so I'm starting  
15          out -- I'm starting out to look at what the  
16          structure is that I have. I have non-performing  
17          operations where someone's decided to put a  
18          destination casino in Wells, BC which is near  
19          Barkerville, British Columbia, which is down the  
20          road an hour outside of Quesnel. It's the end of  
21          the road, for lack of a better description.

22          However, an investment was made based on  
23          this. If you build them, they don't come. It's  
24          just a reality that the business was not going to  
25          do well. So this is the sort -- we had a casino,

1           St. Mary's, in Cranbrook, which was having some  
2           early challenges with its structure -- on its  
3           development and things like that.

4           So basically at this point in time I had to  
5           do an assessment and then go back to cabinet to  
6           have a discussion about gaming because a  
7           discussion about gaming was we had the commitment  
8           and we won't expand. But we obviously can't stay  
9           in the structure that we're in. We need a *Gaming*  
10          *Control Act* that is going to have statutory --  
11          clear statutory decision-making powers and  
12          everything needs to be arm's length from any  
13          politician to [indiscernible] make a decision in  
14          any way, to conduct an investigation, issue a  
15          licence, decide where a casino should be located  
16          in British Columbia. That has to be fixed.

17          So we started on a *Gaming Control Act* and  
18          then we started the internal conviction with  
19          government. As we went through that, the cabinet  
20          came to a decision probably two years in, but the  
21          reality was we already had a model that expanded  
22          gaming on our hands. What we needed to do was  
23          make sure it was modern, that it was secure and  
24          that we had the proper legislative structure  
25          around it so that it couldn't be compromised from

1 a legislative or -- like a political perspective.

2 Q Maybe just -- if I can just pause on that. You  
3 talked about the need to make sure it's not  
4 compromised or refer to the need for an arm's  
5 length arrangement. What sort of concerns led  
6 to that or what were the problems that gave that  
7 a high priority?

8 A I think the examples of the two situations in  
9 the 90s were -- affected the term of two  
10 previous premiers. I think everybody was alive  
11 to the fact that this was very important. We  
12 had all understood at different times, whether  
13 it be the Minister of Forests where a regional  
14 manager has statutory authority and the minister  
15 cannot tell the regional manager what decision  
16 to make on a licence order because that  
17 statutory decision making is in place.

18 In gaming control and licensing, it's a  
19 statutory authority. So the minister can't tell  
20 them what rules to put in place or what they can  
21 do. They can work on policy and then bring the  
22 legislative changes or regulatory changes to a  
23 body like cabinet, but they cannot direct.

24 It wasn't strong enough, in my opinion, at  
25 that time for BC, so we brought a new *Gaming*

1           *Control Act.* And the *Gaming Control Act* was  
2           written on the basis that at no time anywhere at  
3           any time would a person in elected office or a  
4           staff member of any minister or anybody other  
5           than the statutory authority be able to make the  
6           decisions on how to proceed in an investigation,  
7           a policy going forward or whatever.

8                       Of course when you make a statutory  
9           authority, they do have the ability to bring  
10          recommendations to government, and that can lead  
11          to you saying, well, if this will work for you,  
12          we can take it to a regulation or an amendment  
13          to legislation, but that goes through another  
14          process in government and is not a decision  
15          solely of a member of cabinet or the minister.

16                      And so basically what it is, it says from  
17          hereon forward, any statutory activity in gaming  
18          is now arm's length from the government, from  
19          anybody in government having the ability --  
20          government -- when I say government, let's call  
21          it Executive Council and MLAs and their staff.  
22          Because government is -- the Executive Council  
23          is the head of government, but the government  
24          being the professional public service side of it  
25          where they would be the ones that would be

1 operating these things.

2 Q Were you quite involved in all of this work to  
3 modernize gaming?

4 A Yeah, I was. But not so much it was I, but more  
5 we. And I'll explain that.

6 So, for instance, when there was a request  
7 for legislation, obviously we had the  
8 conversation at cabinet and decided that we would  
9 try and modernize the system and not build any  
10 more than an actual number of casinos in BC, but  
11 sized them to market and have an opportunity to  
12 have the investment so they would be modern.  
13 That was going on at the same time as we're  
14 working on the *Gaming Control Act*.

15 The *Gaming Control Act* -- I'll explain how  
16 legislation happens is government comes with an  
17 initiative. A minister says, we need a *Gaming*  
18 *Control Act*. That goes into a request for  
19 legislation. That request for legislation goes  
20 into a cabinet committee and then to cabinet for  
21 the approval for the request for legislation. At  
22 that point in time the policy work that is being  
23 done and the policy work is identifying statutory  
24 decision makers, bodies things that would be  
25 described in the legislation.

1                   The legislation is then drafted by drafters  
2                   who are authors that actually write the  
3                   legislation. The minister is not involved in  
4                   writing the legislation. They do the policy work  
5                   with government, but they are not the people that  
6                   write the legislation. The legislation then  
7                   comes through in a draft form and goes to a  
8                   separate committee called the legislative review  
9                   committee.

10                  The legislative review committee reviews a  
11                  piece of -- line by line, word by -- legislation  
12                  line by line, word by word. It's a very onerous  
13                  process on each piece of legislation, page by  
14                  page by page. That's gone through by a committee  
15                  which are members by cabinet and in this case  
16                  private members on this committee who go through  
17                  that and get it to the point where the  
18                  legislation is ready to go.

19                  It is then -- it is then when it's ready to  
20                  go sent to the Lieutenant Governor to obviously  
21                  be -- well, to get to the -- to be approved by  
22                  cabinet and come to the legislature. Then it  
23                  goes through extensive debate. First reading and  
24                  second reading, detailed committee stage, which  
25                  is section by section by section can then be



1           A     I don't think -- the original shift -- when I  
2                   was a minister, first time there really wasn't  
3                   much of a shift because the first casino of any  
4                   modern size didn't open until -- I think it was  
5                   late 2004, and that would have been River Rock.  
6                   And River Rock didn't open at this -- it's hard  
7                   to say. But there's certainly no doubt that  
8                   once you modernize, the revenues did go up from  
9                   casinos.

10                         The Lottery Corporation at the same time was  
11                         actually having to adjust to become a casino  
12                         company as well as -- their main business before  
13                         that was tickets. You know, lottery tickets and  
14                         what have you. And they weren't involved in the  
15                         charity casino side, so they had to learn too.  
16                         So there was a lot of learning, research and  
17                         work being done on a whole lot of levels as we  
18                         moved through this.

19           Q     Was the move into this more professionalized, a  
20                   more commercial model of gaming something that  
21                   was done in order to generate money for the  
22                   government?

23           A     I don't think government ever took that  
24                   approach. The approach was that we had a system  
25                   which was weak, dysfunctional, a patchwork, and



1           so we needed to actually modernize it and  
2           strengthening it. And that by going to this  
3           particular structure, we would end up with more  
4           secure facilities because in the modern casino  
5           as soon as you're getting out of the car you're  
6           under surveillance. There's cameras throughout  
7           the building. There's security on the premises.

8                     It also gave us the opportunity for higher  
9           training and professional development for the  
10          people working in those facilities. It was  
11          never a discussion that we needed to do this for  
12          the money.

13          Q        And, again, going back, let me just try to frame  
14          it by focusing on '01 to '05. In that period of  
15          time was it the case that proceeds of crime and  
16          money laundering were identified to you or were  
17          of concern in relation to casinos in particular?

18          A        No. What was identified to me in some of my  
19          briefings with the police was a concern about  
20          theft in parking lots and some loan sharking.  
21          And they were live to that at their local  
22          detachment level and we thought they would have  
23          a pretty good idea and were following it. But  
24          at no time in that first four years did the  
25          issue of the large cash transaction, which I

1 think you're referring to, come up.

2 Q All right. And then what was the -- when you  
3 mentioned that there was some identification of  
4 loan sharking activity in a general way, what  
5 sort of information were you provided in that  
6 period of time about that?

7 A About the same detail as you just gave back to  
8 me. That there was --

9 Q Okay.

10 A -- some loan sharking -- they were worried about  
11 some loan sharking and they would be keeping an  
12 eye on it, but they would let me know that they  
13 were live to it.

14 Q Okay. Was there -- I wonder if you could  
15 comment on what you said a moment ago that the  
16 party ran on a platform of not expanding gaming.  
17 And I don't know if it's an immediate thing, but  
18 presumably at one level that -- what ends up  
19 occurring amounts to a pretty obvious expansion  
20 in gaming.

21 A Yeah. And I think point in time we just took it  
22 head on and said yes. In order to modernize  
23 this, take care of what was going on before and  
24 make sure what has happened in the past can't  
25 happen, we are actually doing a form of the

1 expansion of gaming.

2 MR. MARTLAND: Okay. I have a document, Madam  
3 Registrar, if you could please bring up. It  
4 will be tab 25. The doc ID is GPEB498.

5 MR. CAMERON: Your tab 12, Mr. Coleman.

6 Sorry, it's Mr. Cameron here. I'm just  
7 helping the witness find the document.

8 MR. MARTLAND: All right. I'm sorry that we have to  
9 mesh our tab numbers, that they're not aligned.

10 Q And, Mr. Coleman, I know that we are displaying  
11 some of these documents on the -- on the screen,  
12 but your setup in Mr. Cameron's office is such  
13 that it may be very hard to see what's there on  
14 the screenshare. So I'm certainly happy to wait  
15 to make sure you have it in front of you. I  
16 don't propose to spend a lot of time on this.

17 I take it this is something that's been put  
18 in the BC Gazette, a directive to the BC Lottery  
19 Corporation dating to June of 2003 authorizing

20 BCLC:

21 "(a) Relocate gaming facilities for  
22 business reasons...

23 (b) Substantially change the type or  
24 extent of lottery schemes in gaming  
25 facilities in order to best meet --"

1                   And then it goes on to list marketplace demand  
2                   and considering provincial policy and the  
3                   legislation.

4           A     M'mm-hmm.

5           Q     That's a directive that you issued and was  
6                   gazetted?

7           A     That's correct. It would have been an order in  
8                   council from cabinet that then goes to the  
9                   Gazette, gives direction to the corporation on  
10                  behalf of executive council.

11          MR. MARTLAND: Okay. If I could ask that that  
12                  document, Mr. Commissioner, please be marked as  
13                  the next exhibit.

14          THE COMMISSIONER: Yes. Very well. That will be  
15                  925.

16          THE REGISTRAR: Exhibit 925.

17                         **EXHIBIT 925: Directive to BCLC published in the**  
18                         **British Columbia Gazette, June 26, 2003**

19          MR. MARTLAND: Thank you. And I don't need it  
20                  displayed further at this point, Madam  
21                  Registrar.

22          Q     Mr. Coleman, one topic that has come up a number  
23                  of times, and you'll be familiar with it, is the  
24                  question of situating GPEB, the Gaming Policy  
25                  and Enforcement Branch, and the British Columbia

1 Lottery Corporation, BCLC, within the same  
2 ministry. I take it that that is one of the  
3 things that is set up structurally that way  
4 following the *Gaming Control Act*. Could you  
5 comment on that? Was there a live question as  
6 to whether that was better, worse or was it  
7 considered?

8 A I don't think it was considered when I first got  
9 the file. I think we felt that the two could  
10 coexist, at least when I had the two. I didn't  
11 have -- there was obviously tension between the  
12 operator and the regulator, but the operators of  
13 the casinos were actually, for lack of a better  
14 description, service providers under contract to  
15 the Lottery Corporation.

16 I never saw any reason not to have them  
17 together. I thought they functioned well enough  
18 and they needed to have a working relationship  
19 as we built the regulatory piece of this after  
20 the *Gaming Control Act* plus the education on how  
21 these parties would work with regards to  
22 everything from licensing to other controls.

23 It didn't come up within government to me  
24 that they should be separated. And the decision  
25 to put them together wasn't the decision of

1                   myself as a minister, but it was what the Premier  
2                   put into my duties when he made me the Minister.

3           Q       And so I take it from that you simply -- this  
4                   question about the two, the regulator and  
5                   regulated entity being situated in the same  
6                   ministry, that wasn't -- you didn't have nor  
7                   give an advice or identify that that was a  
8                   free-standing issue that you should be analyzing  
9                   or given the pros and cons about; is that fair?

10          A       Yeah, that would be correct. The Lottery  
11                   Corporation is governed by a board of directors  
12                   that's appointed by government. Their fiduciary  
13                   duty is hiring the CEO of the corporation. The  
14                   corporation is -- for lack of a better  
15                   description, the government would be us as  
16                   government, the people of BC would be the  
17                   shareholder. When you look at Crown  
18                   corporations, that means a minister is basically  
19                   the shareholders' representative, the board does  
20                   the board work and then the operational side  
21                   reports into the board.

22                   On the flip side, the regulatory side, you  
23                   have a director, sometimes an ADM depending on  
24                   the size and the scope of a particular thing, who  
25                   was in charge half that, the statutory authority

1           there who works with the corporation but also  
2           works with licensees and what have you. And  
3           obviously the enforcement branch, they also have  
4           to do some other enforcement in the public. So  
5           they are two different entities, one a statutory  
6           authority, one a Crown corporation. And I think  
7           they actually worked pretty well together.

8           Q     Did your view about the question of having these  
9           two bodies in the same ministry, is that  
10          something that has evolved or changed over time  
11          or is your take on that question changed?

12          A     No. My take hasn't changed. I think you could  
13          do it either way, but I think with professionals  
14          in place they can both -- they can actually do  
15          the job because they have their lines of  
16          communication and they have their  
17          responsibilities and they know what their  
18          responsibilities are and they are to follow  
19          through on.

20          Q     In your time as the minister -- and this can go  
21          beyond '01 to '05 but in other periods too. In  
22          your time as the minister responsible for  
23          gaming, did you observe there to be tension  
24          between GPEB and BCLC?

25          A     Well, I think that any time there's a regulator





1           heard the odd ping coming from your office.  
2           I've sent Mr. Cameron an email that gives the  
3           document numbers just so that he can help to  
4           prepare those in advance in the hopes that  
5           that's helpful to mesh up the tab numbers. I  
6           don't have a document to go to just yet.

7                         With respect to IIGET, the first question,  
8           Mr. Coleman, is quite general. What kind of  
9           involvement or knowledge did you have about and  
10          in the creation of IIGET?

11          A         Well, the IIGET idea came to me through staff  
12          within the ministry who had had some success, as  
13          I'd said earlier, with the Integrated Homicide  
14          Investigation Team. I'm a fan of integration.  
15          The idea was as we were doing the casinos and  
16          were modernizing and were strengthening over  
17          here and we had the statutory authority in  
18          another place, there was one piece people were  
19          concerned about in and around gaming and that  
20          was the illegal activity outside of casinos and  
21          outside of the regulated pieces of gaming.

22                         And that really was, for lack of a better  
23          description, pointed towards grey machines, which  
24          we had around BC in bars and restaurants where we  
25          had -- we would call them -- we called them grey

1 machines but basically slot machines that were  
2 illegal. We also had concerns about illegal  
3 gaming activity. Illegal gaming activity, things  
4 like bookmaking, and also illegal games like  
5 poker games and what have you that were being run  
6 by -- or allegedly run by different gangs in BC.

7 So the pitch was let's have an Integrated  
8 Gaming Enforcement Team, go look at the lower  
9 side of the gaming activity that's illegal  
10 outside a casino, let's put them in place as a  
11 unit and build some expertise there and have them  
12 do that job. It was a five-year agreement.  
13 Because of the fiscal challenges of government,  
14 the Lottery Corporation was asked if they would  
15 consider paying for it out of their revenues. It  
16 was okay with Treasury Board. That was done.

17 But it was a five year MOU which would be  
18 assessed in five years as its performance, its  
19 effectiveness, et cetera.

20 Q And you mentioned, for example, the grey  
21 machines, illegal activity outside casinos. Do  
22 I take from that the focus of investigator as  
23 it's being created is illegal activity outside  
24 casinos?

25 A Yes. Integrated -- IIGET was never to be

1                   involved in the casino side of gaming.

2           Q       Was your view of the mandate that IIGET should  
3                   avoid things relating to, not the off market or  
4                   the illegal casinos, but the established casinos,  
5                   that that was outside their mandate?

6           A       It was outside their mandate, but if they came  
7                   across something that -- intelligence, they  
8                   would've been -- they would -- my hope would be  
9                   that they would be sharing it with CFSEU, which  
10                  was the integrated unit with organized crime,  
11                  any gang task force we had, any information.

12                         The whole idea of integration is to share  
13                   that information between bodies. And once IIGET  
14                   was formed, it was a unit that was a police  
15                   unit, so it is statutorily not able to be  
16                   influenced by a minister or anybody; it is  
17                   policing. And so they had a consultative board  
18                   that they reported to, but they were sworn  
19                   officers and their job was to operate that way.

20          Q       And since you've touched on the point that the  
21                   policing decisions and policing process or  
22                   things as a minister that you can't -- didn't  
23                   want to be involved in, were you ever involved  
24                   in directing or becoming involved in a police  
25                   investigation relating to gaming in any way?

1           A     No.  In no way actually can a minister ever be  
2                   involved in any police investigation, can a  
3                   minister or anybody interfere or talk to anybody  
4                   about a police investigation.  I got briefed on  
5                   investigations, some pretty sophisticated and  
6                   detailed ones, in confidence, which I've always  
7                   kept that confidence.  But there's no way a  
8                   minister should ever direct -- or couldn't,  
9                   actually.  It's a statutory responsibility.  And  
10                  I think if a minister interfered or directed a  
11                  police investigation, they would find themselves  
12                  no longer a minister.

13           Q     With respect to IIGET, did you have a role, any  
14                   role on the IIGET consultative board?

15           A     No, I did not.

16           Q     All right.  I'm going to turn to something you  
17                   referred to, sir, a bit earlier, the opening of  
18                   the River Rock Casino in 2004.  Was that a  
19                   process -- the approval and development of the  
20                   River Rock Casino operation, was that something  
21                   you were involved in?  And if so, in what way?

22           A     No, I wasn't involved.  Basically the Lottery  
23                   Corporation had their mandate to deal with the  
24                   service provider.  The regulatory stuff would  
25                   have done theirs.  The City of Richmond would

1           have been the first step because we had a  
2           policy -- put a policy in place that we would  
3           not put a casino anywhere where the host local  
4           government didn't want it, didn't want  
5           [indiscernible]. So that was a step that was  
6           put in place early on.

7                        So the City of Richmond would have said yes,  
8           we would like to have a casino. The site was  
9           basically presented to -- I would assume the  
10          Lottery Corporation to work with Great Canadian  
11          on design and what have you. And whatever  
12          approval and licensing process would have been  
13          all done arm's length to me.

14          Q       As the minister with responsibility for the  
15          gaming portfolio, did the opening of this new  
16          casino give rise to concerns about what it might  
17          mean in terms of the need for enforcement work  
18          or an enforcement capacity?

19          A       No, I never went to the opening. But I did tour  
20          the facility with the security and all its  
21          controls and place that were matching up to  
22          other world class facilities with regards to it.  
23          And I came away thinking it was a pretty well  
24          organized, pretty secure facility and really  
25          didn't get into any more detail other than that.

1           Q     And earlier in relation to my question about the  
2                    level of awareness or whether a thought was  
3                    being given at that point in time -- let's now  
4                    focus on '04 when River Rock opens -- that money  
5                    laundering and proceeds weren't really topics of  
6                    discussions so much as things like loan sharking  
7                    or --

8           A     Yes.

9           Q     -- you mentioned the theft in parking lots or, I  
10                   assume, sort of ancillary standard criminal  
11                   conduct that could come with any sort of venue  
12                   with people meeting.

13          A     Yes, it opened in '04 and through '04, through  
14                   '05 the portfolio that was -- none of that --  
15                   none of the large cash transaction piece was  
16                   ever brought to my attention. It was only that  
17                   they were live to these concerns they might have  
18                   with regards to some loan sharking or theft in  
19                   the parking lot and that they were dealing with  
20                   them.

21          Q     So in terms of descriptions about things like  
22                   cash facilitation or dirty money making its way  
23                   into casinos leading up to, let's say, in that  
24                   period of '01 to '05, I take it those are simply  
25                   not issues that were drawn to your attention, to

1                   your memory?

2           A        That's correct.

3           Q        Okay. I have another document which will be  
4                   tab 6 in our index, BCLC1556.

5           A        Yep.

6           MR. MARTLAND: And, Madam Registrar, if that could  
7                   please be displayed. It's a news report from  
8                   the CBC with a date of June 25th, 2004.

9           Q        Mr. Coleman, I'll just pause to make sure you've  
10                   got your copy there.

11          A        Yes, I'm just getting there now.

12          Q        Thank you. Do you see that news article now?

13          A        M'mm-hmm.

14          Q        All right. It's -- the headline is "Loan  
15                   Sharking Alleged At BC Casinos." I won't read  
16                   much of this, but there's a few parts I'll read  
17                   from. The lead, so to speak:

18                               "A CBC News investigation has uncovered  
19                               allegations about illegal activities at  
20                               casinos run by Great Canadian Casinos Inc.  
21                               in BC."

22                   If we go down to the middle of the page, there's  
23                   some mention about an ongoing lawsuit and some  
24                   Great Canadian employees who give evidence in  
25                   relation to some proceeding in Texas and talk

1                   about some alleged criminal activity. At the  
2                   bottom of the page, the first page, one of these  
3                   employees in the last paragraph there describes:

4                   "BC casinos banned certain loan sharks but  
5                   allowed others to stay."

6                   The quote attributed to this person:

7                   "'Obviously the company --'"

8                   We go over the page:

9                   "'-- wanted to keep them there because  
10                  they are bringing lots of money into the  
11                  casinos.'"

12                  Down three paragraphs:

13                  "But he says the government branch in  
14                  charge of investigating casinos told him  
15                  it wasn't the right time to go public with  
16                  an investigation because of BC's plans to  
17                  expand gambling and open new casinos."

18                  And then, Mr. Coleman, you're quoted in the next  
19                  couple of paragraphs. If you go down about three  
20                  or four paragraphs there's a quotation that is  
21                  attributed to you:

22                  "'And at no time do I comment on whether  
23                  there is or is not an investigation  
24                  because I'll never compromise an  
25                  investigation.'"



1                   In the next paragraph, the reporter said that you  
2                   indicated you'd look into the allegations. I  
3                   should pause there to see if you have a memory  
4                   about that interview or making those statements  
5                   or do they seem accurate to you that you said  
6                   that?

7           A        They would be consistent as to how I would  
8                   answer a question like that. First of all, the  
9                   one thing a minister always has to be careful of  
10                  because I would have -- you know, like I said  
11                  earlier, the police had said that they -- one of  
12                  the issues for them was loan sharking and they  
13                  were on top of that and making sure they were  
14                  working on that.

15                         The challenge with an interview like that is  
16                         there could be an investigation that I may or  
17                         may not have been briefed on, but let's assume I  
18                         was briefed on an investigation. A minister  
19                         should never, ever comment on an ongoing police  
20                         investigation or even an investigation after its  
21                         completed for a couple reasons but the main one  
22                         is I would never want to say something publicly  
23                         that would point to somebody who is under  
24                         investigation who may be undercover in an  
25                         investigation or embedded as an informant in an

1 investigation or put anybody at risk because of  
2 my comments.

3 I always left any comment on an ongoing  
4 police investigation and how it was handling --  
5 handled to the police. And sometimes that is  
6 to -- unfortunately to the detriment of the  
7 minister because people say well, he should  
8 know; why isn't he telling us, when in actual  
9 fact in order to protect the public interest,  
10 particularly to protect the integrity of an  
11 investigation, I would never comment.

12 Q Okay. And one part of what this employee or  
13 former employee was saying to the reporter seems  
14 to be along the lines that there is something  
15 that he's understood about not going public with  
16 an investigation because of plans to expand  
17 gambling and open new casinos.

18 I can't fathom that you would have known  
19 what he was or wasn't told by GPEB or others,  
20 but I wonder if you could comment about that  
21 sort of theme or point that the person -- or at  
22 least the news report seems to be making there,  
23 about not -- I suppose at one level maybe a  
24 little oversimplifying it, not throwing mud or  
25 complicating life for the casinos, if there are

1 plans to expand casinos -- expand and open new  
2 ones.

3 A Well, it was never a position of government not  
4 to be transparent about anything that might be  
5 being done going on in a casino with regards to  
6 things unless there was an investigation that  
7 would lead -- like, for example, something like  
8 this where it could lead to somebody being hurt  
9 or affecting the investigation. That comment,  
10 frankly, was not reflective of the view of  
11 government. I mean, River Rock had opened,  
12 River Rock was the biggest casino and still  
13 remains the biggest casino in BC.

14 So to say we were -- we might not want to  
15 have a conversation out there about these type  
16 of things is the government is planning to  
17 expanding gaming, well, we were already in that  
18 space already and at no time to my knowledge did  
19 anybody say don't talk about these things. I  
20 think it's important to have the public  
21 understand. It's also important to have the  
22 public understand that when there's an  
23 investigation ongoing, government should never  
24 comment on it because that really is up to the  
25 police, and we don't want to ever put in



1                   policing in BC to the point where there weren't  
2                   enough police officers in the field to actually  
3                   police the province and gone and got the money  
4                   for that.

5                   We then had gone through with my  
6                   officials -- a minister doesn't go and get it by  
7                   themselves; it has to work with Treasury  
8                   Board for other investigations and things to  
9                   build this structure, to have the budget put in  
10                  place for the Gaming Policy Enforcement Branch,  
11                  which had the money for the enforcement and for  
12                  the policy directive and operation of that  
13                  particular branch within government. And the  
14                  numbers that were asked for by people with budget  
15                  presentations at that time were the numbers that  
16                  they got. So the professional public service  
17                  would give me a presentation on their budget  
18                  asked on an annual basis, and I would go  
19                  basically get it. And at no time was I not given  
20                  the dollars for -- as a request on behalf of the  
21                  ministry.

22                  On the policing side we continued to enhance  
23                  policing and continued to invest in it. After  
24                  PRIME we did a number of other things. We did a  
25                  gang task force, we funded some significant

1                    investigations that went after some other  
2                    organized crime things on an independent basis  
3                    because they could be basically put into their  
4                    own silo because they were going after a specific  
5                    [indiscernible] on a particular piece. I felt  
6                    the integration -- because on the integration  
7                    side, with the units that we had, you know, were  
8                    basically working well and really they were all  
9                    involved -- and this is something people don't  
10                   actually understand that the aspects of PRIME are  
11                   interrelated.

12                                And so interrelated in PRIME, you could have  
13                   the drug business and drug side of the business,  
14                   you could have -- that could lead you into money  
15                   laundering and loan sharking and other aspects of  
16                   PRIME. And so your integration has to be in the  
17                   units that you trust. In my case at no time  
18                   during that period of time was I advised or asked  
19                   for additional money other than the money that we  
20                   went to Treasury Board to get to operate policing  
21                   in BC.

22                   Q        And as you mentioned that concept, which makes  
23                   sense, that these -- you know, this criminal  
24                   activity isn't kept in nice neat little  
25                   compartments where it's exclusively drug dealing

1 here and violence or other activity over there.

2 Do you have a comment on whether money  
3 laundering is by its nature very likely to be  
4 connected to a number of different kinds of  
5 crime, so drug activity, but also fraud,  
6 financial crime, other kinds of activity?

7 A Yeah. I mean, my own reading and my own  
8 briefings over the years leads me to understand  
9 that obviously within the business of crime, if  
10 you want to call it that, there is a large  
11 amount of money that moves around. I mean, we  
12 all know that during the period of time where  
13 marijuana was very big in British Columbia and  
14 continues to be in the underground economy, that  
15 that had an impact on the economy, and there  
16 were millions of dollars that were made by those  
17 particular operations. And I think, you know,  
18 CFSEU and organized crime integrated groups that  
19 worked together on gangs have tried to chase  
20 that and continue to chase it as different  
21 pieces change as well.

22 To give you an example, crime actually finds  
23 ways where money can be made, so when BC raised  
24 its taxes to a higher level on tobacco a few  
25 years ago, a number of years ago in our budget,

1                   the gangs figured out that by just filling  
2                   semi-trailer units with some cigarettes from  
3                   Ontario, they could haul them across the country  
4                   and make money. It is something where law  
5                   enforcement, I think, is continually working to  
6                   improve their ability to understand it and follow  
7                   it. I think that's an ongoing job that our  
8                   professional police forces have to deal with, and  
9                   I think it's a tough job. And I think that they  
10                  continue to find and chase these things because  
11                  that's their job and they need their resources  
12                  financially to hire the right expertise to be  
13                  able to do it, and the role of government is to  
14                  make sure that they are funding the police at the  
15                  ability -- level to do that.

16                Q    Is it fair to say that the focus of attention in  
17                    terms of the level of policing resources  
18                    available that the focus was on more  
19                    conventional issues around, let's say, gangs and  
20                    guns and violent crime, drug activity as opposed  
21                    to money laundering? Was that less obvious or  
22                    down the list?

23                A    I think it's always -- I think it's always been  
24                    obvious and it's always been a reason to try and  
25                    do things different. Coming out of this, as



1                   we've come through it, we decided to bring in a  
2                   piece of legislation for the civil forfeiture of  
3                   the proceeds of crime. And that was to try and  
4                   say well, we can't seem to get the proceeds of  
5                   crime through the court system on criminal  
6                   charges. We had people running drug houses and  
7                   what have you. What other tool could police  
8                   possibly have or communities have, and that  
9                   became the *Civil Forfeiture Act*.

10                   It was then well, if you can identify  
11                   criminal activity to an asset or money, the  
12                   seizure or a forfeiture, which could be  
13                   challenged, but that office was set up and it  
14                   has been a mainstay now in BC for a number of  
15                   years. I think what you do -- I believed that  
16                   we did and I believe every government should be  
17                   doing is trying to find additional tools to  
18                   assist law enforcement in our communities in  
19                   combatting all forms of crime because it changes  
20                   and it moves. And it does that simply because  
21                   of whatever the particular criminal organization  
22                   is in pursuit of.

23                   Q    Moving along at last in time into the period of  
24                   2005 to 2008, you serve as the Minister of  
25                   Forests and Range. Am I right that in that span

1                   of time you don't have any responsibility or  
2                   engagement in the gaming sector?

3           A        That's correct.

4           Q        Okay.  And then in '08 through about '11 you're  
5                   the Minister of Housing and Social Development.  
6                   And as you described earlier in the period of  
7                   '08 to 2010, you have responsibility for the  
8                   policy but not the enforcement side of gaming?

9           A        That's my understanding, yes.

10          MR. MARTLAND:  Okay.  And so I have a series of  
11                   documents and a number of them will in fact bear  
12                   the same date and probably look familiar.

13                   The first is tab 27, Madam Registrar.  If  
14                   that could please be displayed.  And I didn't  
15                   say this earlier.  I think it's the case,  
16                   Mr. Commissioner, on occasion we've asked for  
17                   directions about livestreaming or not.  I think  
18                   it's the case that all the documents I'm  
19                   referring to can be livestreamed although for  
20                   one or two of these issue notes that I'm about  
21                   to go through, I will ask Madam Registrar not to  
22                   go all the way to the very last page because  
23                   there might be a phone number or some contact  
24                   information that we'll need to redact before  
25                   that's posted publicly.

1                   But so long as we don't go to the very end,  
2                   it can be livestreamed.

3           Q     Mr. Coleman, do you have this?  It's GPEB622, an  
4                   issues note bearing the date of February 23rd,  
5                   2012, giving you as the minister responsible  
6                   entitled "Large Cash Transaction Reporting."  Do  
7                   you see that?

8           A     Yes.

9           Q     Do you recognize that to be an issues note that  
10                   was provided to you in that -- I assume at that  
11                   time, February 2012?

12          A     Yeah, I'm assuming that it was put in -- because  
13                   of the timing, it would have been put into my  
14                   binder for estimates -- estimates which take  
15                   place ever year in the legislature and binders  
16                   are prepared on every issue, and issue notes are  
17                   prepared to go into that binder for the minister  
18                   to be able to answer questions in the house from  
19                   the opposition on any particular issue.  The  
20                   binders are similar to the size of the ones I  
21                   have on the table with your documents.  And you  
22                   skim through those, but when you go into  
23                   estimates this issue note could or could not be  
24                   canvassed depending on if the opposition were to  
25                   bring up the question.

1           Q     Okay.  So that's very helpful.  Why don't I --  
2                     I'll do this.  The next -- I think it's the case  
3                     that the next four of these issues notes all  
4                     have the same date of February 23rd, 2012.  I'll  
5                     read a little bit from this one.  What we see  
6                     here is -- in terms of format, I should check.

7                             You just described part of the use that  
8                     these documents might be put to, and then what  
9                     we see there in bold is "suggested response"  
10                    then a number of bullet points.  What is the  
11                    nature of those bullet points from your point of  
12                    view?

13           A     For lack of better description, I would describe  
14                    them as the talking points to questions.  
15                    Ministers have binders -- all ministers that  
16                    binders that they have for them when they go  
17                    into debates, question period and estimates.

18                             Now, the estimates is the most gruelling  
19                    part of the process, so maybe I could take a  
20                    second and explain the estimates process and  
21                    then it would be --

22           Q     That would be useful.

23           A     -- effective to understand how this might be  
24                    used.

25                             So -- and we'll use me as an example as the

1           minister. I'm going in to do the estimates,  
2           debates. I'm the Minister of Public Safety and  
3           Solicitor General. At this time I think that's  
4           what I was. The -- actually, I think it was  
5           energy and mines, but it doesn't matter. Let's  
6           assume I'm going in to do the debates. There is  
7           a binder that I go through ahead of time. It has  
8           basically education and update as to what  
9           questions might be asked of me and what positions  
10          we have or information we have to help me with  
11          that question. I then go into an estimates  
12          debate process which can often take anywhere from  
13          5 to 15 hours or maybe even 20. In one case I  
14          think the record is 57 hours of estimates debates  
15          for one minister.

16                 And what happens is any member of the  
17          opposition can get up and ask a question on any  
18          issue at any time. We try and coordinate it from  
19          the standpoint of, if the minister has got a  
20          number of things in their portfolio, like energy  
21          and mines, we would make sure that the staff that  
22          are responsible for that in the public service  
23          are in the room for those questions. And the  
24          same would happen with gaming, the same would  
25          happen with liquor, same thing would happen with

1 every subject you have.

2 Then you go in and you have -- they'll ask  
3 you a question, and you don't usually answer  
4 right away. You take a moment to consult with  
5 your staff and confirm that the issue note that  
6 you have is the one that is relative to the  
7 questions being asked. And that issues note then  
8 you would -- probably would use -- I'll take  
9 GPEB0622, which I think that's the one you have  
10 up there.

11 Q Yes.

12 A Basically it gives a summary and it gives some  
13 facts in it that would be able to answer the  
14 question and put it into the public record. Out  
15 of that particular issues note. Normally if I  
16 was doing the debate, I would read that portion,  
17 the suggested response of the issues note. I  
18 might preamble it with something that I'm aware  
19 of or finish it with something -- but usually  
20 this would lead to a followup question by a  
21 member of the opposition.

22 When that took place, that followup question  
23 oftentimes is a consultation between -- you have  
24 expert staff with you, so if it's the case of  
25 gaming, you would have your director from Gaming

1 Policy and Enforcement. Your deputy minister  
2 would be beside you. You would probably have the  
3 person who is responsible for the financial  
4 aspects, the budget of that particular branch.  
5 So if somebody was asking about the number of  
6 full-time equivalents or how much money was put  
7 into, for instance, a program like education or  
8 help for problem gamblers that that information  
9 would also be there.

10 So this is a somewhat -- it's free access to  
11 the opposition and to the public and to the media  
12 to hear any question they want with regards to  
13 the operation of a ministry. So these issue  
14 notes would be issued in advance building that  
15 binder to anticipate what subjects a minister  
16 might be asked about or not asked about during  
17 those debates

18 Q And I take it from that it may or may not be  
19 that any given issue note ever gets used. You  
20 might have -- you would certainly have more than  
21 you'd get to or get asked about.

22 A That would be fair. That's correct.

23 Q Is it fair that the issues note, then -- I  
24 appreciate at the top it says "confidential" and  
25 we're now leave streaming it some years later,

1                   but the issues note is something that isn't  
2                   handed to the press or the opposition at that  
3                   point. Rather the contents are used to inform  
4                   your answer?

5           A       That's correct. But there are times when a  
6                   minister may choose, which I've done in the  
7                   past, if there's some detail that the  
8                   minister -- the opposition members asking about  
9                   that is in your issues note, I wouldn't hesitate  
10                  to say I will send this over to you.

11          Q       Okay.

12          A       I'll send a copy. Because sometimes there's  
13                  other backup information behind it --

14          Q       Yes.

15          A       -- that would be more informative than just the  
16                  suggested response.

17          Q       Yes. And I won't go through it, but the format  
18                  is such that it seems that the -- let's say a  
19                  page or so of bold bullet points as we see at  
20                  the start, but then very often some paragraphs  
21                  of greater detail in a narrative format that's  
22                  written up.

23          A       Yeah, usually -- like, I don't think they can  
24                  see it, but I can see it on the bottom of the  
25                  screen. So you have -- there's basically the



1 issues note and then there's also below it more  
2 detail which is documented on another couple of  
3 pages just related to that issues note.

4 Q Yes.

5 A [Indiscernible].

6 Q Okay.

7 A Now that detail is in the hands of the minister  
8 also would be able to do those debates.

9 Q Okay.

10 A And provide that information to members of the  
11 house.

12 Q Is it fair that the issues note, then, is --  
13 really represents the advice and the information  
14 that you've been given on a topic?

15 A Yeah, I think it would be fair to say that -- if  
16 I said could you tell me about the gaming --  
17 anti-money laundering measures of the casino, I  
18 would get a response similar to this but with  
19 more detail, which is also attended to this.

20 Q M'mm-hmm.

21 A I would probably at that point, if I wasn't  
22 satisfied, ask for more information.

23 Q Okay. And before I go into these, I want to --  
24 tell me if my question is clear or not. I  
25 wonder, is there a distinction between -- can

1           there be a distinction between the issues note  
2           and the position that you were taking as a  
3           minister of government in responding to  
4           questions and, on the other hand, the advice or  
5           information that you're being given by --  
6           whether it's the regulating agency or government  
7           officials.

8           A    I think it would be fair to say that.  Sometimes  
9           when you're doing debates you have some  
10          information, and then the person's question  
11          leads you to asking your own officials a  
12          question about something that's not included in  
13          your information.  And they will -- at that  
14          point in time they will discuss it with you,  
15          sometimes they will ask for additional  
16          information today.  You can do this.  You  
17          couldn't in the beginning -- in the first years  
18          I did this.  But where they can, you know, go  
19          onto their email and what have you and contact  
20          the staff, which are always watching the  
21          minister's estimates during that period of time  
22          and being prepared to answer questions or  
23          provide information or charts or numbers or  
24          whatever the case may be.

25                   The minister might through some of the

1                    questions in discussion come to the conclusion  
2                    that the member has actually touched on a  
3                    subject that is of some interest and requires  
4                    more information and more detail. And the  
5                    minister might say, I'm going to get you more  
6                    detail on that, or if we can move on to the next  
7                    question, I'll wait for somebody to come back  
8                    with a more detailed answer for you.

9                    Q    With respect to when you served as minister and  
10                   were involved in these sorts of debates or  
11                   questions back and forth, was it your aim to be  
12                   accurate, to give accurate, responsive  
13                   information, or was there a component of, for  
14                   lack of a more elegant term, spin to putting --  
15                   to advancing a position or putting the best  
16                   light on something?

17                   A    I always believed that the estimates debates,  
18                   and I always conducted them this way, was a free  
19                   back and forth between member -- respected  
20                   members of the house on both sides of the house.  
21                   Their questions are important. I spent five  
22                   years in opposition, so I knew what it was like  
23                   if someone was not giving me answers and  
24                   so-called, as you say, spin. So my style was  
25                   that I would try and give a direct answer, and

1           if I didn't have the information I would get it  
2           for the member.

3           The spin gets lots of it in second reading  
4           and debates and the spin gets lots of it in  
5           question period. There's no need for spin  
6           during estimates. Estimates is the opportunity  
7           for the opposition to ask any questions about  
8           the provincial budget in any way. And in  
9           British Columbia it's broader than anywhere in  
10          any jurisdiction that I know because it is  
11          actually in the house in a committee stage.

12          It is not timed out unless you reach the end  
13          of the session and there's been some reason that  
14          some people have dragged out debates or whatever  
15          the case may be. But even in recent years we've  
16          got an additional house that we can do all the  
17          work, so we can have three simultaneous running  
18          houses doing estimates and one doing bills.

19          So in actual fact I always viewed this as  
20          we're not -- this is not a discussion, it's  
21          about -- it's not about spin, it's actually  
22          about getting the member opposite the answer and  
23          I want them to have the information because I  
24          think it's better for all of us.

25          MR. MARTLAND: All right. And let me return to the

1 document we have on screen, 622, and I should  
2 make sure I don't forget to do this.

3 Mr. Commissioner, I will ask that this be  
4 marked the next exhibit, I think 927, please.

5 THE COMMISSIONER: Yes, very well. Thank you.

6 THE REGISTRAR: 927.

7 **EXHIBIT 927: Advice to Minister, Issues Note re**  
8 **Large Cash Transaction Reporting - February 23,**  
9 **2012**

10 MR. CAMERON: Mr. Martland, it's Mr. Cameron here.

11 I'm sorry no one can see me, which is for the  
12 benefit of everyone, but I wonder whether we may  
13 have a break at some point when it's natural in  
14 your questioning. I see we've been going for  
15 about an hour and 15 minutes.

16 MR. MARTLAND: Yes. I wonder if I could just try --  
17 now that I've already had it marked -- ask a few  
18 questions. I'll do that maybe with this  
19 document and then suggest a break if that's  
20 agreeable.

21 MR. CAMERON: Thank you.

22 MR. MARTLAND: Thank you. And don't be shy to ask at  
23 any point for a break.

24 Q So just to -- this will just take two minutes.  
25 I'm going to read a little bit from the bullet

1 points we see here. The suggested response:

2 "Deterring suspected criminal activity and  
3 protecting our players are of paramount  
4 importance to BCLC."

5 Second bullet:

6 "BCLC is continuously improving its  
7 operations, training and reporting  
8 protocols to enhance risk assessment and  
9 strengthen anti-money laundering  
10 requirements at all BC gambling  
11 facilities."

12 Next:

13 "In 2011, BCLC filed more than 63,000 ...  
14 (LCT) --

15 Or large cash transaction.

16 "-- reports to FINTRAC."

17 Next:

18 "BCLC ... receives real time notification  
19 whenever a large cash transaction is  
20 created ..."

21 If we look down the page, there's reference to  
22 training, making further enhancements and to the  
23 FINTRAC regime.

24 So that is a description, Mr. Coleman, I  
25 take it, of effectively the advice and

1 information that you had about what BCLC was  
2 doing in order to deal with this question of  
3 large cash transaction reporting in 2012?

4 A Yeah, that would be correct. Yes.

5 Q If I could -- thank you.

6 MR. MARTLAND: And if I could go to the second page,  
7 please, Madam Registrar, if we could have that  
8 displayed.

9 Q The -- you see the third paragraph on the page  
10 reads as follows:

11 "BCLC policy exceeds FINTRAC's threshold  
12 and now requires that patrons be asked for  
13 ID when they have reached a \$9,000  
14 threshold. If a patron refuses to provide  
15 a valid occupation, they are not longer  
16 permitted to buy-in or receive any  
17 disbursements."

18 A little lower down, two paragraphs down:

19 "BCLC has added a weekly notification in  
20 our system that alerts BCLC security on  
21 any LCTs created with vague occupations  
22 such as 'businessman' or 'self-employed.'"

23 Mr. Coleman, are those sorts of measures things  
24 that were drawn to your attention and given to  
25 you as effectively proof that BCLC had a robust

1 AML regime in place in 2012?

2 A I would say so. Over the years they've  
3 continued to improve their standards, and I  
4 recall a briefing a few years ago where an  
5 outside counsel and an inside counsel were  
6 complimentary of BCLC having one of the best  
7 regimes in the system or in the business. I  
8 think BCLC has continuously concentrated on  
9 making sure they have a person who is an  
10 internal person to do compliance and they have  
11 the people in place. They have a team of the  
12 board that actually follows these things  
13 regularly and looks for opportunities to  
14 improve.

15 So I would say this would be reflective of  
16 what my understanding of the operation of the  
17 corporation was.

18 MR. MARTLAND: Thank you. Mr. Commissioner, I'm  
19 going to suggest this would be a useful point  
20 for the morning break, please.

21 THE COMMISSIONER: All right. We'll take 15 minutes.  
22 Thank you.

23 THE REGISTRAR: This hearing is now adjourned for a  
24 15-minute recess until 11:05 a.m.

25 **(WITNESS STOOD DOWN)**



1                           **(PROCEEDINGS ADJOURNED AT 10:50 A.M.)**

2                           **(PROCEEDINGS RECONVENED AT 11:05 A.M.)**

3   **RICH COLEMAN, a witness**  
4   **for the commission,**  
5   **recalled.**

6           THE REGISTRAR: Thank you for waiting. The hearing  
7                           is resumed. Mr. Commissioner.

8           THE COMMISSIONER: Yes. Thank you, Madam Registrar.  
9                           Yes, Mr. Martland.

10          MR. MARTLAND: Thank you, Mr. Commissioner. I was  
11                           passed a note that Mr. Stephens might wish to  
12                           address you on a matter before we continue.  
13                           I'll just pause to see if he does want to do  
14                           that now.

15          THE COMMISSIONER: Yes.

16          MR. STEPHENS: Yes. I think it's just convenient to  
17                           do that now, Mr. Commissioner. I didn't want to  
18                           interrupt Mr. Martland's examination, but I  
19                           noticed Mr. Coleman in passing mentioned a  
20                           reference to some advice or reviews from legal  
21                           counsel and BCLC. And I -- BCLC has produced  
22                           some documents to the commission and invoked  
23                           section 29 over them. And to the extent that  
24                           that's the matter to which Mr. Coleman relates,  
25                           we just wanted to say on the record that that

1 information is provided to the commission under  
2 section 29 of the *Public Inquiry Act* without any  
3 waiver of privilege for any other purpose.

4 THE COMMISSIONER: All right. Understood,  
5 Mr. Stephens. Thank you for clarifying that.

6 I think we can carry on, Mr. Martland.

7 MR. MARTLAND: Thank you, Mr. Commissioner.

8 Madam Registrar, if I might ask you to  
9 please bring up on screen tab 28, GPEB623.

10 MR. CAMERON: Mr. Coleman, that's your tab 3 in your  
11 paper binder.

12 **EXAMINATION BY MR. MARTLAND (continuing):**

13 Q Do you have that, sir?

14 A I do.

15 Q Okay. Great. It has the same date,  
16 February 23, 2012. Another issues note directed  
17 to you, "Anti-Money Laundering Strategy Update."  
18 Again, just to read from some of the first parts  
19 of it, there's reference to -- the second  
20 bullet, GPEB and BCLC "remain vigilant about  
21 money laundering activity in gaming facilities."

22 Third bullet:

23 "To ensure we're doing everything we can  
24 to prevent these activities, the Province  
25 commissioned an independent review of

1 anti-money-laundering measures in BC  
2 casinos in spring of 2011."

3 Next bullet:

4 "The findings were publicly released last  
5 August, revealing that the Province  
6 already has a robust anti-money-laundering  
7 regime in place."

8 It goes on to speak about recommendations to  
9 further strengthen those efforts.

10 I want to maybe just pause there and ask if  
11 there's any component of the tenor of that remark  
12 about BC already has a robust anti-money  
13 laundering regime in place. Do you view any of  
14 that as having some spin component to it, or do  
15 you view that as being a very accurate  
16 characterization of the information and the  
17 advice you got?

18 A My assessment would be that, yeah, it's pretty  
19 accurate. There was a report done about a year  
20 before this that was requested came with a  
21 number of recommendations that at the time I was  
22 a minister but then it moved off from the  
23 minister to another, and that reported included  
24 a number of things that could improve or enhance  
25 the anti-money laundering things including

1 different ways we would handle cash in casinos.

2 And the instruction at the time my  
3 government was it would all be implemented, so  
4 my assumption being -- at this moment would be  
5 that is reflective of those things actually  
6 getting done.

7 Q And the next bullet that's there describes  
8 what's characterized as the primary strategy  
9 building on that report from 2011.

10 "The primary strategy focuses on moving  
11 the gaming industry away from cash  
12 transactions, by exploring alternatives  
13 such as electronic fund transfers."

14 And the last comment is that that involves a  
15 significant culture shift in the industry.

16 Could you help us understand what that  
17 comment or what the culture shift is that's being  
18 referred to.

19 A Yeah. There's been a number of culture shifts  
20 in gaming over the last decade and a half, two  
21 decades. The culture shift is away from the  
22 cash -- there's a couple of examples I can give  
23 you.

24 So the first example is on things like slot  
25 machines. For years people put in dimes,

1                    nickels and quarters and dollars into a slot  
2                    machine and played and it paid out in those  
3                    denominations and they would keep them and  
4                    they'd move them from machine to machine.

5                                       A number of years later BC Lottery  
6                    Corporation, and these gaming facilities,  
7                    included moved to a TI and Tout. So the TI  
8                    means ticket in, ticket out. Now, it's not  
9                    totally ticket in, ticket out. But what it is  
10                    is when you come into a slot machine and you put  
11                    money into it, when you're paid out you get a  
12                    ticket for whatever winnings or whatever  
13                    remaining cash you have.

14                                       You can then take that to a cashier or you  
15                    can take it to a different machine. That was  
16                    always something that was obviously easier to  
17                    manage cleaner, more hygienic and then move on  
18                    with regards to how you ran the machine side of  
19                    the casino.

20                                       Casinos have been majorly in North  
21                    America-wide and other places in the world based  
22                    on cash, so people would come in with their cash  
23                    and it was one of the issues that brought us to  
24                    looking at how we could change it as we came --  
25                    because a large cash transaction that was

1 reported on, and people called it money  
2 laundering or illegal money, there were two  
3 significant challenges.

4 One is in meeting with officials and even in  
5 the public, some of the discussion is the  
6 inability to know which amount of large cash  
7 transaction was legal and which large amount cash  
8 transaction was not legal. Which meant you  
9 couldn't actually use your civil forfeiture  
10 strengths to go and do something with it. So --  
11 and because there are people that do gamble in  
12 large numbers and some -- for some reasons prefer  
13 to do it in cash, they were trying to find  
14 solutions for what we would call player gaming  
15 accounts, all of these things, working with  
16 industry North American-wide and globally to find  
17 ways to move away from cash.

18 And I think that that's part of what that  
19 comment is. It is a cultural shift, not just for  
20 the large cash transaction but -- if you talked  
21 to the average person who might go into the  
22 casino, they'll say I go in with my hundred  
23 dollars and I go and play the slots with my  
24 hundred dollars, and when I'm done, I'm done. If  
25 you said, you can no longer use that hundred

1           dollars; you have to use another format that  
2           brings other cultural concerns, and one of the  
3           big concerns about it as you try and transition  
4           this is a use -- if it's not cash, what is it?  
5           Is it a player gaming account? Is it your bank  
6           card? Is it a Visa card?

7                     And the concern on that was if we go to no  
8           cash and we move away without having some  
9           disciplines, are we putting people with some -- a  
10          little bit of a problem on gambling at risk  
11          because they'll come in and use their credit card  
12          and put themselves in debt to the extent that now  
13          they need help with the problem gaming issue.

14                    So it's not an easy, straightforward answer  
15          and that's why the work is ongoing even today, I  
16          bet you, to improve how we can do -- move away  
17          from large -- from cash transaction and explore  
18          those alternatives and increase how we can do it.  
19          Some of that will include changing technologies  
20          on the machines to be able to accommodate that,  
21          those sort of things. And I think they're doing  
22          it. At least that was the sense I got after the  
23          report we did in -- I believe it was 2010 or 2011  
24          that it was being implemented in the casinos and  
25          across the industry in BC.

1                   So I do think that moving away from cash is  
2                   not -- when I got the first report over the  
3                   years, was not as simple as people thought it is.  
4                   And now I think more and more so people are  
5                   trying to figure out ways to do it. We can do it  
6                   in on our playnow.com accounts. People can put a  
7                   budget on what they spend and they can -- you  
8                   know, they can do that online, but it's not --  
9                   playnow.com is not a big active activity for  
10                  gaming in BC by comparison in numbers to the  
11                  people like Poker Stars and the other -- when we  
12                  look at the illegal gaming online facilities who  
13                  do take credit cards.

14               MR. MARTLAND: Okay. Mr. Commissioner, if that  
15                  document, 623, could please be marked. I think  
16                  it will be exhibit 928, please.

17               THE COMMISSIONER: Yes, very well. Thank you.

18               THE REGISTRAR: Exhibit 928.

19                       **EXHIBIT 928: Advice to Minister, Confidential**  
20                       **Issues Note re Anti-Money Laundering Strategy**  
21                       **Update - February 23, 2012**

22               MR. MARTLAND: If we could next bring up -- and I'll  
23                  probably pick up the pace a bit in going over  
24                  some of these documents, Mr. Coleman -- tab 30,  
25                  GPEB625. Bearing the same date.



1 Q Do you have that one in front of you?

2 A I do.

3 Q That's great. The title of it -- similarly, an  
4 issues note addressed to you "Gaming Review AML  
5 Measures at BC Facilities" and this is speaking  
6 about accepting the report's recommendations,  
7 acting on the report's recommendations. The  
8 last bullet in the suggested response there:

9 "BCLC reviews all large cash transactions  
10 on a daily basis and all gaming staff in  
11 the province receive compliance training."

12 A Yes.

13 Q You recognize that as being some of the advice  
14 and information you were given at that point  
15 alongside these other issues notes?

16 A Absolutely. It was in January -- it was January  
17 2011 when I asked that the -- basically the  
18 report be conducted. And it was intended to  
19 determine policy practices and strategies in  
20 place in gaming facility and what could be  
21 additionally brought to them to improve them.

22 This was part of the ongoing thing, and my  
23 advice was that we were ongoing in doing this  
24 additional training on a daily basis, going --  
25 measuring our cash transactions because

1                   everybody was live to the issue, I believe, and  
2                   trying to do their best to deal with it.

3           Q        Okay. And I will come back to ask a few more  
4                   questions around the 2011 report although not  
5                   too many questions on it.

6           MR. MARTLAND: But before I forget to do it,  
7                   Mr. Commissioner, if this could be marked as  
8                   exhibit 929, GPEB625.

9           THE COMMISSIONER: Yes, very well 929.

10          MR. MARTLAND: And while we're --

11          THE REGISTRAR: Exhibit 929. Sorry.

12                   **EXHIBIT 929: Advice to Minister, Issues Note re**  
13                   **Gaming Review: AML Measures at BC Facilities -**  
14                   **February 23, 2012**

15          MR. MARTLAND: Sorry, Madam Registrar. I'm going too  
16                   fast. If you could please bring up page 2 in  
17                   the middle of the page.

18          Q        Mr. Coleman, there's a point I was going to ask  
19                   you about there in the third point that's in  
20                   bold. It refers to this -- and some of this is  
21                   under the heading of "Status of  
22                   Recommendations":

23                   "BCLC holds the view that gaming losses on  
24                   the part of a patron provide evidence that  
25                   the patron is not involved in money

1                   laundrying or other related criminal  
2                   activity. This interpretation of money  
3                   laundrying is not consistent with that of  
4                   law enforcement or regulatory authorities.  
5                   BCLC should better align its corporate  
6                   view and staff training on what  
7                   constitutes money laundrying with that of  
8                   enforcement agencies and the provisions of  
9                   the relevant statutes."

10                   And then under that bold recommendation, the  
11                   simple answer is "complete." So it seems to be  
12                   information given to you that that issue has been  
13                   identified and addressed. Could you speak  
14                   briefly about that, please.

15                   A    I'll try. I mean, I don't know the details of  
16                   this, to be honest. But I do know that  
17                   BC Lotteries and police and people in the  
18                   organized crime side are consistently looking at  
19                   ways to identify what might be a suspicious  
20                   transaction versus what is not. And they share  
21                   information to try and determine how they can be  
22                   more effective on how their understanding of  
23                   these large cash transactions are on a  
24                   suspicious basis. And my reading of this would  
25                   be that that's what they're saying.

1 MR. MARTLAND: Okay. If I could please bring up,  
2 Madam Registrar, tab 31, GPEB626.

3 Q This will look a little recurrent. The same  
4 date, same format and heading and titled "BCLC's  
5 Anti-Money Laundering Measures."

6 What it reads in the suggested response:

7 "We certainly recognize that organizations  
8 that manage large volumes of money,  
9 including casinos and banks, can be  
10 targeted by criminals."

11 There's reference to remaining vigilant working  
12 in cooperation with RCMP, local police and the  
13 province to help deter these activities. And a  
14 comment that:

15 "The policies and procedures in place at  
16 all BC casinos are among the most  
17 stringent of any jurisdiction in Canada."

18 Is this similarly an issues note that you view  
19 information and advice with respect to fielding  
20 questions on anti-money laundering measures,  
21 specifically BCLC?

22 A Mr. Martland.

23 Q Yes?

24 A I'm unable to see the note number on the screen.  
25 Can you repeat what the note number is.

1 Q Yeah, I might have gone a little too fast. I  
2 didn't look up to see if you'd found your paper  
3 copy because I saw the registrar found the  
4 electronic. So it will be -- document number  
5 GPEB626 is at the top right.

6 A Yep, I've got it.

7 Q Okay. Is that similarly one of these issues  
8 note, February 2012 in this case, in relation to  
9 BCLC's AML measures?

10 A What all of this is noting the date, it is --  
11 this is all the estimates binder for the  
12 minister to go into debates on the budget. And  
13 the reason they're all dated the same is because  
14 that's when the binder would have been  
15 completed --

16 Q Right.

17 A -- and delivered, so I'd be able to use it in  
18 and around those times for the debates because  
19 the budget would come out in the second week --  
20 the first or second week of the legislative  
21 session.

22 Q Okay.

23 A The estimates debates would usually start within  
24 a week or two of that. So these binders would  
25 all have been prepared for that purpose.

1 Q Okay. And that's information and advice that  
2 you were given as set out on the document, I  
3 take it?

4 A Yes.

5 MR. MARTLAND: All right. Mr. Commissioner, if that  
6 could please be marked, I think, exhibit 930.

7 THE COMMISSIONER: Yes, very well. 930.

8 THE REGISTRAR: Exhibit 930.

9 **EXHIBIT 930: Advice to Minister, Issues Note re**  
10 **BCLC's Anti-Money Laundering Measures -**  
11 **February 23, 2012**

12 MR. MARTLAND: And next if we could please bring  
13 up -- Madam Registrar, tab 36 is GPEB662.

14 Q Do you have that, Mr. Coleman?

15 A I do.

16 Q The format seems to be slightly different here.  
17 It says "Advice to Minister, Estimates Note,  
18 June 14, 2013." I don't want to spend a lot of  
19 time on it, but does the format of that suggest  
20 that it's something specifically for estimate  
21 debates?

22 A Yeah, I think probably the issues notes and the  
23 estimates notes, they do cross over. There's an  
24 issues note that can go in instead of having to  
25 write a separate note. I think that's what this

1                   would be about. I'm guessing though.

2           Q        Okay. And then what we see that's described on  
3                   this document is in the second bullet:

4                   "The Ministry is working with the gaming  
5                   industry to prevent criminal attempts to  
6                   legitimize illegal proceeds of crime in  
7                   gaming facilities ..."

8                   Next bullet:

9                   "BCLC conducts internal --"

10                  And reference to those reviews and audits,  
11                  including independent audits by GPEB and FINTRAC.

12                  The last bullet:

13                  "Last year, facility-based gaming  
14                  generated \$1.6 billion in gross revenue  
15                  and it remains primarily a cash-based  
16                  business in BC; however, GPEB and BCLC  
17                  have taken significant measures to provide  
18                  more cash-free alternatives."

19                  All of that information you were -- and  
20                  information that you were given in June of 2013?

21           A        Let's just clarify. So the issues notes you  
22                   were giving me are probably from a different  
23                   estimates binder.

24           Q        I appreciate that distinction. The date --

25           A        There's more than one estimates binder,

1 transition binder for the new minister in 2013.

2 Q Okay. Okay.

3 A I wouldn't have been the minister that would've  
4 dealt with this particular note because the  
5 estimates would have been for the budget of the  
6 new government after the 2013 election, and that  
7 minister would have been Mike de Jong.

8 Q Gotcha. So this issue -- this isn't an issues  
9 note. This estimates note, from looking at it  
10 and piecing together the dates with the dates of  
11 the election, may have been something prepared  
12 for the minister who succeeded you?

13 A Just to give you a bit of context on that,  
14 whenever there's an interregnum period during  
15 which there's a writ and then an election and a  
16 transition to a new government, not only are --  
17 in anticipation of there possibly being a new  
18 budget, estimates notes would be done but they'd  
19 be part of a briefing binder for all the new  
20 ministers.

21 And so while the interregnum period is on,  
22 the period of time prior to appointing the new  
23 cabinet, they actually prepare the briefing  
24 binders for every ministry on every issue so  
25 that they're available to the new minister and



1 new government coming in. So they're prepared by  
2 the public service and they're made available to  
3 whichever side of the house -- by virtue that's  
4 why issues note are basically non-partisan --  
5 provided to whichever government comes in.

6 So if my government had lost and there was a  
7 new Minister of Finance, they would get the  
8 Minister of Finance binders, et cetera,  
9 et cetera, down the line. So that's what this  
10 note would have been.

11 The part you're referring to, it is  
12 consistent that they were taking significant  
13 measures and had been taking significant  
14 measures subsequent to the 2011 report and  
15 getting the work done.

16 Q And with reference to that last point that I  
17 read from, the generation of some \$1.6 billion  
18 in gross revenue, is that around the level of  
19 revenue that you understood was being generated  
20 through gaming in the province, maybe just to  
21 rewind the tape a little, in the period of,  
22 let's say, 2012 to 2013?

23 A Yeah, it's pretty consistent. It didn't really  
24 jump a lot is my recollection on the financial  
25 side of government and being on Treasury Board.

1           It wasn't a number that was going up at a rapid  
2           pace; it was relatively consistent. That's my  
3           recollection. I haven't got the books in front  
4           of me.

5           Q     Okay.

6           A     Lotteries had the two sides of business, BCLC.  
7           One was a facility gaming piece, which it refers  
8           to here, and the other side is the scratch-and-  
9           wins, the lottery tickets, what have you, which  
10          had also changed some of their stuff with  
11          regards to their pricing that changed some of  
12          those revenues, but that number -- that number  
13          actually seems pretty consistent to me. Without  
14          having referenced -- being able to reference  
15          them.

16          MR. MARTLAND: Mr. Commissioner, I'll ask that the  
17          document that I've just been using for some  
18          questions be marked as exhibit 931, please.

19          THE COMMISSIONER: Yes, very well.

20          THE REGISTRAR: Exhibit 931.

21                   **EXHIBIT 931: Advice to Minister Estimates Note**  
22                   **re Anti Money-Laundering and FINTRAC Compliance -**  
23                   **June 14, 2013**

24          MR. MARTLAND: Mr. Coleman, the last document -- and  
25          that document can be taken down, Madam

1 Registrar.

2 Q As you just pointed that, that last document  
3 dated to June of 2013. The other, I think, four  
4 issues notes that I had gone over were from  
5 February of 2012. To use that as a bit of a  
6 marker, in early 2012 there had been some to our  
7 understanding trend of a significant increase in  
8 suspicious transactions, cash transactions  
9 relating to casinos, but these documents seem to  
10 put forward quite a positive picture with  
11 respect to BCLC's anti-money laundering efforts.  
12 And my question is was that the message that you  
13 got from BCLC?

14 A In which year?

15 Q Let's say 2012. Early 2012.

16 A I would think so because it was consistent with  
17 what I had given to me before as they were  
18 trying to improve their processes at BC Lottery  
19 Corporation. And I had -- and I don't know if  
20 I'm allowed to refer to the legal -- the  
21 briefing or not because I know that on the one  
22 side of government we've allowed to speak more  
23 freely on things like Treasury Board things  
24 because the holder of the documents is allowed  
25 that. But I did -- I do recall a briefing with

1                   the board, comments were made by inside and  
2                   outside -- let's call them experts who were very  
3                   complimentary and said that BC Lotteries, for  
4                   lack of a better description, was leading edge  
5                   on the policies and stuff they were putting in  
6                   place in their facilities.

7           Q       So from your seat as you looked at it, you --  
8                   did you maintain some confidence that whatever  
9                   concerns there were being expertly and properly  
10                  handled?

11          A       Well, not being the statutory officer and not  
12                  being the person directing the investigations,  
13                  my feeling was -- is that they were live to the  
14                  issue and doing the best they could.

15          MR. MARTLAND: Madam Registrar, if we could if please  
16                  bring up tab 3, BCLC6506. This is a document  
17                  I'll ask that, Mr. Commissioner, for direction  
18                  it not be livestreamed nor posted as an exhibit  
19                  until we've done redactions to remove some  
20                  contact email information and such.

21          Q       Mr. Coleman, do you have that? It's called  
22                  "Incident File Full Report."

23          A       Yes.

24          Q       To my understanding -- we see at the upper  
25                  right-hand side that it's from BCLC corporate

1 security with some different dates in 2010.

2 Have you had the chance to review this document?

3 I don't plan to use the entire document. So

4 maybe what I'll try to do -- you let me know if

5 you want to have a look at anything more or take

6 a moment with it --

7 A This isn't a document that would be sent to a

8 minister.

9 Q That's useful. So it's not something that you

10 would expect to or remember ever receiving in

11 your position --

12 A No.

13 Q -- as a minister?

14 A The minister deals with the chair of the board

15 and the board sometimes and the CEO. This

16 operational detail would not be in the purview

17 of a minister.

18 Q Yep, okay. And so maybe what I'll do, though,

19 is turn, if we could, please, to -- just on that

20 first page, since it's on the screenshare, for

21 those on the Zoom feed. It says in middle of

22 the page "criminal event, loan sharking." And

23 then if we go over to page 3 of the document

24 it's not so much -- you'll see there in that

25 yellow highlighting that there's an email which

1                   is addressed to a number of MLAs, including  
2                   yourself. Do you see that, the date of June 20,  
3                   2010?

4           A       I see the email, yeah.

5           Q       And what I'll do is just read from what is  
6                   extracted there, but -- so that you know the  
7                   question that's coming. It will be do you have  
8                   a recollection about receiving that email, so  
9                   never mind the incident report that is packaged  
10                  inside here. But the email itself, do you have  
11                  a memory of receiving that or more broadly  
12                  receiving information to that effect?

13                        I'll read from it. It says, the subject  
14                        line:

15                                "Edgewater Casino: VIP hosts and Loan  
16                                Sharking."

17                        The first paragraph:

18                                "We write to you concerned about what we  
19                                are seeing in the casino we work at,  
20                                namely Edgewater Casino. There are two  
21                                items that we have witnessed - and  
22                                continue to witness - and it seems the  
23                                Edgewater management and in fact the whole  
24                                gaming industry, which includes the  
25                                authorities that govern them - namely GPEB

1                   and BCLC, are sweeping under the rug. It  
2                   is a 'see no evil, hear no evil'  
3                   mentality. The two items we refer to are  
4                   VIP 'hosts' and 'loan sharking.'"

5                   And it goes on to describe those concerns, or at  
6                   least what are -- what's been identified as  
7                   concerns by the people sending this email.

8                   If we go over to the top of the next page,  
9                   it reads:

10                   "The second item we wish to inform you  
11                   about is 'loan sharking.'" And 'loan  
12                   sharking' is widespread --"

13                   It says "a," but I assume that's "at":

14                   "... the Edgewater Casino and, it stands  
15                   to reason, at other casinos too."

16                   Two sentences down:

17                   "Management also knows who they are and  
18                   what they are doing but do nothing about  
19                   it!"

20                   First, Mr. Coleman, do you have a memory about  
21                   receiving that email or that information in 2010?

22                   A    No, I don't. I did hear about -- I mean, I  
23                   heard about this particular situation somewhere.  
24                   I don't -- it may have been in the email. And I  
25                   would have sent the information over to my

1 office to make sure it was sent to the  
2 appropriate authority if it required  
3 investigation.

4 I wouldn't have responded to it because it  
5 dealt with something that was an accusation that  
6 required investigation which I couldn't do nor  
7 could I be involved in doing. So the email has  
8 been sent to two addresses, one which is my  
9 personal legislative email and one sent to my  
10 public legislative email, and whenever there was  
11 minister related -- if I was the minister at the  
12 time. Anything minister related would have been  
13 sent to my office and then be dealt with by the  
14 ministry, the proper statutory authority to deal  
15 with something like this. So I would not have  
16 gotten involved in contacting the writer or  
17 anything like that.

18 Q Okay. And in answering -- or giving that  
19 evidence, sir, you said "I would have." I take  
20 it from that you probably don't have a  
21 recollection of specifically here what you or  
22 the ministry or others may have done.

23 A No, I don't have a recollection of this  
24 particular email.

25 MR. MARTLAND: Okay. Mr. Commissioner, I'll ask that



1                   this incident report please be marked as  
2                   exhibit 932, I think.

3                   THE COMMISSIONER: Very well.

4                   THE REGISTRAR: Exhibit 932.

5                   **EXHIBIT 932: Incident Report #IN20100024262 -**  
6                   **Loan Sharking - June 21, 2010**

7                   MR. MARTLAND: And it can be taken down from the  
8                   livestream, please, Madam Registrar.

9                   Q     Mr. Coleman, you've described how in 2008 when  
10                  you were the Minister of Housing and Social  
11                  Development it came to be that for a period of  
12                  time you had carriage of the policy side of  
13                  gaming portfolio but not the enforcement side.  
14                  And I wanted to ask how it is that that came to  
15                  be the case that you were dealing with the  
16                  policy side to your understanding.

17                  A     Well, there was a cabinet shuffle in 2008. I  
18                  went from forestry to housing and social  
19                  development. And when I got my portfolio, I had  
20                  that particular piece.

21                  Q     In that period of time, so in the 2008 to 2010  
22                  period of time, what was the focus of your  
23                  attention on the policy side of gaming?

24                  A     On the policy side of gaming it was more along  
25                  the lines of the social responsibility on

1 gaming, how we could enhance our programs for  
2 people that may have acquired issues with  
3 problem gambling. We did have a gambling  
4 hotline. We did have some funds there. I  
5 wanted to know what our use and capacity was for  
6 that. I think people have to understand in  
7 spite of the fact that we have the  
8 responsibility in the province for conduct and  
9 management of gaming in British Columbia, the  
10 aspects of gaming that affects people personally  
11 is not just confined to a casino situation  
12 within the province of BC. Particularly as  
13 things have grown over the years, there's a  
14 significant problem, I believe, with people with  
15 problem issues online who are now experiencing  
16 that and the only jurisdiction that's there for  
17 people in BC is the government.

18 Also people that may choose to travel to  
19 other jurisdictions to gamble or other aspects  
20 or gaming that they may get involved in illegal  
21 sphere. I thought it was important with the  
22 social development piece to make sure as far as  
23 that piece was concerned we would have programs  
24 in place to be there for people no matter where  
25 they encountered or how they got into their

1                   addictions issues or challenges that we would  
2                   have programs for them.

3           Q       With -- I have a question that's fairly specific  
4                   in detailed. Did you have awareness at the  
5                   period of around 2007 or shortly half that, did  
6                   you know about an audit that was done by the  
7                   Deloitte firm with respect to the roles of GPEB  
8                   and BCLC? Is that something you knew about?

9           A       I did not.

10          Q       Okay. I'm going to turn to a meeting in the  
11                   fall of 2008 that we've heard about involving  
12                   Derek Sturko, Larry Vander Graaf as well as the  
13                   Deputy Minister.

14                   Do you recall a meeting in 2008 with those  
15                   people?

16          A       I do. Is that the one at the Burnaby offices  
17                   of --

18          Q       I think that's 2010. And I'm getting to it. So  
19                   I appreciate there's some different dates and  
20                   different meetings. Yeah, the other meeting is  
21                   the GPEB Burnaby office meeting that I will be  
22                   asking you some questions about goes to 2010.  
23                   So I'm going back a few years before. 2008.  
24                   Fall of 2008.

25          A       I recall meetings with -- my main contact would

1                   have been my deputy and Derek Sturko. I don't  
2                   recall a specific meeting with Vander Graaf  
3                   being in attendance.

4           Q        Okay.

5           A        Other than the one in Burnaby.

6           Q        Okay. And we will get to that. Do you recall  
7                   anything in around 2008 in the course of a  
8                   meeting where someone spoke up to express that  
9                   they were losing sleep about the quantity of  
10                  proceeds of crime that were being used in BC  
11                  casinos?

12          A        I do not.

13          Q        Dealing still with this period, let's say, in  
14                   the period of 2009 to 2010, that's that period  
15                   when you have carriage of the policy side but  
16                   not the enforcement side. But for you were  
17                   proceeds of crime and the use of proceeds of  
18                   crime in casinos a concern? Was that something  
19                   on your radar at that period of time?

20          A        Given my experience and obviously going through  
21                   the process of redoing policing in BC then going  
22                   on to get the civil forfeiture, the proceeds of  
23                   crime, I've always had in my mind that we always  
24                   had to be mindful of the proceeds of crime and  
25                   where it affects our society and our economy,

1 not just necessarily large cash transactions in  
2 casinos, but in all aspects of our economy.

3 And that's why I feel the integrated --  
4 issues with your organized crime groups and your  
5 anti-gang task forces, integrated, are very  
6 important to be able to know this because in any  
7 jurisdiction globally there are issues with how  
8 money is moved and how it moves either  
9 electronically or by cash. And I think it's a  
10 significant issue for all of our societies and  
11 we should always be mindful of trying to do  
12 whatever we possibly can to improve it.

13 Q Were there particular measures again in that '09  
14 to 2010 run of time that you or others in  
15 government took to deal with proceeds of crime  
16 in relation to casinos?

17 A Yeah, I think there were measures that were  
18 reflective on not just casinos but all the  
19 aspects of crime. I think it was in January of  
20 2009, the government of BC announced 168 new  
21 police officers and 10 dedicated special --  
22 10 dedicated prosecutors to go after the guns  
23 and gangs and the issue of gangs in BC. It was  
24 probably one of the most significant new  
25 investments made in law enforcement in a long

1 time.

2 That investment -- obviously we're dealing  
3 with guns and gangs. If anybody thinks that the  
4 guns are the only issue for gangs, there are  
5 illegal activities that do involve cash, do  
6 involve loan sharking, do involve money  
7 laundering. And I thought that was a  
8 significant move by the government to make that  
9 investment to -- once more to put focus on and  
10 integrate into fighting these levels of crime.

11 Q I'm going to turn to the -- we referred earlier  
12 to IIGET, the Integrated Illegal Gaming  
13 Enforcement Team. IIGET came to be disbanded, I  
14 think the year is 2009.

15 Could you please explain, were you involved  
16 in that and do you know how that came to pass,  
17 who made the decision?

18 A The decision was made in a meeting with myself  
19 and my deputy, the Director of Gaming Policy and  
20 Enforcement, the Director of Police Services.  
21 And also present was my chief of staff.

22 Q Just to pause there. You've described those  
23 people by title. Could you give us their names  
24 too, please?

25 A Kevin Begg, Derek Sturko, Lori Wanamaker.

1 Q Thank you.

2 A Basically IIGET was put in place, as I described  
3 earlier, to be focused on a certain aspect of  
4 the business, to deal with the grey machines and  
5 aspects it was doing. IIGET unfortunately never  
6 did get to be that functional. It wasn't that  
7 successful. It was -- it had trouble with focus  
8 on what its files were. And it was a five-year  
9 pilot project funded in a relationship with the  
10 BC Lottery Corporation.

11 So its five years was coming up, and there  
12 were varying basic summaries and things that I  
13 read about, its inefficiencies, the fact that we  
14 couldn't keep a full complement of officers in  
15 the particular operation and those things that  
16 lead me to have some pretty significant concerns  
17 about it. And in light of that, when I met with  
18 these folks we had a roundtable discussion about  
19 the future of IIGET, one of them being whether  
20 it would continue or not.

21 At the same time a recommendation had been  
22 to go in and get money from general revenue for  
23 the budget for this no longer to be funded by BC  
24 Lotteries. The information I was given was --  
25 and I maybe should describe the -- if you need

1 me to, I'll describe the Treasury Board process  
2 at some point. But basically when you're doing  
3 a presentation to Treasury Board, one of them is  
4 is an independent person who's the analyst who  
5 actually makes recommendations on the approval  
6 or the risks of a presentation to the Treasury  
7 Board.

8 My information is the Treasury Board analyst  
9 was not going to recommend the continued funding  
10 of IIGET. So that coupled with the rest of that  
11 led me to the -- to thinking to have this  
12 discussion and say look, given the fact that  
13 we've made one of the largest investments in  
14 policing in decades, I can't justify an  
15 operation that is effectively not very  
16 operational and not being successful and I think  
17 the gap can be picked up by this investment in  
18 the other police officers and in the Crown  
19 prosecutors. And so the decision was made that  
20 we wouldn't continue funding IIGET.

21 Q The decision was made that you -- I missed the  
22 last part.

23 A We would not continue funding IIGET.  
24 Therefore --

25 Q You would not continue.



1 A Yes.

2 Q Okay. And then --

3 A That would effectively close it.

4 Q Right. And just to back up a little, as I heard  
5 part of that answer, you described that there  
6 had been a recommendation to shift or change the  
7 funding that that be from the government as  
8 opposed to BCLC that had been a recommendation  
9 that had gone forward --

10 A Because it had been funded on a pilot project  
11 with BC Lotteries, BC Lotteries had said to  
12 government, we don't think we should continue to  
13 be doing this; the fiscal world's changed for us  
14 and for you; we're not -- we don't think we  
15 should be funding a dedicated police unit. So  
16 that was their sort of feedback to us.

17 Q Okay. Was there a -- I don't know if I'm just  
18 hearing or perceiving something inconsistent in  
19 seeking or going forward with a recommendation  
20 for government funding for it, and then next  
21 thing effectively going the route of not  
22 continuing the funding for it. But maybe --  
23 that might be a question of the sequence or  
24 timing?

25 A Well, the sequence and timing was the meeting

1           was held. I had information that the analyst  
2           probably wasn't going to support it. It wasn't  
3           about the sequence and timing. It was I had  
4           come to the conclusion with my deputy and the  
5           others in discussion that even if you went  
6           forward with this funding, you had a  
7           dysfunctional operation here, so let's let those  
8           guys -- 168 police officers, CFSEU, the  
9           10 prosecutors on top of the 168 police officers  
10          fill this gap because their work is going to  
11          take it up anyway.

12          Q     Okay. And so part of the thinking there is  
13          look, there's this net underneath; there's a  
14          structure in place that's working and that -- we  
15          can look to that to deal with anything that gets  
16          lost through disbanding IIGET; is that right?

17          A     That's correct. IIGET was 12 people and most of  
18          the times not fully complimented, and it was not  
19          a lot of money in the year compared to the  
20          25-plus million dollars we were putting into the  
21          other program.

22          Q     Okay. We've heard evidence from Mr. Begg in the  
23          course of our hearings to the effect that the  
24          IIGET consultative board didn't make a  
25          recommendation to disband IIGET and that

1                   Mr. Begg didn't advise you that it should be  
2                   disbanded. I wanted to pause and see if you  
3                   have -- if you agree with that account or have a  
4                   different recollection.

5           A        The challenge with these recollections, they go  
6                   back a decade and a half. I came to the  
7                   conclusion after briefing and reading  
8                   information about this that partly -- when I had  
9                   the meeting, I had my own questions. I don't  
10                  recall Mr. Begg telling me that they wanted to  
11                  spend more money on IIGET or go forward with  
12                  another presentation.

13          Q        All right. And I guess there might be a  
14                  distinction there between saying "I don't  
15                  recall" that occurring as opposed to "I can say  
16                  for sure it didn't occur." This is in the first  
17                  category?

18          A        I can say in the first category that that didn't  
19                  happen.

20          Q        Okay. So actually the second category, you'd  
21                  say no, that didn't happen?

22          A        Yeah, he didn't -- I didn't get a briefing that  
23                  said, consultative board wants to fund IIGET.

24          Q        Okay.

25          A        I have nothing in writing. There may have been

1                   conversations, but I've got nothing in a note.

2           Q        Okay. Did you engage with senior RCMP members  
3                   on this question about whether to disband IIGET?  
4                   And if so, what was that engagement?

5           A        I really didn't engage with senior RCMP members  
6                   on this.

7           Q        Did funding pressures have a role on the  
8                   decision to disband IIGET?

9           A        No.

10          Q        I'm going to turn to some other issues, sir,  
11                   that arise from evidence that we've heard to  
12                   make sure that you have an opportunity to  
13                   respond to some things that have been offered in  
14                   evidence.

15                   In the period -- I'm going here to May -- or  
16                   around May of 2009 or shortly after that. MLA  
17                   Naomi Yamamoto is the person at issue and the  
18                   description is that there was a request from this  
19                   MLA effectively that you might meet with Fred  
20                   Pinnock.

21                   So first of all, do you have a recollection  
22                   about that?

23          A        I have a vague recollection of it, yes.

24          Q        What do you remember about that request or  
25                   incident or discussion?

1           A     I don't know where it was, but it may have been  
2                    in the hall or may have been in my office asking  
3                    if I would meet with Mr. Pinnock, and my  
4                    explanation was that would be, in my opinion,  
5                    stepping outside my bounds as minister to go and  
6                    meet with the head of a [indiscernible] policing  
7                    as a minister when there's a consultative board  
8                    in place. It would be outside my purview and it  
9                    would be wrong.

10          Q     And you -- who was Mr. Pinnock at that point,  
11                    and did you know him?

12          A     I did not know him. I didn't know him. I just  
13                    knew that he was involved with IIGET.

14          Q     Okay. Did you have an awareness at that point  
15                    about Mr. Pinnock's view about criminal activity  
16                    in casinos being out of control?

17          A     I did not.

18          Q     Okay. Mr. Pinnock has characterized your  
19                    response to Ms. Yamamoto as brutal and  
20                    dismissive. Do you have a response to that?

21          A     I would totally disagree with that, period.

22          Q     Totally disagree, did I hear you?

23          A     I disagree with that characterization  
24                    completely.

25          Q     Thank you. I just wasn't sure if I heard you

1                   accurately, and I wanted to make sure I did.

2                   We've also heard Mr. Pinnock describe an  
3                   incident where you shook his hand in an  
4                   aggressive way that occurred, he says, at a BC  
5                   Liberal Party fundraiser. Is that something you  
6                   can comment on?

7           A        It didn't happen. Never happened.

8           Q        Do you remember meeting Mr. Pinnock at a  
9                   fundraising event?

10          A        It was an event -- the one I think he's  
11                   referring to was an event for his now wife. I  
12                   don't know if they were married at that point in  
13                   time. It was a fundraiser for her for her  
14                   re-election.

15          Q        That's Ms. Yamamoto?

16          A        Yes. Yes.

17          Q        Okay.

18          A        I would have shaken a lot of hands in that room  
19                   that night. I probably would have said hello to  
20                   Mr. Pinnock, but it wasn't an interaction that I  
21                   recall being of any note.

22          Q        Also picking up on some points that emerged from  
23                   Mr. Pinnock's testimony. I just want to make  
24                   sure that you have the opportunity here to  
25                   respond to these things. Do you recall -- do

1           you have something to say about the suggestion  
2           that you yelled at Ms. Yamamoto when she tried  
3           to raise an issue about suspicious cash at  
4           casinos during a Liberal caucus meeting?

5           A     I don't yell. I mean, I'm actually a very calm  
6           individual and I cannot recall a situation ever  
7           where I would have raised my voice in a caucus  
8           meeting in 24½ years in public life.

9           Q     Mr. Pinnock suggests that you turned a blind eye  
10          to money laundering in casinos to avoid  
11          disrupting an important revenue stream for the  
12          government.

13          A     That's just ridiculous. There was never, ever  
14          that I saw in all the time I was government of  
15          point where somebody said, ignore a revenue  
16          stream that could be illegal for the benefit of  
17          government. That just never happened.

18          Q     And finally, Mr. Pinnock says or suggests that  
19          you manipulated senior RCMP members into  
20          ignoring money laundering activity in casinos.

21          A     Just didn't happen. I had a very professional  
22          working relationship with the senior management  
23          of the RCMP and every police force in BC  
24          whenever I had the portfolio that dealt with  
25          them, and there's no way that I would have

1 manipulated them in any way whatsoever.

2 Q I'm going to go to the meeting that we touched  
3 on earlier, 2010. There's a meeting that takes  
4 place at the GPEB Burnaby office that I  
5 understand that you were at. At that point in  
6 time you had, I gather, by the time of this  
7 meeting may have reassumed the enforcement side  
8 of the portfolio in addition to the policy side  
9 of the gaming portfolio. Do you recall that  
10 meeting in Burnaby with Larry Vander Graaf, Lori  
11 Wanamaker and yourself?

12 A I do.

13 Q Okay. What was the purpose of that meeting from  
14 your point of view?

15 A The initial purpose of the meeting was to go by  
16 and see the enforcement branch and touch base  
17 because of the activity we'd seen in media and  
18 otherwise coming back to the portfolio in and  
19 around large cash transactions. And more  
20 importantly, I guess, was to introduce Lori  
21 Wanamaker, who was a new deputy to me on this  
22 file, to the branch. So we went to see them in  
23 their offices and meet staff and have a  
24 conversation.

25 Q Okay. Were you warned about money laundering in



1 casinos at that meeting?

2 A It was brought up -- we actually brought it up  
3 as a discussion in and around large cash  
4 transactions because -- and the definitions.  
5 And I did ask -- we were basically asking okay,  
6 how do we identify which one is money laundering  
7 and which one is illegal, which one is legal.  
8 And then I was told they had no way to  
9 distinguish between them because it was really a  
10 question about is there a possibility to use the  
11 *Civil Forfeiture Act* to go and seize the money  
12 when it arrives in a casino. But you have to  
13 have some other evidence other than just the  
14 cash to be able to seize the asset, and that was  
15 part of the discussion.

16 Q Was your perception of the -- tenor of the  
17 discussion a general back and forth about a  
18 topic matter or was it a case of someone trying  
19 to sound an alarm bell or raise some real --  
20 express a significant concern about something?

21 A No, I think it was just a back-and-forth because  
22 a meeting wasn't requested by them. I believe  
23 my office initiated the opportunity to  
24 [indiscernible].

25 Q Mr. Vander Graaf has described that -- and I

1 think he describes it as being a 10- to  
2 15-minute conversation or so -- that in his --  
3 and I'll just maybe give you a bit of his  
4 description and then invite you to say whether  
5 you agree, disagree or don't have a recollection  
6 of portions.

7 But effectively describes it as a  
8 conversation that opens with you saying, what's  
9 this about money laundering? And he responds to  
10 the effect that people are bringing in \$20 bills  
11 in \$10,000 bundles, and he believes it's  
12 connected to drug dealing although he can't  
13 prove that it's proceeds. And makes a  
14 suggestion that the government might do well to  
15 restrict the number of \$20 bills that goes into  
16 a casino in a 24-hour period.

17 Any of that sound familiar or do you agree,  
18 disagree or --

19 A No, it's familiar. I mean, I didn't walk in  
20 opening with that remark, but it was certainly  
21 there to have a conversation about the large  
22 money going into casinos and part of what you  
23 just said that he reflected in his evidence or  
24 to you or however it was that they didn't know  
25 which was which as far as which is laundering

1                   and which is not laundering. That was a  
2                   concern, and I think we were all wanting to have  
3                   a conversation about it.

4           Q       He also describes in the course of the meeting  
5                   that Ms. Wanamaker -- and I should add this.  
6                   She hasn't -- doesn't agree with this  
7                   description or this being said, but he says that  
8                   Ms. Wanamaker said words to the effect, Rich, we  
9                   have to do something about this.

10                               Do you recall that one way or the other?

11       A       I do not. But I can tell you this. When I read  
12                   that, two things that give it a little less  
13                   credence for me. The first thing is  
14                   Ms. Wanamaker is the head of the public service  
15                   now. She's one of the most professional public  
16                   servants I've ever dealt with and a credit to  
17                   the profession. But in addition to that, she  
18                   really knows where conversations should and  
19                   should not take place, and I don't believe for a  
20                   second that Ms. Wanamaker would refer to me by  
21                   my first name. She would have called me  
22                   "minister."

23                               I don't recall the rest of that statement  
24                   being made.

25       Q       And, again, appreciating it's in the category of



1 Minister Bond that started the implementation of  
2 that report.

3 Q Just to cover off this 2010 meeting,  
4 Ms. Wanamaker for her part describes that the  
5 discussion dealt with the -- a request  
6 included -- at least a request that Mr. Vander  
7 Graaf made with respect to GPEB investigators  
8 having authorization to carry side arms in  
9 casinos for safety reasons, and that you  
10 declined that or were not supportive of that.

11 A Actually, I was asked that question in my  
12 pre-examination. I don't recall -- I don't  
13 remember Mr. Vander Graaf asking me to have a  
14 gun.

15 Q Okay. You've mentioned just now Mr. Kroeker's  
16 review in 2011 and explained who he was. I take  
17 it -- it seems obvious why you selected him from  
18 the comments you've just made. What direction  
19 or mandate was given to Mr. Kroeker for his  
20 review?

21 A None. I didn't want to have any influence on  
22 the input of the outcome of the report, so I  
23 wanted him to be able to -- he knew the issues  
24 because of the Civil Forfeiture Office, money --  
25 the cash transactions, the \$20 bills, all of

1                   those things. My choice was to ask him to do  
2                   the report independent of the minister and  
3                   independent of the ministry, and when the report  
4                   was done I also made the second choice if it was  
5                   given a draft or not, that I was going to have  
6                   no changing opinions on the report.

7                   I really wanted the report to be done  
8                   totally independent and then have the  
9                   recommendations independent so they could be  
10                  implemented and understood that it was coming  
11                  from the broader pace of government. So  
12                  sometimes you get reports and you're allowed to  
13                  have comment on them. I had no interest and I  
14                  said, the report will stand on its own two feet  
15                  and I won't have any editing on it.

16                Q    Were you involved in the work done on the report  
17                    or the preparation of the report?

18                A    No. This was his independent report.

19                Q    Would you describe the -- I always get concerned  
20                    when I hear those beeps because that's when my  
21                    computers runs out of energy, out of battery.

22                MR. CAMERON: Mr. Martland, it's Mr. Cameron. I have  
23                    the same concern and I'm using my best Luddite  
24                    skills to see whether that is a problem right  
25                    now. I don't believe it is. But I apologize

1                   for those noises.

2           THE WITNESS: It is the laptop you're talking to me  
3                   on.

4           MR. MARTLAND: Well, we'll know if that happens.

5                   Let's carry on until it does, if that's okay. I  
6                   will be suggesting a break in a little while.

7                   And we'll see -- if we run into, that we'll  
8                   simply stand down, and you can assume a five or  
9                   10-minute break.

10          Q       With respect to the Kroeker Report that you've  
11                   been describing, from your point of view what  
12                   was the focus of the report? For example, was  
13                   the focus of the report on the issue of  
14                   compliance with the FINTRAC reporting regime, or  
15                   was the focus of the report on a more general  
16                   question about what is this cash coming into  
17                   casinos? Is it the proceeds of crime?

18          A       I think it was that and more. The focus of the  
19                   report was also how to move away and have the  
20                   conversation about player accounts and how we  
21                   could improve that to -- and this is my  
22                   recollection; I don't have the report in front  
23                   of me. But it was broader than just those two  
24                   themes. You know, it was about how do we move  
25                   away from cash being what mainly all casinos

1                   were dealing with for the most part.

2                   It was also about seeing the possibility to  
3                   create in the future as we came through that the  
4                   nine or 10 recommendations -- one of the  
5                   recommendations was to build a joint gaming  
6                   enforcement-type team and build that in  
7                   connection with the rest of the investments we  
8                   had made in crime and investigations in British  
9                   Columbia. And I think that would be the broader  
10                  description of the report.

11                 Q     Okay. Is your memory of the report that it does  
12                   focus on the question of BCLC compliance with  
13                   the federal reporting and FINTRAC obligations?

14                 A     It was one of the focuses, yeah.

15                 Q     Is it the case that the Kroeker Report comes  
16                   really on the heels of that meeting that you've  
17                   just been describing involving Mr. Vander Graaf  
18                   in 2010?

19                 A     Yeah, no question. After I'd had the meeting  
20                   with Mr. Vander Graaf I was concerned that --  
21                   about the investigative branch doing  
22                   investigations versus whether they were more of  
23                   a policy shop. Because when I did ask  
24                   Mr. Vander Graaf one question at one point, and  
25                   that was just a question which I don't think he



1                   took umbrage with, but I said, can you explain  
2                   to me if a large bag of cash goes into the  
3                   casino tonight, who's on call; like which one of  
4                   the department of 30-plus people that are  
5                   ex-police officers and enforcement people who  
6                   would attend.

7                   And they leave -- they were leaving that to  
8                   the casinos to do a collection of information.  
9                   And that left me wondering if we had -- if we  
10                  really had the right focus on that branch and  
11                  how effective it could be in the future. So in  
12                  the review by Mr. Kroeker, I think he took a  
13                  look at that and came to some other conclusions.  
14                  Not particularly about that branch but, you  
15                  know, how we can make sure all our resources are  
16                  focused in an effective way.

17                Q     What was done once the Kroeker Report  
18                  recommendations arrived back to government?

19                A     Basically they were read and the instructions  
20                  were given that these would be implemented.

21                Q     What sorts of changes resulted for the  
22                  government?

23                A     Well, for the government probably not a lot.  
24                  For Gaming Policy and Enforcement and I think  
25                  for policing and for the Lottery Corporation, as

1                   those things got implemented, they had to work  
2                   together to make sure they were effective, which  
3                   from a government perspective, the Kroeker  
4                   Report was, for lack of a better description, a  
5                   road map to do things better. And I believe all  
6                   the way through our terms, whenever you're in  
7                   public life, you're always trying to see if you  
8                   can do things better, and the Kroeker Report was  
9                   an opportunity to take a fresh set of eyes to  
10                  look at how we could do things better.

11                 Q     One of the recommendations had to do with the  
12                   development of a cross-agency task force. And I  
13                   have a document I'd like to use, if I might, to  
14                   ask a question that picks up on that.

15                 MR. MARTLAND: Madam Registrar, if you could please  
16                   display tab 9. It's BCLC15753. It's also been  
17                   marked as exhibit 888.

18                 Q     I'll just pause Mr. Coleman. You can let me  
19                   know when you have that, please.

20                 A     Is this the briefing note advice to minister  
21                   one?

22                 Q     It's advice to minister August 24, 2011  
23                   addressed to the minister Ms. Bond.

24                 A     Yep.

25                 Q     Do you have that?

1           A     Yes.

2           Q     Okay.  So in fairness it's not addressed to you,  
3                    it's addressed to a different minister.  The  
4                    format is a little different with a bigger font  
5                    size and in the first person.  In part the  
6                    second bullet says:

7                            "We take the integrity of gaming seriously  
8                            and that's why my predecessor responded by  
9                            promising a review of our anti-money  
10                           laundering regime."

11           Three bullets down:

12                            "We are already acting on all but the last  
13                            of the recommendations."

14           Over to the top of the next page:

15                            "We believe action on the first nine  
16                            recommendations will significantly improve  
17                            BC's anti-money laundering regime.  Given  
18                            that creating a cross-agency task force  
19                            per recommendation 10 can be complex and  
20                            costly, we will consider this  
21                            recommendation only after GPEB has  
22                            evaluated the effectiveness of responses  
23                            to other recommendations."

24           So appreciating that that's a document that's  
25                    already been marked as an exhibit, it seems to

1 speak to the last component, the last  
2 recommendation of that set of recommendations.

3 From your point of view, why -- can you  
4 comment on why that recommendation wasn't acted  
5 upon at that point?

6 A I can only comment on the face value of the  
7 comment because I would assume that the minister  
8 of the day was being briefed on the  
9 complexities, the budget, how you would put it  
10 together at the time and had decided that that  
11 was concentrated on basically what's important,  
12 what we can do right now and then we'll get to  
13 this last recommendation once we've seen the  
14 effectiveness of what we do right now because  
15 that may -- I'm just guessing -- that may inform  
16 how we would put the next -- the last phase of  
17 these recommendations together to be the most  
18 effective.

19 Q And with respect to the creation of JIGIT, the  
20 Joint Illegal Gaming Investigation Team -- I  
21 hope I have the acronym right there -- that  
22 comes about in around, I think, 2015. Do you  
23 draw a straight line from this recommendation,  
24 which is being effectively paused here, to the  
25 creation of JIGIT? Or do you connect those two?

1           A     I would think that recommendations in that  
2                   report led to JIGIT.

3           Q     From your point of view, to the extent you can  
4                   comment on it, can you give an understanding as  
5                   to why that took some period of years?

6           A     I would only be speculating because I don't  
7                   actually know. So I don't think that would be  
8                   fair to you.

9           Q     Okay. From personal knowledge you don't feel  
10                  you have enough of an understanding of what  
11                  might account for that lag of time?

12          A     From personal knowledge not on that particular  
13                  joint team, but I can tell you the complexities  
14                  of putting together things like CFSEU and  
15                  Integrated Homicide Investigation Team, it comes  
16                  down to the governance, the management, the  
17                  budget to some level. Never in the time that I  
18                  was in government did I ever see the government  
19                  not fund a police budget, including some very  
20                  significant investigations. But that plus  
21                  building the expertise and understanding how  
22                  that team and its goals and operations and what  
23                  have you would take time as you're integrating  
24                  it into things like homicide, the anti-gang task  
25                  force and the CFSEU and the units we would've

1 had at the time.

2 Q As both -- when it did eventually get created, I  
3 think both the Premier -- former Premier  
4 Ms. Clark and Mr. de Jong as the minister  
5 responsible described what seemed to be actually  
6 quite a quick process in the ultimate lead up to  
7 creation of JIGIT.

8 A Yeah, I think -- in government sometimes it  
9 looks like something happens fast but there's a  
10 lot of ground work done ahead of time to make  
11 that possible.

12 Q And just so I'm clear about the consequence  
13 because I appreciate I was showing you this  
14 document which dates to the middle of 2011 when  
15 Ms. Bond is the minister. But am I right that  
16 you are in the position of being the minister  
17 responsible in the period of 2012 to 2013  
18 minister responsible for gaming?

19 A That's correct.

20 Q During that period of time were you sort of  
21 tracking this tenth recommendation and the  
22 status of the cross-agency task force  
23 recommendation?

24 A I had a briefing on the recommendations from  
25 Kroeker, and I said, I'd like us to move on this

1                    recommendation; I know we've got work to do  
2                    there, but I want you to continue to work on it.

3                    MR. MARTLAND: Okay. Madam Registrar, I don't need  
4                    that document displayed further.

5                                       This question isn't time limited, but if you  
6                    want to or prefer to answer in a more time  
7                    specific way, that's fine. During the different  
8                    periods when you had carriage of the gaming  
9                    portfolio, do you ever recall receiving a  
10                    proposal to the effect that you would issue a  
11                    ministerial direction requiring or imposing a cap  
12                    on cash transactions at casinos?

13                    A                    No, I didn't.

14                    Q                    Do you recall there being discussion, debate,  
15                    analysis done around that question or issue or  
16                    measure?

17                    A                    No. But it was part of the Kroeker Report as to  
18                    how we could get away from cash, but no  
19                    discussion directly with me on that particular  
20                    subject.

21                    Q                    Okay. I have a few -- further last few  
22                    documents to ask questions with.

23                    MR. MARTLAND: Madam Registrar, if we could please --  
24                    in fact before I do that maybe I'll ask a few  
25                    more general questions and then go to these last

1 documents.

2 Q I might be jumping around a little bit in my  
3 chronology. My apologies for that. As we've  
4 heard, you were appointed the Minister of Energy  
5 and Mines in 2011, again receiving responsibility  
6 for the gaming portfolio, as we just touched on,  
7 in 2012 after a cabinet shuffle. Is it --

8 MR. CAMERON: I'm sorry, Mr. Martland, to interrupt.  
9 I believe you said he was appointed Minister of  
10 Energy and Mines in 2011. I believe the  
11 evidence is 2012. I'm sorry, I just wanted to  
12 be clear on that point. It's Mr. Cameron  
13 speaking. Sorry.

14 MR. MARTLAND: No, I appreciate that.

15 Q The appointment -- I should do these things a  
16 bit slower. The appointment as minister --

17 A Would you like me to help you just a bit on  
18 that?

19 Q Why don't you.

20 A So I was made the Minister of Energy and Mines  
21 in March 11, 2011.

22 Q Yes.

23 A But gaming was not part of that ministry at the  
24 time.

25 Q Right. And then when you do you assume conduct



1 of gaming? Is that February 2012?

2 A February 2012. That was when the Ministry of  
3 Justice was created and public safety was  
4 disestablished, and the Gaming Policy  
5 Enforcement as well as liquor were transferred  
6 to the Minister of Energy and Mines.

7 Q In this case you're sort of being handed back a  
8 file notionally that you held before, a  
9 portfolio that you'd had involvement in before,  
10 but is the process the same in terms of you  
11 receiving briefing materials, meeting with the  
12 people and getting up to speed with respect to  
13 where things stand on gaming?

14 A Whenever there's a change, there's a briefing  
15 binder.

16 Q Okay. And whether it's in the course of your  
17 briefing when you reassume conduct of gaming or  
18 just more generally, do you have a recollection  
19 about media reporting dealing with and reporting  
20 about large amounts of cash in casinos in that  
21 period of time? So leading up to when you  
22 reassume conduct of the portfolio February 2012.

23 A I think I would have been aware of media  
24 reports. But not at a level -- it's not the  
25 same when you're briefing information when

1                   you're not the minister as you are the minister.

2           Q       Let me go to some news reports just to ask a few  
3                   questions about them.

4           MR. MARTLAND: Madam Registrar, if we could please  
5                   bring up tab 22, GPEB70 -- I think I might have  
6                   the wrong note there. I think it's -- I might  
7                   have listed the wrong document to Madam  
8                   Registrar, so I'm keeping her on her toes. It  
9                   should be tab 21, GPEB74, I think. *The*  
10                  *Vancouver Sun* front page photocopy. If I misled  
11                  our Registrar, I also misled Mr. Cameron, so if  
12                  you need a moment to find that, let me know.

13          A       We have it.

14          Q       Okay. This is a story by the reporter Chad  
15                  Skelton in *The Vancouver Sun*, August 12th of  
16                  2010. The headline is -- and I'll just read a  
17                  bit from it -- "We Can't Fight Casino Money  
18                  Laundering" attributed to an RCMP report. It  
19                  says:

20                         "Money laundering by organized crime  
21                         groups is rampant at Canadian casinos, but  
22                         police are essentially doing nothing to  
23                         combat it, according to an internal RCMP  
24                         obtained by *The Vancouver Sun*."

25                  Skipping one paragraph, it quotes -- I take it

1 quoting from this report:

2 "Anecdotally, police managers have  
3 suggested that because of other priorities  
4 and a lack of resources, at this time  
5 nothing is being done to investigate these  
6 situations."

7 It goes on in the next paragraph to say -- an  
8 RCMP sergeant is quoting saying:

9 "Not a single person has been charged  
10 with money laundering at BC's casinos in  
11 recent history."

12 At the bottom of that first page the quote in  
13 the -- attributed to the report:

14 "Organized crime is prevalent in casinos  
15 at several levels."

16 And then over to the next page, if we just go  
17 down a little, Madam Registrar:

18 "Those include money laundering and loan  
19 sharking, and the casinos provide several  
20 opportunities for criminals to make cash  
21 earned illegally appear legitimate."

22 Do you recall this report on the front page of  
23 the *Sun* in 2010?

24 A I think I recall [indiscernible] seeing it as  
25 part of the package, so some recollection.

1           Q     Yeah. Do you have a memory from -- let's pick  
2                   on the date of this report, in the summer of  
3                   2010. Do you have a memory about this question  
4                   of money laundering and dirty money in casinos  
5                   achieving some prominence in media reporting or  
6                   in the public discourse?

7           A     I think it was becoming more of a reported event  
8                   or more of a reported story during that period  
9                   of time.

10          MR. MARTLAND: Mr. Commissioner, if I could ask this  
11                   document please be marked as the next exhibit.

12          THE COMMISSIONER: Yes, very well. That will be our  
13                   next exhibit.

14          THE REGISTRAR: 933.

15          THE COMMISSIONER: Thank you.

16                   **EXHIBIT 933: Vancouver Sun article - We Can't**  
17                   **Fight Casino Money Laundering: RCMP Report -**  
18                   **Chad Skelton - August 12, 2010**

19          MR. MARTLAND: And next if we could please bring up  
20                   tab 7, exhibit 823, BCLC15750.

21          Q     This is, I think, about a nine-page document  
22                   which is identified as "Media Excerpts, Money  
23                   Laundering in Casinos."

24          A     Yes.

25          Q     And, Mr. Coleman, have you had a chance to at

1           least look over this ahead of your evidence  
2           today?

3           A     I did.

4           Q     Okay.  And so the format of the document is --  
5           basically extracts different parts of some  
6           different reporting from established media  
7           outlets.  I won't read all of it by any stretch,  
8           but there's a few parts I'd like to review and  
9           then ask some questions from.  The first report  
10          that's referred to that we see on the screen is  
11          a CBC news report from January 4th, 2011.  Under  
12          the summary that's given in bold it says:

13                         "Millions of dollars flow through two BC  
14                         casinos in the spring and summer of 2010  
15                         in what the RCMP believes may have been a  
16                         sophisticated scheme to launder money from  
17                         the drug trade, CBC News has learned."

18          It talks about documents obtained from an FOI  
19          request casinos reporting to BCLC in late 2010.  
20          A multimillion dollar spike in suspicious  
21          transactions, but police were not immediately  
22          informed.

23                         Reference in the next paragraph to a man  
24          entering Starlight Casino in New West carrying  
25          chips worth \$1.2 million and immediately casino



1 common person would say this stinks.  
2 There's no doubt about it.' The casino  
3 industry in general was targeted during  
4 this time period for what may well be some  
5 very sophisticated money laundering  
6 activities by organized crime."

7 And I'll just pause there.

8 Appreciating that at the point in time when  
9 this news report was published or given, you  
10 weren't the minister responsible, but was that  
11 information that you learned about either at the  
12 time or when you resumed conduct of the portfolio  
13 in early 2012?

14 A Oh, I think we all try to -- sorry?

15 Q I didn't say anything but your audio did cut  
16 there.

17 A Okay. I'm getting an echo. That's the problem.

18 I think we all pay attention to the media  
19 and stories when we're in public life, and these  
20 particular stories are concerning whenever you  
21 would hear them. The biggest challenge I learned  
22 in this job over the years is to not assess the  
23 providence or the facts of a story just based on  
24 a media account simply because there could be  
25 other data and information that somebody's not

1           aware of or they are not -- or it's involved in  
2           some other larger aspect of an investigation or  
3           whatever that nobody who would be responding to  
4           this from government would be able to disclose,  
5           or in the case of the police, could have other  
6           activities taking place that may or may not be  
7           affected by this.

8                        So the stories, when I read them before  
9           today and even if I wasn't the minister at the  
10          time, it would have been concerning to me because  
11          my understanding all the way through the file was  
12          it wasn't possible to walk into a casino, let's  
13          say, with \$100,000 in \$20 bills, play for a bit  
14          and walk out with a cheque that actually launders  
15          your money. And in actual fact you were given  
16          your own money back, so it couldn't be laundered.

17                       So when somebody says it's out of control  
18          and that's the information I have and later on in  
19          the period of time after 2017 there was another  
20          report that was done by the lottery  
21          corporation -- actually ironically by Mr. Kroeker  
22          again -- that went back and looked at all large  
23          cash transactions, in actual fact that was the  
24          procedure at the time.

25                       So the question is how can you be laundering



1           if you're not getting your money legitimized.  
2           That would be my question to these articles. I  
3           don't think I'm in a position to comment on each  
4           article, but my thinking would be -- today is if  
5           that policy was being followed, how does this  
6           narrative exist?

7           Q    And you're referring there, I take it, to work  
8           that was done around 2017, you said, where there  
9           was an effort to pin down whether or not the  
10          cheque would be issued in that circumstance,  
11          that methodology or [indiscernible]?

12          A    It was part of the -- that was an evolution  
13          later on. The policy before was no cheque would  
14          be issued. Then it was okay, if we have  
15          legitimate earnings, can we issue cheques? And  
16          how we would do that. And that was part of the  
17          work that was done by the first Kroeker Report.  
18          And obviously I wasn't on the implementation  
19          side of that.

20                    But I think that, you know, the reality  
21          piece on articles like this is I always -- it  
22          bothers me to see the reputation of any  
23          government entity being questioned in any media  
24          because I think the people that work in  
25          government are honest people with good integrity



1 customers that play with large amounts of  
2 money in cash. They're known to us.

3 They've been customers that we've checked  
4 out their backgrounds over the period of  
5 years. They've done business with us.

6 They happen to be very big betters so that  
7 happens in our casinos."

8 Those comments that you either remember making or  
9 accept that are likely probably quoted to you?

10 A I think pretty accurately. I did have briefings  
11 about large cash transaction customers that had  
12 played in BC casinos that have been checked out  
13 and their holdings and their business ventures  
14 were legitimate, and they preferred as there is  
15 some customers that actually prefer to play in  
16 cash. And at that time we were in the  
17 conversations about could we establish, you  
18 know, basically customer accounts where they  
19 would be able to go, get the cash at the casino.

20 But I had asked that question and I had been  
21 advised and briefed, basically for lack of a  
22 better description, that we did have customers  
23 that were legitimately wealthy that did play in  
24 large amounts of cash and we had checked them  
25 out.

1           Q     Do you see the distinction, though, that even if  
2                   the customer checks out and is reputable, that  
3                   the cash that that person brings in may have  
4                   been -- may be part of a money laundering  
5                   scheme?

6           A     Well, I think that's a fair question, and I --  
7                   on this particular singular question it wasn't a  
8                   distinction because I was asking about a  
9                   specific situation.  But I think any time a  
10                  large amount of cash comes into a casino, the  
11                  source of the money is the big question and the  
12                  question is could you identify it as being legal  
13                  or otherwise.  If you can't -- if you can't  
14                  identify it as illegal up to that point, we were  
15                  taking the cash and we were not issuing cheques  
16                  for the money to be laundered because we  
17                  couldn't -- according to the briefings I had  
18                  had, even with the visit with Vander Graaf back  
19                  we were talking a little while ago, is we don't  
20                  know if it's legal or illegal money.  And not  
21                  knowing that makes it pretty difficult to police  
22                  or make decisions what you can do with it.

23          Q     I've been asking you these questions that pick  
24                  up on some media reports in 2011.  Without  
25                  getting into any specifics of any confidential

1                   briefings, was there any information given to  
2                   you or briefing given to you with respect to  
3                   police investigations relating to suspicious  
4                   cash in casinos in that period of time?

5           A        I was aware of ongoing police investigations  
6                   particularly on some of the gang issues and  
7                   stuff that actually connected back into money  
8                   that had been attempted to be laundered in  
9                   casinos, large cash transactions out of casinos  
10                  and the pursuit of investigations.  The  
11                  investigations were highly complex.  They were  
12                  really expensive, focused.  And I was advised of  
13                  those investigations in very high confidence, to  
14                  be held in confidence and I was not in a  
15                  position to talk about them publicly in any way.

16       MR. MARTLAND:  Mr. Commissioner, I am getting towards  
17                  the end.  I still do have a set of probably more  
18                  general types of questions.  I appreciate I  
19                  might have run us a little long.  What I'm going  
20                  to suggest, because I think it will speed us  
21                  along, if I could suggest a 10-minute break.  
22                  I'll revise notes and compress that and also  
23                  check in with my colleagues for their time  
24                  allocation so we can move our way through the  
25                  remainder of the evidence, if that's agreeable.

1 THE COMMISSIONER: That's fine, Mr. Martland. We'll  
2 do that. 10 minutes.

3 MR. MARTLAND: Thank you.

4 THE REGISTRAR: This hearing is adjourned for a  
5 10-minute recess until 12:38 p.m.

6 **(WITNESS STOOD DOWN)**

7 **(PROCEEDINGS ADJOURNED AT 12:28 P.M.)**

8 **(PROCEEDINGS RECONVENED AT 12:38 P.M.)**

9 **RICH COLEMAN, a witness**  
10 **for the commission,**  
11 **recalled.**

12 THE REGISTRAR: Thank you for waiting. The hearing  
13 is resumed. Mr. Commissioner.

14 THE COMMISSIONER: Thank you, Madam Registrar.

15 Yes, Mr. Martland.

16 MR. MARTLAND: Thank you, Mr. Commissioner.

17 **EXAMINATION BY MR. MARTLAND (continuing):**

18 Q Mr. Coleman, I have a last set of questions that  
19 are of a more general nature. I don't expect  
20 I'll need to use documents to ask you them. If  
21 you wanted to refer at any point to anything,  
22 though, don't be shy to let us know that.

23 As part of one of your recent answers, I  
24 understood you to say -- and this will be me  
25 paraphrasing -- but effectively that it wasn't

1           known, it wasn't identifiable or provable that  
2           the money that was -- the significant amounts of  
3           money moving into casinos were illicit or were  
4           proceeds of crime. Do I have that right?

5                    I'm sorry, you're muted. I think we all get  
6           automatically remuted after a break, so ...

7           MR. CAMERON: Do you hear us now, Mr. Martland?

8           MR. MARTLAND: Thank you. Yes.

9           THE WITNESS: So my questions on this particular  
10          file -- I asked that question a number of times  
11          because I said, so which is which? Because  
12          having been involved in the development of the  
13          legislation on the civil forfeiture side, which  
14          would be being able to go after the proceeds of  
15          crime, my question was a number of times, so if  
16          these are illicit funds, why can't we seize  
17          them? And the advice I got back is we can't  
18          prove that they are.

19                    And so that's why when the Kroeker piece  
20          came in 2011 after my last meeting with the guys  
21          at the enforcement branch was, can we dive into  
22          this? Because, you know, what else do we need  
23          to do to determine this because, A, we're  
24          stopping -- my understanding is we're not  
25          issuing cheques that legitimizes the money. The

1 money comes in; they get the same money back out  
2 of the vault, so it's not laundered. So then  
3 what other piece of evidentiary information  
4 could we possibly need to have in order to go to  
5 the next step. And I felt that as we came  
6 through the next step, maybe we would find  
7 something, but it's always a [indiscernible].

8 Q Did you feel it was important that it be  
9 established that yes, it was proceeds of crime  
10 in order for the -- from your point of view as  
11 the minister responsible to make informed  
12 responsible decisions?

13 A Not necessarily. I think we all had this  
14 feeling because of the way it was packaged and  
15 the information that these were proceeds of  
16 crime. The question is how could you, A, not  
17 launder it by making it legitimate, which was by  
18 not issuing a cheque just because somebody  
19 brought some money into a casino, and B, on the  
20 other side of it is there more evidence that we  
21 could accrue by other research or investigative  
22 purposes so that we would be in a position when  
23 we had that information that we could actually  
24 just seize the money.

25 Q Would you say that from the point of view of



1 making policy decisions for government,  
2 identifying a risk may be a sufficient standard  
3 as opposed to being able to say yes, it is  
4 proven to be proceeds of crime; we have the risk  
5 of that occurring, and that's enough for us to  
6 act?

7 A Well, I think we did act. I think the  
8 difference is that we acted within the legal  
9 structure we were give as far as what we could  
10 do for investigative or enforcement purposes.  
11 The -- it wasn't acceptable that we just had the  
12 suspicion, of course, because in our system of  
13 justice suspicion is not enough. And so really  
14 without directing -- of course you couldn't, as  
15 I said earlier in my testimony, because you're  
16 not -- these are statutory officers, police have  
17 their jobs on the investigative role, how they  
18 would proceed to pursue these things.

19 You ask the questions to try and change  
20 things you do, things like I did with the  
21 Kroeker Report. The first one, put the policies  
22 in place to improve things. But at the end of  
23 the day my expectation would have been, or is,  
24 that the police would continue to find ways to  
25 investigate this and follow the money and find

1 other traces.

2 Now, I know there's been some significant  
3 investigations that -- with regards to -- within  
4 the media since I was a minister and what have  
5 you, and I think maybe some of that work led to  
6 that, but at the same time those investigations  
7 are highly confidential and very sensitive. But  
8 I do know that -- I do think that the police  
9 have continued to build their expertise to go  
10 after things like underground banks, money  
11 laundering, loan sharking. As it affects money  
12 that may or may not come into a casino or  
13 elsewhere in our economy.

14 Q I heard you to say that suspicion isn't enough  
15 to -- it's not safe to act on the basis of  
16 suspicion. I suppose just to build on that a  
17 little, would you agree that there's somewhat of  
18 a sliding scale or something, steps on the  
19 ladder between suspicion moving up to the basis  
20 to believe something or a firmly held belief and  
21 then moving up further to proof but that above  
22 suspicious there might be some intermediate  
23 standard that, again, supports there being  
24 stronger measures taken even if it's not proof?

25 A That's a tough question. While I'm not -- I'm

1 not the statutory person that directs or is  
2 involved in investigations, nor could I give  
3 them advice or instructions to do so. So for me  
4 it would be -- I'd have to trust the police, the  
5 enforcement branch, the statutory people who  
6 have the responsibility for investigating  
7 enforcement and I have to trust that the  
8 policies that in place that are strong enough,  
9 as I've been advised, you know, as I've been  
10 briefed over the years to be world class in your  
11 casinos, to be able to do the job of combatting  
12 money laundering or large cash transactions  
13 reporting. There's a number of bodies, as you  
14 know, that are also involved in this -- FINTRAC  
15 being another body.

16 For me, I think for any -- not for me, but  
17 for government, it really is about we created  
18 the statutory and regulatory framework, we will  
19 improve it as we are advised that we could or  
20 strengthen it if we can. And the statutory  
21 people who have that responsibility who cannot  
22 be told or directed by government how to conduct  
23 an investigation or what to investigate, their  
24 job is their responsibility and for us to make a  
25 comment on how that should be done is outside of

1                   what our legislative responsibilities are for  
2                   first, but that's not running away from  
3                   responsibility.

4                   It's also the legal piece that says, these  
5                   people are the statutory people with  
6                   responsibility; they have statutory  
7                   responsibility for these jobs. And an elected  
8                   does not have that statutory ability.

9                   Q    Yes, and I appreciate that point in relation to  
10                   investigations and the confines of the role of  
11                   an elected official. Is it a different question  
12                   when it comes to the level of risk tolerance for  
13                   an elected official in terms of whether and to  
14                   what extent the rules of the game get changed to  
15                   minimize risk of huge amounts of apparent or  
16                   actual illicit money moving through casinos?

17                   A    I think that's the function of letting somebody  
18                   from the outside to do audits, write reports,  
19                   come up with implementation ideas to improve and  
20                   not put your personal opinion onto that. And so  
21                   that was what -- that's why, for instance, when  
22                   I decided to do the Kroeker Report it was  
23                   because I had concerns like you just talked  
24                   about earlier in the some of the media reports  
25                   and I felt we needed fresh eyes to see what we

1                   could do better and that's why we went down  
2                   there.

3           Q       Do you perceive there to be a sense in which  
4                   there's an apparent or actual conflict of  
5                   interest for the government on the one hand  
6                   looking to prevent against the risk of criminal  
7                   activity in casinos and the movement of criminal  
8                   money into casinos and on the other hand  
9                   understandably an interest in that significant  
10                  source of revenue?

11          A       I don't. I don't because I never saw it. I  
12                  never saw any attitude within government that  
13                  you just need to let questionable money flow  
14                  into any aspect of government. And so I think  
15                  the conflict of interest, if that was the --  
16                  would be if that's how government perceived and  
17                  operated, but they did not.

18          Q       Would you characterize it as being the case when  
19                  you were the minister responsible that the --  
20                  any interest in revenue never won out over being  
21                  responsible and weighing those competing or  
22                  different considerations?

23          A       That would be absolutely true. The  
24                  government -- the need for revenue was never the  
25                  driver of anything we did on this file.

1           Q     When we spoke about those early days the sort of  
2                    movement out of banquet halls and into a more  
3                    commercialized and professionalized and  
4                    modernized gaming regime, I took you in part to  
5                    say that that wasn't a progression or a set of  
6                    steps that were taken with a view to increasing  
7                    revenue for government.

8           A     That's correct.

9           Q     Okay. But was there -- is that not -- is it not  
10                   fair to say that it seems a fairly obvious part  
11                   of the equation, if not the whole equation?

12          A     I think it was part -- I mean, obviously it  
13                   occurred you have more revenue because you had  
14                   formalized and restructured and done it in such  
15                   a way that you had -- for lack of a better  
16                   description, an entertainment value to that form  
17                   of gaming versus what you had in the charity  
18                   piece when it was basically, you know,  
19                   smoke-filled, low ceiling rooms with very little  
20                   activity, no slots at the time. It was going to  
21                   be a natural progression that the revenue  
22                   streams would change. But it was more about,  
23                   you know, we really do have ourselves a  
24                   functioning operation and we need to improve it.

25                            In the light of but under the *Criminal Code*,

1           the Province has a responsibility for conduct  
2           and management of gaming in BC.

3           Q    Do you have a perspective, Mr. Coleman, on the  
4           level of federal engagement from federal  
5           agencies, RCMP, FINTRAC in particular with  
6           respect to proceeds and money laundering in  
7           casinos or more generally during the time you  
8           were the minister responsible?

9           A    I don't. I never, ever had any engagement with  
10          FINTRAC and those agencies, so I really don't  
11          have a perspective for you on that.

12          Q    Mr. Coleman, from today's vantage point and  
13          always with an appreciation that being able to  
14          look back means hindsight and the passage of  
15          time and maybe more information and a different  
16          perspective on things, but as you look back, do  
17          you look back and say, here's a problem that may  
18          have developed and I might have done things  
19          differently had I had different or better  
20          information at the time?

21          A    Hindsight's always 20/20. I didn't have better  
22          information at the time, so at the time in  
23          government didn't have better information. So  
24          government worked on the best -- best input and  
25          information of experts, people within the public

1 service, statutory and decision makers, and I  
2 think they were all trying to do their job to  
3 the best of their ability. And I think the file  
4 grew from a standing start maybe when River Rock  
5 was opened in 2004 over a number of years and  
6 had evolutions, and people were legitimately  
7 trying to find ways and find solutions to  
8 improve it.

9 Q Mr. Coleman, you've been very patient with all  
10 of my questions and I'm about to pass the baton  
11 to colleagues with their questions. Before I do  
12 that, I want to pause and see if in the course  
13 of answering questions if you feel there's  
14 anything that you would like to add or  
15 supplement an answer with or that you feel  
16 hasn't been addressed that the Commissioner  
17 should hear about.

18 A I don't think so. I think that government's do  
19 the best they can with the information they  
20 have. I think their statutory officers, the  
21 professional public service in BC, from my  
22 perspective I have the highest regard for those  
23 people that do those jobs, whether it be the  
24 Lottery Corporation or someone else.

25 I think we collectively work for the best



1 interest of the province of British Columbia and  
2 we -- I think even, like, the next government,  
3 as they will continue to do, will do so.  
4 Because I think that the people that have  
5 conduct of the file, the professional public  
6 servants in this province cared about this file,  
7 continue to care about this file and  
8 continuously work to improve it.

9 MR. MARTLAND: Mr. Commissioner, that concludes my  
10 questions. I've been advised the total is  
11 around 50 -- 5-0, not 15 -- minutes for the  
12 participants' questions, and so I'd suggest we  
13 might move that. That will see us, I think,  
14 sitting a little long, if that's not  
15 inconvenient, and that completes my questions.  
16 Thank you.

17 THE COMMISSIONER: Thank you. Thank you, Martland.  
18 I'll call first, then, on Mr. Stephens on  
19 behalf of BC Lottery Corporation, who has been  
20 allocated 25 minutes.

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

22 **EXAMINATION BY MR. STEPHENS:**

23 Q Mr. Coleman, it's Mr. Stephens here. I act for  
24 BCLC. Can you hear me okay?

25 A I can.

1           Q     Okay. I'd like to start asking you just about  
2                   something you referred to earlier in your  
3                   testimony about attending a briefing at BCLC, I  
4                   think you said, and involved external counsel.  
5                   Do you recall that?

6           A     Yeah, I would -- I wouldn't call it necessarily  
7                   a briefing, but it was -- and I don't know  
8                   that -- I think maybe external counsel was  
9                   present, but the presentation quoted from  
10                  external and internal counsel.

11          MR. STEPHENS: Okay. If I could ask, Madam  
12                   Registrar, if you would be able to pull up  
13                   document BCLC1423. And I just ask,  
14                   Mr. Commissioner, if this document that's board  
15                   meeting minutes from the Lottery Corporation on  
16                   a variety of matters, if it not be shown on  
17                   livestream at that point.

18          THE COMMISSIONER: I'll make that direction,  
19                   Mr. Stephens.

20          MR. STEPHENS:

21          Q     Mr. Coleman, are you with me?

22          A     I'm with you. Go ahead.

23          Q     So this is -- these are minutes of the BC  
24                   Lottery Corporation. I just want you to refer  
25                   to the date of it. It's July 23rd, 2010, and at

1                   the very bottom there's an item saying "report  
2                   by the chair" and that the chair reported that  
3                   Minister Coleman would be attending the board  
4                   meeting.

5           A     M'mm-hmm.

6           Q     Do you see that?

7           A     Yes.

8           MR. STEPHENS: And then over then the page, Madam  
9                   Registrar, if you could turn to page 2 of that.

10          Q     You'll see in the middle of the page underneath  
11                item 6 in the next paragraph:

12                         "Minister Rich Coleman and Toby Myers  
13                         joined the meeting --"

14                Et cetera. Do you see that?

15          A     M'mm-hmm.

16          Q     And then underneath that it says:

17                         "Constance Ladell, General Counsel and  
18                         Alison Manzer joined the meeting at  
19                         9:30 a.m."

20                And you see that there?

21          A     You're asking me?

22          Q     Yes, I am. And what I'm trying to do,  
23                Mr. Coleman, is just trying to fix the  
24                approximate date and ask you to confirm that  
25                this appears to be the date and the occasion on

1                   which you were describing to the Commissioner  
2                   you attended a meeting at BCLC.

3           A        That would be correct.

4           MR. STEPHENS:  Mr. Commissioner, I'd ask if this  
5                   document be marked as the next exhibit, please.

6           THE COMMISSIONER:  Yes, very well.  The next exhibit.

7           THE REGISTRAR:  Exhibit 934.

8                               **EXHIBIT 934:  BCLC Minutes from the Board**  
9                               **Meeting - July 23, 2010**

10          MR. STEPHENS:  Thank you, Madam Registrar.  That  
11                   document may be taken down.  But I'd ask if you  
12                   could put up BCLC15239.  Which is another  
13                   document, Mr. Commissioner, produced by BCLC  
14                   under section 29, and I'd ask it not be posted  
15                   on the live screen, please.

16          Q        Mr. Coleman, do you have that document?

17          A        I do.

18          Q        We don't need to go through it in detail, but  
19                   there's some information regarding a BCLC board  
20                   meeting July 23rd, 2010, and with Ms. Manzer's  
21                   name underneath and there's a series of items.  
22                   And I just wanted to ask you if that assists  
23                   refreshing your memory about whether that's  
24                   information you received or was part of the  
25                   briefing or the discussion or meeting that you

1 described to the Commissioner.

2 A This three-page document was part of the  
3 meeting, the other documents that you sent me  
4 would not have been because mine was a  
5 high-level discussion and this would have been  
6 part of the high-level discussion.

7 MR. STEPHENS: Thank you. And, again,  
8 Mr. Commissioner, I guess with that  
9 qualification as to his evidence about what  
10 Mr. Coleman received, I'd ask that this be  
11 marked as the next exhibit, please.

12 THE COMMISSIONER: Very well.

13 MR. STEPHENS: And, Mr. Commissioner, just simply  
14 because this is a section 29 document, I'd ask  
15 for BCLC to have an opportunity to take a  
16 position on whether any portions of this should  
17 be redacted within the larger document.

18 THE COMMISSIONER: I'm sorry, who are you addressing  
19 there, Mr. Stephens?

20 MR. STEPHENS: I was addressing you, Mr. Commissioner.  
21 It may not be necessary, but just for the  
22 purposes of protocol, because this document is a  
23 privileged document, before it's publicly posted,  
24 BCLC would wish an opportunity to make a  
25 submission or engage with commission and counsel

1           as to whether any portions of this document  
2           should be redacted before publicly posted.

3           THE COMMISSIONER: All right. That's fine. I would  
4           have thought that it wouldn't be publicly posted  
5           at all.

6           MR. STEPHENS: Well, there may be some portions that  
7           we may -- we may be able to obtain instructions  
8           to have some of it publicly posted,  
9           Mr. Commissioner, but it's possible, as you say,  
10          none of it would be.

11          THE COMMISSIONER: All right. I leave that up to  
12          you. But I will make the direction you seek.

13          MR. STEPHENS: Thank you.

14          THE REGISTRAR: That would be exhibit 935,  
15          Mr. Commissioner.

16                   **EXHIBIT 935: BCLC Board Meeting July 23, 2010**  
17                   **presentation regarding AML and FINTRAC**

18          MR. STEPHENS: Thank you, Madam Registrar. You  
19          can -- I'd ask you to take that document down.  
20          Thank you.

21                   The next document I'd ask to be brought up  
22                   is within exhibit 71 of the -- which is an  
23                   overview report, and it's appendix H of that  
24                   overview report. It's an overview report on  
25                   Gaming Policy Enforcement Branch annual reports.

1 Q Mr. Coleman, do you see that document, GPEB  
2 annual report?

3 MR. STEPHENS: And then I'm going to ask Madam  
4 Registrar go to page 5 of that report.  
5 That's -- right there, yes.

6 Q And, Mr. Coleman, I just wanted to ask you  
7 because I don't think the Commissioner has seen  
8 any of these particular reports, just to advise  
9 whether you recall these types of reports, the  
10 annual reports published by GPEB that had an  
11 introductory letter from you within them.

12 A [Indiscernible] understand the practice that if  
13 there was a report -- not every time, but the  
14 agencies of government would actually have a  
15 letter in their annual report from the sitting  
16 minister.

17 Q And in that report in your letter at the very  
18 beginning in the fourth paragraph it notes that  
19 BCLC, GPEB and the police forces remain vigilant  
20 to defer money laundering in BC gaming  
21 facilities, and that was part of your report and  
22 this GPEB report; correct?

23 A Yes.

24 MR. STEPHENS: And, Madam Registrar, if I could ask  
25 you to turn over the page, one page, please.

1 Page 6.

2 Q There's something called an accountability  
3 statement provided by the Assistant Deputy  
4 Minister and General Manager of GPEB. And you  
5 recall that that was also the practice for these  
6 reports of the general manager of GPEB would  
7 provide a report in effect to you to go as part  
8 of these GPEB annual reports?

9 A I believe so, yes.

10 Q And in the third paragraph the general manager  
11 at the time states:

12 "Over the past year GPEB has been working  
13 closely with the British Columbia Lottery  
14 Corporation to further strengthen the  
15 already robust measures to deter money  
16 laundering in BC gaming facilities."

17 Do you see that?

18 A I do.

19 Q And you understood at the time that that was the  
20 General Manager's view as to what was occurring  
21 and what was the state of affairs with respect  
22 to AML, the AML strategy at that time?

23 A That was my understanding, yes.

24 Q And that was reported to you by the general  
25 manager of GPEB; correct?



1 A That's correct.

2 MR. STEPHENS: Thank you, Madam Registrar. That  
3 document could be brought down now.

4 Q Mr. Coleman, Mr. Martland showed you what was an  
5 incident report of a complaint that you had  
6 apparently received, among others, with regard  
7 to alleged loan sharking at Edgewater Casino.  
8 Do you remember that?

9 A I just testified on that, so yes.

10 Q That's right, yes. The reason why I want to ask  
11 you, Mr. Coleman, is that I'd ask that the  
12 registrar bring up a document that was noticed  
13 for you evidence. It's GPEB4 -- 5247, pardon  
14 me.

15 MR. STEPHENS: Mr. Commissioner, I'd ask that this  
16 not be livestreamed due to information contained  
17 in it, please.

18 THE COMMISSIONER: Very well. I'll give that  
19 direction.

20 MR. STEPHENS:

21 Q And, Mr. Coleman, you'll see this is an email  
22 from Mr. Hiller, and it describes something  
23 called a Section 86 Report. And you were  
24 generally familiar with what a Section 86 Report  
25 is and was at the time; yes?

1           A     Actually, not particularly. I knew they had  
2                   forms for investigations and what have you, but  
3                   I was never involved in investigations, so their  
4                   form numbers I was not familiar with.

5           Q     Okay. Well, if I could ask, Madam Registrar, if  
6                   you go to the second page of this document. And  
7                   you'll see it's a report provided regarding  
8                   occurrence of allegations of improper activities  
9                   by VIP hosts and allowing loan sharks to  
10                  operate, and you see that in the occurrence of  
11                  this document?

12                         And then over the page -- Madam Registrar,  
13                         if I could ask if you could just go over the  
14                         page -- you can see among other things is the  
15                         email Mr. Martland took you to from an  
16                         individual sent to you and some others in the --  
17                         and you'll see that in the "to" line.

18                         And so, Mr. Coleman, I just asked you if I  
19                         advise you that this indicates that GPEB was  
20                         advised of this incident by BCLC, that wouldn't  
21                         surprise you, I take it, that the subject matter  
22                         of this allegation was brought to GPEB's  
23                         attention?

24           A     It wouldn't surprise me, no.

25           Q     That was something that you would expect would

1 occur; correct?

2 A Yes.

3 Q Yes. You have to answer yes or no for the  
4 record.

5 A Okay.

6 MR. STEPHENS: Thank you. And if I could ask, Madam  
7 Registrar, if you could take that document down  
8 and put up document GPEB5288. And, again, if  
9 the document could not be livestreamed, please.

10 And you'll see this is a Gaming Policy  
11 Enforcement Branch document, and there's some  
12 description in it, and if I could ask -- I'll  
13 just -- the content of this concerns the subject  
14 matter of the allegation that's been made.

15 And if I could ask, Madam Registrar, if you  
16 could turn to the -- page 4 of this document.

17 Q You'll see in the document there is a conclusion  
18 with respect to the allegation that has been  
19 made with respect to a high-limit host at  
20 Edgewater Casino. And I appreciate you weren't  
21 on this document, but I take it you wouldn't be  
22 surprised as a responsible minister that this  
23 allegation was investigated by the Gaming Policy  
24 Enforcement Branch?

25 A I wouldn't be surprised of that, no.

1 Q And you would expect that that would occur;  
2 correct?

3 A The authority that would have responsible for  
4 this, so yes.

5 MR. STEPHENS: Thank you, Mr. Coleman.

6 Mr. Commissioner, I would ask that these  
7 last two documents be marked as the next  
8 exhibits, please.

9 THE COMMISSIONER: Yes, very well.

10 THE REGISTRAR: So GPEB5247 would be 936.

11 **EXHIBIT 936: Email from Mike Hiller, re Form 86**  
12 **BCLC 2010-0024262 - June 22, 2010**

13 THE REGISTRAR: And this one, GPEB5288, would be 937.

14 THE COMMISSIONER: Thank you.

15 **EXHIBIT 937: GPEB report of findings - Failure**  
16 **to Report - Paragon Gaming (dba) Edgewater**  
17 **Casino - October 4, 2010**

18 THE WITNESS: Could I ask a question about that? And  
19 I haven't read the document.

20 THE COMMISSIONER: Yes, you can ask a question --

21 THE WITNESS: Is there the name of any suspect in  
22 there that would be compromised by the document?  
23 Has this been looked at for being redacted at  
24 all for that purpose?

25 MR. STEPHENS: I'm not sure whether this is my

1                   bailiwick or Mr. Martland's, but I can advise  
2                   that there's a protocol the commission has  
3                   before a document is publicly posted that it be  
4                   vetted and any consideration for redaction be  
5                   discussed, and if necessary, brought to the  
6                   Commissioner's attention.

7           THE WITNESS: It's not anything for me. I just  
8                   wanted to flag it. That's all.

9           MR. STEPHENS: Thank you. The last topic I wanted to  
10                   canvass, Mr. Coleman, concerns IIGET. And I  
11                   would ask that an exhibit be provided.

12                               It is exhibit C -- or appendix C to an  
13                   overview report, exhibit 77. Thank you,  
14                   Mr. Leung. Thank you, Madam Registrar, that's  
15                   exhibit 77, appendix C.

16           Q       And I just want to follow up on some questions  
17                   that Mr. Martland asked you about IIGET and what  
18                   occurred at the end of the five-year period.  
19                   And put on the screen, Mr. Coleman, is an  
20                   effectiveness review of IIGET prepared by  
21                   Ms. Catherine Tait. Did you recall that there  
22                   was an effectiveness review done by an  
23                   individual on IIGET at or near the five-year  
24                   pilot project date?

25           A       I was not.



1           A     I was more of the understanding that BCLC did  
2                   not want to continue funding the particular  
3                   program, and I was of the understanding that the  
4                   members of the consultative board and others  
5                   felt that that was okay and that we should be  
6                   going to general revenue for the funding to  
7                   be -- if it was to be continued to be funded by  
8                   government and not by BCLC.

9           Q     I see. But you're saying that what led to the  
10                  consultative board's view about whether BCLC  
11                  should be funding is not something that you were  
12                  aware of the details of?

13          A     I'm not, no.

14          Q     I take it you would agree with me that if -- to  
15                  the extent this report recommends that BCLC not  
16                  continue to fund IIGET, that was not something  
17                  that was relayed to you at the time?

18          A     Not at the time this report was done, no. I  
19                  don't think I had the file then.

20          MR. STEPHENS: Thank you, Mr. Coleman. Thank you,  
21                  Mr. Commissioner. Those are my questions.

22          THE COMMISSIONER: Thank you, Mr. Stephens.

23                         I'll turn now to Ms. Mainville on behalf of  
24                         Robert Kroeker, who has been allocated  
25                         15 minutes.

1 MS. MAINVILLE: Thank you, Mr. Commissioner. I won't  
2 be that long.

3 **EXAMINATION BY MS. MAINVILLE:**

4 Q Mr. Coleman, you've described already  
5 Mr. Kroeker as a professional and very good  
6 public servant. And I just note that you used  
7 even stronger terms, I believe, when you met  
8 with commission counsel. Am I right that you  
9 consider him to be one of the most honest and  
10 dedicated public servants you had ever worked  
11 with?

12 A That would be fair.

13 Q And I understand that you had previously engaged  
14 with him during his tenure as the Director of  
15 the Civil Forfeiture Office.

16 A Actually, I actually met Mr. Kroeker before that  
17 when I was Minister of Public Safety and  
18 Solicitor General. I think he was in the  
19 Commercial Vehicle Compliance Branch at that  
20 time.

21 Q Right.

22 A And I was impressed with the briefing he'd given  
23 me way back then. I kind of watched his career  
24 because I thought he was one of the exemplary  
25 ones. And I thought the job he did at the Civil



1                   Forfeiture Office, even though I didn't have it  
2                   necessarily in my mandate, all the reports  
3                   coming back was that he had that running very  
4                   well and he was very good. And my opinion of  
5                   him hasn't changed. I think he's a highly -- he  
6                   was a highly regarded civil servant and then  
7                   went to the Lottery Corporation. But my --  
8                   when it was -- I guess the best description for  
9                   me was Robert Kroeker would be -- he was one of  
10                  the names suggested that we would use to do the  
11                  report back in 2010ish. After my visit with the  
12                  enforcement branch I said, that's exactly the  
13                  right person to do this job. Because I had  
14                  confidence in him.

15                Q     Right. And so he did work in ministries that  
16                  you were responsible for for several years; is  
17                  that correct?

18                A     I think the -- because of the number of  
19                  ministries I was in, we probably bounced and hit  
20                  each other at different times or saw him at  
21                  different times. It could have been a  
22                  presentation to cabinet or it could have been  
23                  before a committee I was on or even a trade  
24                  board, that type of thing. So I did -- you  
25                  know, you do bump into the people in the public

1 service at senior levels on a fairly regular  
2 basis.

3 Q Right. And fair to say you had no personal  
4 relationship with him, only professional?

5 A No, I don't.

6 Q And I take it from your evidence today that you  
7 gave minimal instructions to him when he began  
8 his review.

9 A I didn't give him any instructions.

10 Q Right. So no significant guidance even on what  
11 to focus on? Is that ...

12 A I think the deputy may have had a meeting with  
13 him, but I never gave him any directions myself.  
14 I felt that he was experienced in Civil  
15 Forfeiture and his understanding of the file,  
16 that he was well equipped to take the  
17 conversations and go out and do the work and  
18 interview the people and come back with  
19 recommendations to improve on anything we might  
20 need to do. And I wanted it that way because I  
21 wanted a fresh set of eyes on it without anybody  
22 trying to influence the outcome of the report,  
23 and I knew that he would do that and do the job  
24 and report out fairly competently.

25 Q Okay. And in terms of mandate, do I understand,

1            though, the bottom line about what you wanted to  
2            know was effectively whether BCLC and GPEB were  
3            employing AML best practices and whether there  
4            were opportunities for improvement?

5            A     Absolutely. I wanted to know what our practices  
6            were, could we -- where can we improve and  
7            please give me your recommendations where we can  
8            improve so we can implement.

9            Q     Okay. Thank you. And do you recall -- and this  
10           may have been a discussion with the Deputy  
11           Minister, but do you recall initially he was to  
12           report back by way of a briefing supported by a  
13           briefing note and a bit later on that he was  
14           asked to put his findings in a report?

15           A     I do not recall that. My expectation from the  
16           beginning is I would get recommendations and a  
17           report, so that would have been a discussion  
18           between him and the deputy, I would think.

19           MS. MAINVILLE: Okay. Fair enough. Thank you.

20                    Those are my questions.

21           THE COMMISSIONER: Thank you, Ms. Mainville.

22                    I'll turn now to Mr. Rauch-Davis on behalf  
23           of Transparency International, who has been  
24           allocated 10 minutes.

25           MR. RAUCH-DAVIS: Thank you.

1                   **EXAMINATION BY MR. RAUCH-DAVIS:**

2                   Q     Mr. Coleman, can you hear me okay?

3                   A     I can. Thank you.

4                   Q     Okay. Great. I just have a few questions. So  
5                             you gave evidence about some police briefings  
6                             while you were in office and had the gaming  
7                             portfolio. And I take it these types of  
8                             briefings happened frequently; right?

9                   A     Not frequently, but yes, I had briefings.

10                  Q     Yes. Okay. And I take it in those briefings  
11                             police would routinely express words to the  
12                             effect that money laundering investigations and  
13                             proving that cash is proceeds of crime was a  
14                             complex and time consuming investigation; right?

15                  A     I'm not going to put words in the police's  
16                             mouth. Obviously they did -- all the  
17                             investigations that they briefed me on wouldn't  
18                             just include one subject and they were all  
19                             complex.

20                  Q     Right. I'm not asking you to put words in the  
21                             mouth of the police officers; I'm asking what  
22                             you recall of these meetings, whether that type  
23                             of sentiment was expressed to you.

24                  A     My briefings are about the details of an  
25                             investigation and it wasn't about sentiments.

1 Q Okay. Was there a general -- would you agree  
2 that there was a general concern that money  
3 laundering investigations were complex and time  
4 consuming?

5 A There's no question that money laundering  
6 investigations are complex and time consuming.

7 Q And that was expressed to you by police in the  
8 briefings?

9 A At many levels it was expressed to me.

10 Q Okay. Thank you. And I take it in addition to  
11 that type of -- that type of evidence, the  
12 police also expressed resource concerns; that  
13 they were understaffed or lacked expertise to  
14 pursue these investigations?

15 A Actually, I disagree with that comment. I feel  
16 that the police in British Columbia under our  
17 watch went up from a budget that hadn't been  
18 increased in nine years to coming up to the full  
19 compliment of the provincial police force and  
20 then having funding in relationship to the  
21 federal government for tasks force, like  
22 Integrated Homicide Investigation Teams,  
23 anti-gang investigations, for specialized  
24 investigations, for investigations that were  
25 highly complex and expensive like the Pickton

1 investigation.

2 At no time did I ever have the police force  
3 in BC tell me they were underresourced directly  
4 to my face.

5 Q They never -- it's your evidence that the  
6 concern about resource and expertise regarding  
7 money laundering investigations that never came  
8 across to you in these briefings?

9 A It was always -- well, they were always building  
10 their expertise, but your question was about  
11 funding. And I can tell you that the BC -- in  
12 BC the funding for policing has been, I think,  
13 very good over the last two decades.

14 Q I don't believe my question was about funding.  
15 My question was did the police express to you  
16 that they encountered resource and expertise  
17 issues in investigating money laundering  
18 offences?

19 A I can't say I recall them ever expressing that  
20 specifically to me.

21 Q That never happened?

22 A I just said I can't recall them ever  
23 specifically expressing that to me.

24 MR. RAUCH-DAVIS: Okay. Thank you. Those are my  
25 questions.

1 THE COMMISSIONER: Thank you, Mr. Rauch-Davis.

2 I'll turn now to Ms. Rajotte on behalf of  
3 the province, who has been allocated 30 minutes.

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

5 **EXAMINATION BY MS. RAJOTTE:**

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

7 A Yes, I can.

8 Q So my first question is I just want to clarify  
9 your evidence about who was present and  
10 participated in the decision to disband IIGET  
11 and specifically relating to Lori Wanamaker.

12 Now, your evidence -- when was the decision  
13 to disband IIGET made? Was that 2008 or 2009?

14 A In that time frame. I don't have the exact date  
15 in front of me.

16 Q And Ms. Wanamaker's testified at this commission  
17 and her evidence is that the first that she had  
18 responsibility in relation to gaming was in  
19 October of 2010. So that was after the decision  
20 to disband IIGET. So -- and I understand that  
21 to be consistent with your evidence earlier  
22 today with respect to the meeting that took  
23 place with Ms. Wanamaker and Mr. Vander Graaf in  
24 late 2010 in GPEB's office in Burnaby.

25 If you recall, I believe your evidence was

1                   that one of the reasons for that meeting was to  
2                   introduce Ms. Wanamaker to the folks at GPEB  
3                   because she was a new deputy to the file?

4           A       No. It was because I returned to the file.

5           Q       Oh, because you returned to the file.

6                   And so there seems to be a discrepancy  
7                   between your evidence and Ms. Wanamaker's  
8                   evidence on her involvement or responsibility for  
9                   the file at the time that the decision was made  
10                  to disband IIGET. And so I just wanted to draw  
11                  that to your attention and ask what your level of  
12                  confidence is that Ms. Wanamaker was in fact  
13                  involved in that decision.

14          A       Well, it was my recollection -- it would have  
15                  been my Deputy Minister at the time that was in  
16                  the meeting, but now -- I had moved from one  
17                  ministry to the other, but Ms. Wanamaker was --  
18                  I can't remember if she was with me at housing  
19                  and social. She was with me on the housing file  
20                  as Assistant Deputy Minister at one point, so  
21                  that was 12, 13 years ago. My recollection  
22                  initially in my statement of evidence was that  
23                  she was present. That would be my recollection.  
24                  I think the only way I could double-check that  
25                  would be to check with my former chief of staff



1                   who was also in the meeting.

2           Q       Okay. Thank you. Now, you've provided some  
3                   evidence that there was a period of time, I  
4                   understand, between 2008 and 2010 where  
5                   responsibility for gaming was shared. You had  
6                   responsibility for the policy side and not the  
7                   enforcement side; is that right?

8           A       That was my recollection, yes.

9           Q       And I believe your evidence was that during that  
10                  period responsibility for the enforcement side  
11                  resided with the Solicitor General; is that  
12                  right?

13          A       That's also my understanding, yes.

14          Q       And do you recall who was the Solicitor General  
15                  during that time?

16          A       I believe that was John van Dongen.

17          Q       And do you recall the rationale for dividing  
18                  responsibility in that way?

19          A       I have no idea what the rationale was. We'd  
20                  just get -- as I said earlier in my testimony,  
21                  you get a cabinet shuffle, you get your change,  
22                  you get the list of duties you have and that's  
23                  at the pleasure of the Premier.

24          Q       And what did that mean in a practicable sense in  
25                  terms of reporting from GPEB?

1           A     I think probably it meant that the two ministers  
2                    had to work together with regards to the  
3                    division of the two.  I don't think there were  
4                    any -- I can't remember any tensions back and  
5                    forth.  That particular minister was good to  
6                    work with and we worked well together, and I  
7                    don't ever -- I recall any tension over the file  
8                    at all.

9           Q     And so would it be the case, then, that the  
10                   Assistant Deputy Minister and General Manager of  
11                   GPEB would report up to both ministers and  
12                   depending on the area of business that the  
13                   matter was in relation to, that would drive who  
14                   he would report to?

15          A     That would be my assumption, yeah.

16          Q     And did you have responsibility for BCLC during  
17                   this time?

18          A     I'm not sure.

19          Q     If we were to try to find an answer to that,  
20                   would -- I guess one way to do that would be to  
21                   look to the government shareholders of --  
22                   letters of expectations or mandate letters BCLC  
23                   during that time?

24          A     That would partially be part of it, but the  
25                   shareholder letters of expectation are done

1 every year at the annual reporting period going  
2 into the budget. So sometimes the minister that  
3 signs that particular shareholder letter or  
4 there's a minister on the annual report is  
5 different than the one that's in a position  
6 during any particular fiscal year.

7 Q Right.

8 A So it wouldn't be just that. I think it would  
9 be a case of saying if somebody who worked for  
10 me had a better memory of a couple of these  
11 things than maybe I do after all these years.

12 Q Okay. Fair enough. And did you observe any  
13 benefits during this time to having  
14 responsibility shared in this way?

15 A No.

16 Q No. Okay. And then I take it from your  
17 previous answers that you do not -- you do not  
18 know the rationale for consolidating the  
19 responsibilities back into a single ministry,  
20 which I understand took place sometime in 2010?

21 A I do not.

22 Q Okay. When you were minister responsible for  
23 BCLC, BCLC reported to you through the board  
24 chair; is that right?

25 A Yes, traditionally for me whenever I had a Crown

1 corporation I would try and have a briefing  
2 maybe quarterly -- quarterly a year with the CEO  
3 and the chair, if it was possible. I would try  
4 and attend a board meeting or meet with the  
5 board, you know, once -- depending on my other  
6 duties, on at least a once or twice a year  
7 basis.

8 Basically the management of the corporation  
9 is to the board. They reported to me like I was  
10 a shareholder; however, there were times that I  
11 would also meet with the chair and the CEO if  
12 they had something to brief me on. It did not  
13 happen as often after 2005 when we were  
14 basically taking all the changes to gaming and  
15 the legislation and all of that through.

16 And because of duties and travel and what  
17 have you, probably not as often as it would have  
18 been -- '01 to '05 as it would've been in other  
19 times the portfolio came through me. Sometimes  
20 for six months at a time. Once for three months  
21 because it was during the interregnum period.  
22 There wouldn't have been any meetings at all.  
23 It was just holding the placeholder for the  
24 portfolio.

25 So it varied depending on how long I had the

1 portfolio that was then moved to another  
2 minister or whatever the case may be.

3 Q And then government provided direction to BCLC  
4 through letters of expectation or mandate  
5 letters; is that right?

6 A That I did. To every Crown.

7 Q That's the typical process for Crown  
8 corporations.

9 Now, Mr. Martland asked you some questions  
10 about your consideration at the time about having  
11 both GPEB and BCLC housed in the same ministry.  
12 And my understanding of your evidence is that you  
13 never saw any reason not to have the two  
14 together; is that right?

15 A That's correct.

16 Q And I just want to take you to a few documents  
17 on that point. If you could please turn to --  
18 it's document MR0197.

19 MS. RAJOTTE: And if we could pull that up, Madam  
20 Registrar, please.

21 Q And if you can turn to page 9 of that letter.  
22 If you see in the top right-hand corner, there's  
23 a decimal point and .0009. That's the page  
24 number.

25 A Did you say page 9?

1 Q Yes, please.

2 A What's the heading at the top?

3 Q So you should have a letter dated July 28th,  
4 2010, to Premier Gordon Campbell --

5 A Yes, m'mm-hmm. Yep.

6 Q Was this -- was Shane Simpson the opposition  
7 critic for gaming at this time, do you recall?

8 A I honestly don't know what Mr. Simpson's critic  
9 role was at the time of this letter.

10 Q Okay. And if you turn the page, you're copied  
11 on the letter; correct?

12 A That's correct.

13 Q And so you had -- you had responsibility for  
14 gaming either -- do you recall at this time  
15 whether you had partial responsibility or full  
16 responsibility for gaming?

17 A I believe at that time I had full.

18 Q And did you review this letter around the time  
19 it was sent?

20 A I can confirm that for you. Just a second.  
21 July. Actually, I wasn't the minister at the  
22 time, I don't believe. In terms of the  
23 portfolio on October 25th, 2010, in the last  
24 shuffle, I was -- no, it did remain with me as  
25 assigned on -- the enforcement branch was with

1           the Ministry of TSSG at that time, and the  
2           policy branch would have been with me.

3           Q     Okay. Thank you. And you -- sorry, my question  
4           was whether you reviewed this letter  
5           around the time that it was sent.

6           A     I know you work in government, so you probably  
7           understand that this letter would have gone into  
8           the Correspondence Branch. They would have  
9           [indiscernible] the letter, it would have been  
10          tagged and filed and given a CLIFF number, I  
11          think they call it.

12                     At that point in time the letter would go to  
13          the Correspondence Branch for a response. This  
14          one here was sent over to us for a response, if  
15          I read it correctly, by the Premier's office for  
16          us to respond to the letter on behalf of  
17          government. The response is then prepared.

18                     It then comes into the minister's office.  
19          In my case my chief of staff would have reviewed  
20          the content of the letter and, if necessary,  
21          suggested any audits before I would see the  
22          final draft. The letter would then go into my  
23          signing book, which, when I usually would do  
24          duty in the house, I would have the letter that  
25          Mr. Simpson sent on the one side, read it, read

1           the response and sign it. If I had a difficulty  
2           with it, I wouldn't sign the response, and then  
3           I would send it back saying, I think there's  
4           something that isn't correct in this particular  
5           response.

6           Q     Thank you. Mr. Coleman, that's really helpful.  
7           And so if you look at Mr. Simpson's letter on  
8           the second page and the first paragraph on the  
9           second page, Mr. Simpson is raising the issue of  
10          the potential conflict of having both BCLC and  
11          GPEB contained within the same ministry;  
12          correct?

13          A     That's true, yep.

14          Q     And then if you turn to -- back a few pages to  
15          page 7 of this document. You'll see a draft  
16          letter or an unsigned letter, I should say, with  
17          no date. Were you -- you appear to be  
18          responding to Mr. Simpson's July 28, 2010  
19          letter at the request of the Premier; is that  
20          right?

21          A     That's right. Yes.

22          Q     And this letter is not dated, but if I look to  
23          the page before it appears that it was prepared  
24          over August 2010 and eventually it went out  
25          under your signature in September of 2010.



1           A     That timeline makes sense.

2           Q     And so in this letter you basically respond by  
3                 saying that you see no reason to move GPEB and  
4                 BCLC into separate ministries; is that right?

5           A     That's right.

6           Q     And so does this letter, at least in part,  
7                 actually accurately capture your thoughts on  
8                 this issue at this time?

9           A     Yeah, I would say so. I mean, I had the  
10                portfolio. They were working together with me.  
11                I think -- yeah, because I said professional  
12                staff and it reflects the respective  
13                responsibilities being done, et cetera,  
14                et cetera. It was a response of a letter to a  
15                letter. It was not mandating an opinion about  
16                how government might want to structure at one  
17                time or another. I was serving at the pleasure  
18                of the Premier, I had both and I was okay with  
19                that.

20           MS. RAJOTTE: Thank you. Mr. Commissioner, if I  
21                could please mark this document as the next  
22                exhibit.

23           THE COMMISSIONER: Yes, very well.

24           THE REGISTRAR: Exhibit 938.

25                   **EXHIBIT 938: Email from Sr. Analyst to Greg**

1                   **Visco re CLIFF ID 166858, with attachment**

2           MR. RAJOTTE:

3           Q     And, Mr. Coleman, if you look at the second to  
4                   last paragraph in your letter, do you see that  
5                   you reference a 2007 report by Deloitte that  
6                   reviewed the province's lottery retail system?

7           A     Yes.

8           Q     If we could go to document GPEB4775, please. Do  
9                   you have that, Mr. Coleman?

10          A     I don't know.

11          MR. CAMERON: It's tab 17 in your binder,  
12                   Mr. Coleman.

13          THE WITNESS: We have to look at our tabs because  
14                   we're not matching them to your tabs.

15          MR. RAJOTTE: So you should have an email exchange,  
16                   which I don't think is relevant. If you turn  
17                   the page you'll see a 2007 report by Deloitte on  
18                   the province's retail lottery system. Do you  
19                   recognize this as the Deloitte report that's  
20                   referenced in your letter?

21          A     I can only assume that.

22          Q     Thank you. Do you recall whether this report  
23                   informed your consideration of the conflicts  
24                   issue or the potential conflicts issue at the  
25                   time?

1           A     I can't recall. The report was actually  
2                   delivered to a different minister, and the  
3                   Correspondence Branch would rely on information  
4                   that I didn't necessarily personally have in  
5                   composing a letter for me, so I can't  
6                   honestly -- I can't tell you that I relied on  
7                   that.

8           MS. RAJOTTE: Okay. Thank you. Mr. Commissioner, if  
9                   we could please mark this document as the next  
10                  exhibit.

11          THE COMMISSIONER: Very well.

12          THE REGISTRAR: Exhibit 939.

13                   **EXHIBIT 939: Email from Anna Fitzgerald to Dave**  
14                   **Boychuk re Deloitte report 2007 - October 14,**  
15                   **2015, with attachment**

16          MR. RAJOTTE:

17          Q     And, Mr. Coleman, if you would please turn to  
18                  page 13 of this document. Again, if you look at  
19                  the top right-hand corner, there will be an  
20                  indication by the .0013.

21          A     Yes, I've got to move this one closer.  
22                  Definitely needs my reading glasses. Okay.

23          Q     Okay. And so on page 13, are you with me? At  
24                  the bottom of the page there's a heading that  
25                  reads "Overall Governance and Structure." Do

1                   you see that?

2           A        Yep.

3           Q        And I suspect this will not assist you in your  
4                   recollection of this, but I just wanted to take  
5                   you to this. This on my review anyway seems to  
6                   be a passage, the passage in this report that  
7                   is -- considers the question of the conflict of  
8                   interest and partly is quoted or referred to in  
9                   your letter that we just referred to.

10          A        Okay.

11          Q        You don't recall that one way or the other,  
12                   though?

13          A        I do not.

14          Q        And if you look at the first bullet point on  
15                   page 14 at the top of the page, so what Deloitte  
16                   recommends here is that:

17                                "Government review the current structure,  
18                                accountabilities and responsibilities for  
19                                gaming in the province to ensure that the  
20                                potential for an actual or perceived  
21                                conflict of interest is minimized."

22                   Do you see that?

23          A        I do, yep.

24          Q        And as you said, you were not the responsible  
25                   minister at the time this report was delivered?

1           A     No, I was not.

2           Q     And so you were not responsible for implementing  
3                 this recommendation, I take it?

4           A     That would be correct.

5           Q     And so my question to you is do you recall in  
6                 2010 when you were responding on the conflicts  
7                 issue and there's reference made to this 2010 --  
8                 or 2007 Deloitte report, do you know whether any  
9                 steps were taken to determine whether government  
10                did in fact conduct this review as recommended  
11                by Deloitte?

12          A     I honestly don't know. I know when I got the  
13                 portfolio -- all I know is when I get a  
14                 portfolio, whatever research is done with the  
15                 Premier as far as giving a portfolio and putting  
16                 something together is done long before the  
17                 minister gets it. So if I have both of them,  
18                 it's at the pleasure of the Premier that I have  
19                 that job, and I do my job.

20          Q     And so when you signed the letter responding to  
21                 Mr. Simpson on the conflicts issue in 2010, you  
22                 don't recall specifically confirming whether or  
23                 not steps had been taken to undertake this  
24                 review that had been recommended by Deloitte in  
25                 2007; is that correct?

1           A     I think that would be probably fair because the  
2                   letter would have gone through a process to get  
3                   it to me to signing, and the number of letters  
4                   that come through to go back take one piece out  
5                   and go read a report that was a few years old  
6                   and then come back to the letter might be  
7                   missed.

8           MS. RAJOTTE:   Okay.   Thank you.   I don't have any  
9                   further questions on that document, so we can  
10                  take it down, Madam Registrar.

11          Q     So as I understood your evidence today with  
12                   respect to the risks of money laundering in  
13                   casinos during your period of responsibility,  
14                   just sort of broadly speaking, you understood  
15                   there was a risk that there was money laundering  
16                   in BC casinos; correct?

17          A     I think in every aspect of anything that's a  
18                   vice, liquor, gaming, whatever, there's always a  
19                   risk.

20          Q     And am I right that you also understood that  
21                   BCLC had policies and procedures to try to  
22                   address that risk?

23          A     Absolutely.   Yep.

24          Q     And in your evidence -- in response to some  
25                   questions put to you by Mr. Martland, I believe

1           you said that your understanding at the time was  
2           that it was -- and I think because of the BCLC  
3           policies and procedures that were in place that  
4           it was "not possible" to launder money in  
5           casinos; is that right?

6           A     I did not say that. I said it's more difficult  
7           because of how they would handle the cash and  
8           not issue cheques that would automatically turn  
9           the cash into an instrument that could be used  
10          to have the money laundered. That was my  
11          understanding.

12          Q     Okay. So it was more difficult because of the  
13          policies and procedures that BCLC had in place,  
14          but not impossible?

15          A     That was my understanding.

16          Q     And was that your understanding in sort of the  
17          time frame of 2012, 2013?

18          A     You'd have to be more specific with the question  
19          because 2012, 2013 we had done a number of other  
20          things to start to change how we were doing  
21          business in casinos as a result of some of the  
22          reports that we had done.

23          Q     Well, Mr. Martland asked you the question, and  
24          I'm not sure I caught your response. In 2012  
25          and 2013 did you -- do you recall being informed

1                   that the number and amount of suspicious  
2                   transactions in casinos was increasing?

3           A       Well, I didn't have the file in 2013, so no. In  
4                   2012 I think there was an indication that some  
5                   of the large transactions had increased. Large  
6                   cash transactions.

7           Q       So you recall being informed of that in 2012?

8           A       I can't recall the specifics of the inform, but  
9                   I would think that because we were following it  
10                  and doing it, we would know the numbers of large  
11                  cash transactions. I don't know if I was  
12                  specifically briefed on any increases or  
13                  percentages or anything like that.

14          Q       What about suspicious cash transactions separate  
15                  from large cash transactions? Do you recall  
16                  being briefed with respect to any trends with  
17                  those types of transactions?

18          A       Not off the top of my head.

19          Q       And sorry, my note is that you held responsibility  
20                  for gaming until June of 2013. Is that not  
21                  accurate?

22          A       Yep.

23          Q       That is accurate?

24          A       I think I got it back for a period of time  
25                  before the 2013 election. So a large portion of



1           the time I had it would have been through a  
2           pre-writ and an interregnum period, which  
3           basically I would have no involvement in  
4           because -- and then there's a period after the  
5           election to the turnover of government. So  
6           during that period of time the minister doesn't  
7           have any involvement whatsoever in any briefings  
8           or anything like that. So that would have been  
9           that period of time. Because the election, I  
10          believe, was in -- I'd say May. The interregnum  
11          period would have started in April, but then  
12          there's a pre-writ period where you really are  
13          somewhat tools down, for lack of a better  
14          description, in that period of time because  
15          you're going into a period of time that goes  
16          into a writ period because of the fixed election  
17          date, so there's a different operational  
18          situation at that time.

19          Q     Okay. And my last sort of question or area of  
20          questions for you, Mr. Coleman, is around the  
21          creation of JIGIT. So my note of your evidence  
22          is that in response to a question from  
23          Mr. Martland you said that you -- my note says,  
24          quote, you would think that the recommendation  
25          in the Kroeker Report about creation of a

1 cross-agency task force led to the creation of  
2 JIGIT. Is that right?

3 A Well, the recommendation was there, and we had  
4 said we're going to implement the entire report,  
5 so I would think that would be a natural  
6 transition to JIGIT or whatever is going to be  
7 that joint team. However, I had no control of  
8 the file after that period of time, and I know  
9 JIGIT came in, I understand, somewhere around  
10 2015.

11 In 2012 when I was a minister I asked how it  
12 was progressing on the report. I was told it  
13 that was being implemented in its entirety, and  
14 I was satisfied with that response. I got no  
15 more detail about how that team was or was not  
16 being necessarily built at that time, but of  
17 course at that time we were also -- at that time  
18 you're also going into the -- unfortunately the  
19 writ period and what have you, so it was a small  
20 window.

21 But we really -- I think obviously that  
22 would have at the very least focused people's  
23 mind on a recommendation to create that joint  
24 task force.

25 Q Okay. And so that was sort of my question, is

1                   that's you sort of assuming that there's a link.  
2                   You don't have any direct knowledge about an  
3                   actual link; is that --

4           A       No, I'm just thinking the recommendation led  
5                   government to look at it and move forward.

6           Q       And that's an assumption on your part?

7           A       Yes.

8           Q       You did not have any involvement in the decision  
9                   to recommend that JIGIT be created; is that  
10                  right?

11          A       No, I did not.

12          Q       And you did not have any involvement in the  
13                  decision to approve the creation of JIGIT?

14          A       I may have had involvement from the standpoint  
15                  that it came before Treasury Board.

16          Q       Okay.

17          A       But that would be -- we're into the question of  
18                  well, what cabinet documents can be dealt with?  
19                  But I sat on Treasury Board during that period  
20                  of time, I also sat at the cabinet table, so --  
21                  but that would just be on the basis of approving  
22                  a presentation that came before that particular  
23                  body as one of the members, not as the person  
24                  making the presentation.

25          Q       Right. Not as the responsible minister?

1           A       That's right.

2           MR. RAJOTTE:   Okay.  Thank you very much,  
3                    Mr. Coleman.  Those are my questions.

4                    Thank you, Mr. Commissioner.

5           THE COMMISSIONER:  Thank you, Ms. Rajotte.

6                    Anything arising, Mr. Rauch-Davis?

7           MR. RAUCH-DAVIS:  No, thank you, Mr. Commissioner.

8           THE COMMISSIONER:  Ms. Mainville?

9           MS. MAINVILLE:  No, thank you.

10          THE COMMISSIONER:  Mr. Stephens?

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

12          THE COMMISSIONER:  Mr. Martland?

13          MR. MARTLAND:  Not from me, Mr. Commissioner, but  
14                    Mr. Cameron as counsel to the witness might wish  
15                    to seek leave to ask a few questions.  He sent  
16                    me a note about that.

17          THE COMMISSIONER:  All right.

18          MR. CAMERON:  Yes, Mr. Commissioner, it's Mr. Cameron  
19                    here.  And I would ask for leave.  I have two  
20                    questions which might turn into three.  We will  
21                    be less than five minutes.  And I would also ask  
22                    the commission's leave to speak with my client  
23                    briefly before I pose those questions, if I have  
24                    the Commissioner's leave to do so.

25          THE COMMISSIONER:  Yes.  I think that's appropriate

1                   in the circumstances, Mr. Cameron. How long do  
2                   you need to speak to your client?

3           MR. CAMERON: Less than five minutes,  
4           Mr. Commissioner. So if we were to take a  
5           five-minute break that would be more than enough  
6           time, and I thank you.

7           THE COMMISSIONER: We'll stand down.

8           THE REGISTRAR: This hearing is stood down for five  
9           minutes until 1:51 p.m.

10                   **(WITNESS STOOD DOWN)**

11                   **(PROCEEDINGS ADJOURNED AT 1:46 P.M.)**

12                   **(PROCEEDINGS RECONVENED AT 1:51 P.M.)**

13   **RICH COLEMAN, a witness**  
14   **for the commission,**  
15   **recalled.**

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

18           THE COMMISSIONER: Thank you, Madam Registrar.

19                   Yes, Mr. Cameron.

20           MR. CAMERON: Thank you, Mr. Commissioner.

21           **EXAMINATION BY MR. CAMERON:**

22           Q     Mr. Coleman, you were asked some questions by  
23                 both my friend Mr. Martland and my friend  
24                 Ms. Rajotte about the enforcement and operations  
25                 of gaming being housed in the same ministry. Do

1                   you recall that?

2           A       Yes, I do.

3           Q       In your career or experience as a minister in  
4                   government are you aware of any other industries  
5                   or portfolios where that similar overlap takes  
6                   place?

7           A       Well, I can give you an example where it  
8                   actually overlapped with me. In 2001 I was --  
9                   one of the first jobs -- it was part of my  
10                  portfolio was the Liquor Control and Licensing  
11                  Branch. About a year and a half into that term  
12                  as a minister I was also sent the Liquor  
13                  Distribution Branch. So you had the Crown  
14                  corporation that distributed and sent liquor and  
15                  the licensing and control part of the branch all  
16                  under one ministry.

17                         And that gave you the opportunity like it  
18                         did with gaming to actually work with the  
19                         different stakeholders and have a good  
20                         understanding of the industry, particularly even  
21                         on the gaming -- earlier on with the other  
22                         stakeholders that were involved. So I had that  
23                         experience so I managed the two before and  
24                         managed it effectively. So I guess that's why I  
25                         was never -- or we managed it within government

1                   effectively. I never really thought that it was  
2                   that big of a challenge or an issue were me.

3           Q       That was going to be my next question. I think  
4                   you answered it but just to be clear. Did it  
5                   ever cross your mind at any point in time that  
6                   it was improper or inappropriate for GPEB and  
7                   BCLC to be housed, for lack of a better word, in  
8                   the same ministry?

9           A       No. In that case I looked at one being a Crown  
10                   corporation the ones that are government,  
11                   another with a statutory responsibility with  
12                   different governance, and I thought it could be  
13                   housed, as long as they did their jobs, in any  
14                   location.

15          Q       What will hopefully be my last question,  
16                   Mr. Coleman --

17          MR. CAMERON: Madam Registrar, the document which is  
18                   the exhibit 975, according to my note. It's  
19                   BCLC15239. It was referred to this morning.  
20                   And I believe there was some issue over whether  
21                   it could be livestreamed or not, which I don't  
22                   profess to fully know, but I'll raise that  
23                   caveat. To the extent that document can be  
24                   shown to Mr. Coleman, I'd appreciate it.

25          Q       And, Mr. Coleman, do you remember being asked

1                    questions about this document by counsel this  
2                    morning?

3                    A     Yes.

4                    Q     All right.  And these are minutes of a board  
5                    meeting of July 23rd, 2010, and I believe your  
6                    evidence was that you recalled attending this  
7                    meeting, at least for part of it, of the board  
8                    of the British Columbia Lottery Corporation?

9                    A     That's correct.

10                  Q     Okay.  And this document, it's a presentation.  
11                  It's given by Alison R. Manzer, and her email  
12                  address is given, cassellsbrock.com.  Are you  
13                  familiar with Cassells Brock?

14                  A     As a firm, no.

15                  Q     Did you understand them to be a law firm?

16                  A     I understood them to be a law firm and they were  
17                  outside counsel at this particular -- I think  
18                  they were outside counsel.

19                  Q     All right.  If we could please turn to page 3 of  
20                  this document.  Do you have it in front of you,  
21                  Mr. Coleman?

22                  A     It will take me a second to find it.

23                  Q     It's on the screen.  You should be able to read  
24                  it there.

25                  A     Oh, yes, that's fine.  If you put that down, I



1 can see it.

2 Q And it is point 8. And this is point 8 of the  
3 presentation, and in relation to BCLC's  
4 compliance status, it states:

5 "A qualified compliance officer has been  
6 appointed. BCLC has an appropriate writ  
7 compliance policy. BCLC has a training  
8 program which is made available to its  
9 service providers."

10 There's then a question about online training.

11 "Reporting requirements are in place and  
12 electronic reporting is being improved.  
13 Review programs are in place. New product  
14 offerings are reviewed for compliance with  
15 internal and external counsel. Internal  
16 counsel is well versed and required for  
17 compliance. Third party review (IPSA)  
18 successful."

19 So I've read that to you now, and you've read it  
20 to yourself. Do you recall words to that effect  
21 being used by external legal counsel in the  
22 course of the board meeting you attended?

23 A I do.

24 Q And those conclusions or opinions, do they  
25 comply or are they consistent with what your

1                   understandings were of BCLC's compliance at all  
2                   times when you as a minister had any  
3                   responsibility for the gaming portfolio?

4           A        It gave me a tremendous amount of comfort to a  
5                   level and this presentation complimented the  
6                   work being done by BCLC and the continued work  
7                   being done by them and knowing that it was  
8                   ongoing process with the compliance officer and  
9                   all of that to continue, that we would continue  
10                  to work for the best practices for the operation  
11                  of the corporation.

12          MR. CAMERON: Thank you. Mr. Commissioner, those are  
13                   the only questions I have by way of  
14                   re-examination.

15          THE COMMISSIONER: Thank you, Mr. Cameron.

16                   Mr. Martland, anything arising from that?

17          MR. MARTLAND: No, thank you.

18          THE COMMISSIONER: All right. Thank you.

19                   Thank you, Mr. Coleman. You have covered a  
20                   great deal of territory in the course of your  
21                   evidence and cast some light on your experiences  
22                   and involvement with the issues that we're  
23                   obliged to grapple with, and it has been helpful  
24                   and I thank you for your time. You're now  
25                   excused.

1 THE WITNESS: Thank you very much.

2 (WITNESS EXCUSED)

3 THE COMMISSIONER: And, Mr. Martland, we'll adjourn  
4 until tomorrow morning at 9:30.

5 THE REGISTRAR: The hearing is now adjourned until  
6 April 29th, 2021, at 9:30 a.m. Thank you.

7 (PROCEEDINGS ADJOURNED AT 1:57 P.M. TO APRIL 29, 2021)

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