

**PROCEEDINGS AT HEARING  
OF  
NOVEMBER 2, 2020**

**COMMISSIONER AUSTIN F. CULLEN**

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**November 2, 2020**

**(Via Videoconference)**

**(PROCEEDINGS COMMENCED AT 9:38 A.M.)**

THE REGISTRAR: Thank you for waiting. The hearing is now resumed, Mr. Commissioner.

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

MR. MCGOWAN: Yes, Mr. Commissioner. I apologize for the delay this morning. The Zoom link that was distributed to counsel didn't work, so we had to distribute a new one and get everyone on that new link. So I believe everyone who should be here is now here.

Mr. McCleery has conduct of the witness this morning.

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

MR. MCCLEERY: Thank you, Mr. Commissioner. Before we begin with this morning's witness, there is one matter alluded to by Ms. Latimer on Friday that I would like to attend to.

We have provided to Madam Registrar the affidavit of Ms. Bal Bamra. Ms. Bamra was notionally on our witness list for Friday, and this affidavit has been circulated to participants, and we've communicated our

1 intention not to call Ms. Bamra to give viva  
2 voce evidence in the absence of a request from  
3 participants that we do so. And we've received  
4 no such requests. I'm proposing that  
5 Ms. Bamra's affidavit be filed as the next  
6 exhibit.

7 THE COMMISSIONER: Very well. That will then be  
8 filed as exhibit 143.

9 THE REGISTRAR: Exhibit 143.

10 **EXHIBIT 143: Affidavit of Bal Bamra dated**  
11 **October 14, 2020**

12 MR. McCLEERY: And with that addressed,  
13 Mr. Commissioner, the next witness is  
14 Mr. Kenneth Ackles, who is current Manager of  
15 Investigations of the Gaming Policy Enforcement  
16 Branch. I understand that Mr. Ackles preferring  
17 to affirm.

18 THE COMMISSIONER: Thank you.

19 **KENNETH ACKLES, a**  
20 **witness called for the**  
21 **commission, affirmed.**

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

24 THE WITNESS: Kenneth Russell Ackles. Surname is  
25 spelled, A-c-k-l-e-s, first name is spelled

1 K-e-n-n-e-t-h.

2 THE REGISTRAR: Thank you.

3 THE COMMISSIONER: Yes, Mr. McCleery.

4 MR. MCCLEERY: Thank you.

5 **EXAMINATION BY MR. MCCLEERY:**

6 Q Good morning, Mr. Ackles. Can you hear me okay?

7 A I can. Thank you.

8 Q Excellent. My name's Kyle McCleery. I'm one of  
9 the lawyers for the commission, and I'll be  
10 conducting your examination, at least to begin  
11 today's proceedings.

12 I understand that you were an RCMP member  
13 for 37 years, retiring in 2012. Is that  
14 correct?

15 A That's correct.

16 Q And in 2013 you joined the Gaming Policy and  
17 Enforcement Branch as an investigator?

18 A That's correct.

19 Q And from 2013 to 2016 you were one of the  
20 investigators assigned to the River Rock Casino;  
21 is that right?

22 A That's correct.

23 Q In 2016 you were assigned to the Joint Illegal  
24 Gaming Investigation Team?

25 A Correct.

1 Q And currently you are the Manager of  
2 Investigations for GPEB with the Joint Illegal  
3 Gaming Team?

4 A That's correct.

5 Q Mr. Ackles, you have affirmed an affidavit of  
6 approximately 17 pages describing your  
7 experiences with the RCMP and GPEB and attaching  
8 a number of documents?

9 A That's correct.

10 MR. McCLEERY: Mr. Commissioner, I'd ask that  
11 Mr. Ackles's affidavit be marked the next  
12 exhibit.

13 THE COMMISSIONER: Very well. That will be marked as  
14 exhibit 144.

15 THE REGISTRAR: Exhibit 144.

16 MR. McCLEERY: And, Mr. Commissioner, as has become  
17 our practice, I'll ask that that not be posted  
18 on the website until we've sorted out the  
19 necessary redactions in accordance with your  
20 order.

21 THE COMMISSIONER: Very well.

22 **EXHIBIT 144: Affidavit #3 of Kenneth Ackles**  
23 **dated October 28, 2020**

24 MR. McCLEERY:

25 Q Mr. Ackles, I'd like to begin with briefly

1                   discussing some of your experience with the  
2                   RCMP. I understand that you joined the Richmond  
3                   RCMP detachment in 2005. Is that correct?

4           A        That's correct. February -- March 25th, I think  
5                   it was.

6           Q        Thank you. And that was shortly after the River  
7                   Rock Casino opened in Richmond? If you recall.

8           A        I don't recall the exact opening of the River  
9                   Rock, but it was in 2005 that I joined, and it  
10                  was already open.

11          Q        Thank you. And Ward Clapham was the  
12                  officer-in-charge of the Richmond detachment at  
13                  that time?

14          A        That's correct.

15          Q        And are you aware of any impact on crime rates  
16                  or crime patterns in Richmond associated with  
17                  the opening of the River Rock Casino?

18          A        No. Nothing directly related to the River Rock.

19          Q        And you became watch commander with the Richmond  
20                  detachment in 2007; correct?

21          A        That's correct.

22          Q        Can you briefly describe what it is a watch  
23                  commander does with the RCMP?

24          A        A watch commander is in charge of a watch that  
25                  operates in Richmond. We were operating on a

1                   12-hour-shift basis. So two day shifts, two  
2                   night shifts that would make up a block. There  
3                   was 18 members assigned to that watch, and it's  
4                   a general duty watch where we respond to the  
5                   calls for service from the public. It's all the  
6                   911 calls, all the reports of crime happening  
7                   and we would dispatch uniformed members to those  
8                   crime scenes. And I was ultimately the watch  
9                   commander, and underneath me I had a sergeant  
10                  and three corporals that conducted the  
11                  supervisory conduct of the individual constable  
12                  investigators that would attend those scenes.

13                Q    Thank you. And as part of your duties as watch  
14                  commander, would that have included things like  
15                  directing officers to conduct walk-throughs at  
16                  the River Rock Casino?

17                A    Yes.

18                Q    And was that something you had your officers do?

19                A    Yes. In conjunction with a number of  
20                  walk-through programs of our licensed  
21                  establishments we also did walk-throughs  
22                  coordinated of those establishments as well as  
23                  the River Rock.

24                Q    And can you just briefly describe what the  
25                  purpose of a walk-through like that would be at

1 an establishment like the River Rock Casino.

2 A It's to present a uniformed presence to the  
3 public. An awareness that the police are in the  
4 area, they're watching out for out for any  
5 outward exhibits of crime or disturbances or  
6 conflicts with the public interest.

7 Q And do you recall any particular reaction or  
8 response to these walk-throughs from the River  
9 Rock staff or management?

10 A No, I don't.

11 Q Thank you. And after retiring from the RCMP in  
12 2012, as we've already said, you joined GPEB in  
13 May 2013; is that correct?

14 A That's correct. My first day was May 13th, 2013.

15 Q Thank you. And you were immediately assigned to  
16 the River Rock Casino?

17 A Yes.

18 Q And did you receive any training when you joined  
19 GPEB?

20 A No, not in response to the Gaming Control Act,  
21 other than a bit of a mentorship program within  
22 the confines of our office. I had a partner  
23 that was already there that was responsible for  
24 the River Rock, so it was basically a shadowing  
25 of his activity in order to understand what the

1 requirements were that I needed to investigate,  
2 to be involved in of that nature, and he led me  
3 through that whole process. Along with the  
4 supervisors of the office that also gave me some  
5 instructions and some understanding of what I  
6 would be involved in.

7 Q Thank you. And who was that partner at the time?

8 A Rob Barber.

9 Q You say in your affidavit your day as a GPEB  
10 investigator would typically begin by reviewing  
11 Section 86 Reports submitted by the service  
12 provider; is that right?

13 A That's correct.

14 Q And the service provider for Great -- or sorry,  
15 for River Rock at that time was the Great  
16 Canadian Gaming Corporation?

17 A That's correct.

18 Q If I can take you to exhibit B of your  
19 affidavit. I take it you have that in front of  
20 you?

21 A Yes, I do.

22 Q And am I correct this is -- these are four  
23 examples of Section 86 Reports that -- of the  
24 sort you might have seen at the beginning of  
25 your workday?

1           A     Yes, they are.

2           Q     And I note that three of these relate to  
3                   incidents involving the same casino patron, a  
4                   Mr. Sha.  Is that correct?

5           A     Yes.

6           Q     And these were all dated 2013, so that would  
7                   have been in your first year as a GPEB  
8                   investigator?

9           A     Yes.  And in fact the first page is the 2nd of  
10                  May 2013, so it would have just predated my  
11                  actual attendance at the Gaming Policy  
12                  Enforcement Branch as an investigator.

13          Q     Thank you.  And do you recall if this individual  
14                  was someone of particular interest to GPEB at  
15                  that time?

16          A     Yes.  This individual was known to me to be a  
17                  very prolific patron with often large buy-ins on  
18                  a consistent basis and very well-known,  
19                  considered a very important patron within the  
20                  River Rock Casino.

21          Q     And were you aware or are you aware of any  
22                  conditions or measures in place at this time in  
23                  2013 that would have in any way limited this  
24                  player's ability to buy in at this casino?

25          A     No, none.

1           Q     Are you aware of any measures or conditions put  
2                    in place on this individual later on?

3           A     I can't recall if there was any conditions  
4                    placed on him at any given time.

5           Q     The fourth of these -- I suppose it's the second  
6                    in sequence, but the other of the Section 86  
7                    Reports indicates in the details feed -- details  
8                    field that an unknown female:

9                         "Appears to be laundering bills on  
10                        multiple slot machines."

11           A     At that time in 2013 was money laundering  
12                    through slot machines an area of concern for you  
13                    or for GPEB generally?

14           A     I think the introduction of cash into the  
15                    casinos at that particular time in any manner  
16                    that would suggest that there was any type of  
17                    wrongdoing in the production of cash would be a  
18                    concern. Based on the face of this document  
19                    with the limited details that were available, I  
20                    can't really expound upon it just based on those  
21                    details.

22           Q     Thank you. Let me turn our attention back to  
23                    these other three dealing with this one  
24                    individual. I note that -- I think all three of  
25                    them refer to buy-ins ranging from \$200,000 to

1                   \$300,000, and I believe all of them indicate  
2                   that these buy-ins were all conducted entirely  
3                   in \$20 bills.

4           A     That's correct.

5           Q     Is that correct?

6           A     Yes, it is.

7           Q     Did you at the time place any particular  
8                   significance on the use of the \$20 bill in large  
9                   transactions like these?

10          A     Yes. My experience as a policeman gave me the  
11                impression that the way that these bills were  
12                presented and in the fashion that they were  
13                presented, wrapped in elastic bands, packaged in  
14                bundles with misorientated bills -- and I mean  
15                that by either face up, face down,  
16                reversed within the bundles -- was significant  
17                to me from my experience in other investigations  
18                where I also had an opportunity to view bundled  
19                cash at the scenes of investigations that I  
20                conducted where cash was seized, it was the  
21                proceeds of crime or significantly the result of  
22                a commodity exchange in a criminal  
23                investigation.

24          Q     And can you say how frequently or estimate how  
25                frequently you would have seen transactions like



1 details, so it's very hard to discover what was  
2 actually going on based on the amount of details  
3 that were presented in the 86 Report itself.

4 So as provided to us under 86(1) of the  
5 Gaming Control Act is a provision to request  
6 more information from the service providers. So  
7 what I would do in the morning is prepare an  
8 86(1) request listing the number of incidents  
9 that were relative to that request on that  
10 request and sent it back to the service  
11 provider.

12 In this way the service provider would have  
13 an opportunity to have gathered the reports from  
14 the people that had made the observations and  
15 had documented that on their report or their  
16 incident reporting system within the casino, and  
17 therefore they would provide that information  
18 back to us after I've requested it on the 86(1),  
19 which would be a more wholesome or fulsome  
20 report as to the circumstances that were  
21 actually encountered by people in that process  
22 of that incident, and it would give me a better  
23 basis to establish what happened or what took  
24 place during that incident.

25 Q So would you agree, then, that your efforts at

1                   that time were focused and essentially limited  
2                   to gathering information and preparing a report  
3                   on the events described --

4           A       Yes, that's correct.

5           Q       And at this time there were also BCLC  
6                   investigators assigned to the River Rock Casino;  
7                   correct?

8           A       That's correct.

9           Q       And they would also investigate these types of  
10                  incidents and prepare reports?

11          A       That's correct.

12          Q       And did you as a GPEB investigator have access  
13                  to any information that the BCLC investigators  
14                  did not?

15          A       Yes. In some respects GPEB investigators are  
16                  what we call a level 2 police agency. We have  
17                  access to things like CPIC and a certain level  
18                  of police portal called -- into the PRIME  
19                  collection of information by policing, so we did  
20                  have access to additional information through  
21                  that process. Such things as reference to  
22                  perhaps a licence number that the individual  
23                  arrived in in the parking lot that had been  
24                  noted by one of the service provider's  
25                  observations, we would have the opportunity to

1           understand through the running of the plates  
2           through our processes in order to find out that  
3           the registered owner was in fact that patron.  
4           Those types of additional information that was  
5           available to the BCLC investigators.

6           Q   How frequently would that type of information  
7           make its way into one of your reports?

8           A   It depended on the production of the information  
9           by observations by the service providers.  If  
10          there was no observations of that particular  
11          event suggesting that there was a vehicle that  
12          the individual came from, that might not be on  
13          the report.  It was only based on the  
14          observations of those service providers.  So if  
15          we had available information, we then  
16          investigated it further or sought other  
17          information to support our investigation into  
18          that matter that's reported.

19          Q   And do you know if BCLC investigators had access  
20          to any information that you as a GPEB  
21          investigator did not?

22          A   Yes.  In relationship to their records-keeping  
23          system, which was iTrak, they would have  
24          additional information on that individual,  
25          perhaps his gaming history, his profile, that

1                   wasn't available to us initially unless we  
2                   requested it. So they probably would have a  
3                   history of that individual on their iTrak  
4                   system.

5           Q       But that information is information you were  
6                   able to request if you wanted it; is that --

7           A       If we were aware of it, we could request it,  
8                   yes.

9           Q       Thank you. And did you typically receive copies  
10                   of the reports prepared by BCLC investigators?

11          A       Yes.

12          Q       And do you know if the reports you prepared were  
13                   provided to BCLC?

14          A       No, I don't believe they were.

15          Q       Do you have an idea of why they would not have  
16                   been?

17          A       There's a requirement to report 86 directive  
18                   information to GPEB. There's a legal  
19                   requirement to do that. There's no legal  
20                   requirement for us to provide information back  
21                   to BCLC in regards to perhaps an investigation  
22                   that may be ongoing.

23          Q       And is it fair to say that in many instances the  
24                   BCLC investigators were investigating the same  
25                   incidents that you and Mr. Barber were

1                   investigating?

2           A     Yes.

3           Q     And would you agree that, you know, maybe aside  
4                   from the limited access to different information  
5                   you might've had, there was a fair bit of  
6                   duplication in efforts between the work you were  
7                   doing and the work the BCLC investigators were  
8                   doing?

9           A     Yes.

10          Q     Are you able to identify any significant value  
11                   in the duplication of those efforts?

12          A     BCLC investigators were required to report  
13                   suspicious transactions to their regulator,  
14                   which is FINTRAC. The information that was  
15                   imparted to GPEB by their reporting was a  
16                   narrative of like information that was reported  
17                   to FINTRAC, but it was very comprehensive.

18                   From my time with the investigators at BCLC  
19                   I found them to be very adept at conducting a  
20                   fulsome report after reviewing the video itself.  
21                   I had reviewed video on a numerous number of  
22                   occasions where I found that I would be  
23                   duplicating exactly what they did, so it became  
24                   quite apparent, and with our ability to have  
25                   that report provided to us by BCLC, that I

1           didn't need to do that in each and every  
2           instance unless I was looking for something  
3           specific on the review of that video because  
4           they were very proficient in that application of  
5           reviewing the video and putting it down in a  
6           documented format.

7                         Also there was an opportunity for us to  
8           monitor all of the information that was reported  
9           to us by 86, and we found that all of the 86  
10          materials were investigated thoroughly by the  
11          investigators at the River Rock, so we didn't  
12          need to duplicate every step. There was a lot  
13          of the information that was being provided on  
14          those suspicious transaction report narratives  
15          that was being provided to the police. And on  
16          occasion through my reporting to my supervisors  
17          it was my understanding that my supervisors  
18          would also perhaps contact various police  
19          jurisdictions or policing agencies and provide  
20          them with the information from my reports.

21          Q         Thank you. And you indicate that -- well, let's  
22          move now to what happened with these reports  
23          after they were completed. And you indicate in  
24          your affidavit that you provided your reports  
25          during this period to your supervisor, Derek

1                   Dickson; is that correct?

2                   A     That's correct.

3                   Q     You indicate that based on what Mr. Dickson told  
4                   you, you understand that in some cases your  
5                   reports might be forwarded to the registration  
6                   department and used to make registration  
7                   decisions?

8                   A     That's correct.

9                   Q     Are you able to give us an example of how an  
10                  investigation report like the ones you produced  
11                  might have been relevant to a registration  
12                  decision?

13                  A     If there was a report of a registered gaming  
14                  worker -- that's an individual that's registered  
15                  by GPEB that works in the industry, say, for  
16                  example, at the River Rock -- and there is a  
17                  complaint or an understanding there may have  
18                  been some wrongdoing by that registered gaming  
19                  worker, there's an investigation launched.  
20                  Perhaps it was -- been reported by the service  
21                  provider or by BCLC of the activity of this  
22                  particular registered gaming worker.

23                               GPEB investigators would take on what we  
24                               call a post-registration investigation and  
25                               conduct an investigation into the activity of

1                   that individual. Dependent upon what we find in  
2                   the investigation, there may be a report of  
3                   findings that's put together and that report of  
4                   findings is the investigative material that I  
5                   would provide to Derek Dickson, who would take  
6                   that information and send it over to the  
7                   registration department. Or at least I would  
8                   even send it over to the registration myself  
9                   with his concurrence.

10                Q    The reports that you prepared related to large  
11                   and suspicious cash transactions like the ones  
12                   that may have arisen from the three Section 86  
13                   Reports we looked at a moment ago, did you  
14                   understand those issues and those types of  
15                   reports to generally relate to possible  
16                   wrongdoing by registered gaming workers?

17                A    No. The requirement of the gaming workers was  
18                   to report it to us. And so that requirement was  
19                   met when the 86 Report was filed with us.

20                Q    So provided the Section 86 Report was submitted,  
21                   would you agree that it would be unlikely that  
22                   these types of incidents would be relevant to  
23                   registration decisions?

24                A    Correct.

25                Q    And you indicate that in other cases Mr. Dickson

1                   had advised you that your reports may have been  
2                   forwarded to law enforcement; is that correct?

3           A       That's correct.

4           Q       Would you expect that the reports that you wrote  
5                   related to large and suspicious cash  
6                   transactions, they would be more likely to be  
7                   relevant to law enforcement than to registration  
8                   decisions?

9           A       Yes.

10          Q       So you would expect that those types of reports  
11                  in many cases would have been forwarded to law  
12                  enforcement; is that fair?

13          A       Yes.

14          Q       And did you -- do you know if the reports  
15                  prepared by BCLC investigators were also being  
16                  forwarded to law enforcement?

17          A       I received correspondence in relationship to the  
18                  reports that BCLC had prepared indicating that  
19                  they had been forwarded to myself, Rob Barber  
20                  and oftentimes to the police.

21          Q       So would you agree that it was likely during  
22                  this time period that law enforcement was  
23                  receiving reports from both BCLC and GPEB  
24                  regarding the same incidents?

25          A       Yes.

1           Q     I'd like to ask you now about -- a few questions  
2                    about potential other measures taken or that  
3                    maybe could have been taken in response to these  
4                    types of incidents. During your time as an  
5                    investigator assigned to the River Rock, did you  
6                    ever direct casino staff to refuse a buy-in or  
7                    another transaction?

8           A     No.

9           Q     Did you understand that -- yourself to have that  
10                   authority?

11          A     No, I did not have that authority.

12          Q     Did you ever ban an individual from a casino?

13          A     No.

14          Q     Did you understand yourself to have that  
15                   authority?

16          A     No, I did not have that authority.

17          Q     And did you ever seize cash used in a large or  
18                   suspicious cash transaction?

19          A     No.

20          Q     And did you understand yourself to have the  
21                   authority to do so?

22          A     No.

23          Q     GPEB investigators are Special Provincial  
24                   Constables under the Police Act; correct?

25          A     That's correct.

1           Q     And that has been the case as long as you've  
2                    been with GPEB?

3           A     Yes.

4           Q     You mentioned earlier that the status gave you  
5                    access to certain police databases that you may  
6                    have used in some investigations; is that  
7                    correct?

8           A     That's correct.

9           Q     Aside from that access, did this status as a  
10                   Special Provincial Constable allow you to do  
11                   anything as part of your investigations that you  
12                   could not have done if you did not have the  
13                   status?

14          A     SPC status under section 9 of the Police Act has  
15                   been designated by the Solicitor General to give  
16                   us powers to enforce the Criminal Code to the  
17                   extent necessary as long as there is a nexus to  
18                   gaming in order to protect the integrity of  
19                   gaping in the province. So there's also -- that  
20                   provision extends into other provincial statute  
21                   as well. I can give you an example of how that  
22                   would take effect.

23                    Through that process, if there was ever a  
24                    cheat-at-play reported to us, which there is by  
25                    way of 86 -- and it's a requirement by the

1 service providers to provide a report on any  
2 cheat-at-play that occurs within the casino --  
3 there would be an opportunity for me to  
4 investigate that offence of cheat-at-play, which  
5 is a Criminal Code offence, because the actual  
6 cheat of play would, in my opinion, a nexus to  
7 the integrity of gaming or to gaming and prevent  
8 the integrity of gaming from being fulfilled.  
9 So I could investigate that Criminal Code  
10 offence.

11 Now, I would do that in conjunction with  
12 conducting an inquiry with the police of  
13 jurisdiction to ensure that I wasn't  
14 overstepping my bounds and that they would give  
15 me the latitude to do that. Or if they were  
16 going to take on that investigation, I would be  
17 able to assist them in that investigation by  
18 continuing my collection of evidence through the  
19 use of the Criminal Code provisions.

20 Q Thank you. With respect to these incidents of  
21 large and suspicious cash transactions in  
22 particular, did you see this status as being a  
23 factor that allowed you to take additional steps  
24 or was otherwise sort of relevant to those  
25 investigations?

1           A     If I understand your question correctly, could I  
2                   investigate the proceeds of crime?

3           Q     Sure.  Let's -- yeah.

4           A     Proceeds of crime, or the laundering of proceeds  
5                   of crime more correctly, under section 462 of  
6                   the Criminal Code requires a predicate offence,  
7                   such as drug trafficking or human trafficking,  
8                   offences of those natures, the SPC status that's  
9                   granted to me under section 9 of the Police Act  
10                  of British Columbia does not allow me to  
11                  investigate those types of offences.

12          Q     Okay.  Thank you.  If -- let's say there was an  
13                  allegation of -- or a suspicion of money  
14                  laundering in the -- in a casino.  Would you  
15                  status allow you to investigate that?

16          A     No.  The money laundering aspect is a police  
17                  investigation that is outside the purview of my  
18                  status as an SPC.

19          Q     Thank you.  Earlier on you agreed that the  
20                  investigative steps you took with respect to  
21                  large and suspicious cash transactions were  
22                  largely limited to gathering information and  
23                  writing reports; correct?

24          A     That's correct.

25          Q     Do you recall discussions within GPEB, the GPEB

1                    investigations division, of other possible steps  
2                    that could have been taken?

3                    A     There was conversations to that extent; however,  
4                    it came down to the fact that our authorities to  
5                    do that are limited because of our status as it  
6                    currently stands.

7                    Q     Thank you. I wonder if I might take you to  
8                    exhibit F of your affidavit.

9                    A     Yes, got it.

10                  Q     This is an email dated September 26th, 2013,  
11                  written by Larry Vander Graaf; is that correct?

12                  A     That's correct.

13                  Q     And at this time Mr. Vander Graaf was the  
14                  Executive Director of Investigations with GPEB?

15                  A     That's correct.

16                  Q     And the recipients of this email, am I correct  
17                  that these are all either GPEB investigators or  
18                  other members of the investigations division?

19                  A     Yes, they are.

20                  Q     And you were one of the recipients of this  
21                  email; correct?

22                  A     Yes, I am.

23                  Q     And this was sent about four months into your  
24                  tenure with GPEB?

25                  A     Roughly, yes.

1           Q     I'll take you to the very beginning of the  
2                   email, the very first paragraph.  Mr. Vander  
3                   Graaf writes:

4                             "The majority of the Casino Unit attended  
5                             our meeting yesterday on the money  
6                             laundering topic.  I will try and recap  
7                             the meeting from my perspective."

8           Q     Do you remember this meeting?

9           A     Yes, I do.

10          Q     And you attended it?

11          A     Yes, I did.

12          Q     Can you tell us generally what this meeting was  
13                   about?

14          A     It was a general discussion about what we could  
15                   possibly do in reference to the large cash  
16                   amounts coming into the casinos.  There was  
17                   discussion around whether or not we could, you  
18                   know, conduct investigations further based on  
19                   our status.  And it was generally thought that  
20                   it was beyond our scope and our capabilities.

21          Q     Thank you.  Fair to say that this -- these large  
22                   and suspicious cash transactions were an area of  
23                   significant concern for Mr. Vander Graaf at this  
24                   time?

25          A     Yes, very much so.



1           authorizations. It requires the use of force  
2           with -- up-to-date use of force abilities of  
3           police officers. It requires surveillance,  
4           surveillance techniques. It requires -- and I  
5           won't go into all the techniques because I don't  
6           want to divulge any of the police techniques  
7           that I'm aware of, but there are significant  
8           techniques that need to be protected for the  
9           integrity of the investigations that only the  
10          police have access to. They're the ones that  
11          can manage those techniques and are given the  
12          responsibility of managing those techniques  
13          through legislation.

14                   Those techniques are not given to GPEB  
15          investigators under section 9 of the Police Act  
16          and the designation as Special Provincial  
17          Constables don't give us the same latitude to  
18          investigate those complex investigations to the  
19          extent necessary and to protect the evidence  
20          that's being gathered. The GPEB investigators  
21          and the unit just don't have those capabilities.

22          Q        Thank you. I'll take you now to the next  
23          paragraph where Mr. Vander Graaf describes this  
24          scenario he alluded to. And he says:

25                   "We all agreed that organized crime

1 supplies large amounts of cash in small  
2 bills in duffel bags to loan sharks (who  
3 in fact may be organized crime) who in  
4 turn provide the cash to high limit  
5 gamblers (who may or may not be wealthy  
6 businessmen with or without organized  
7 crime connections). I asked the question  
8 whether GPEB investigators could intercept  
9 the gambler at the cash cage in the casino  
10 (while the cash is being counted) and by  
11 whatever (I did not discuss logistics at  
12 this time) means speak with him and ask  
13 two questions: 'Where did you get and  
14 cash' and if answered 'what is it costing  
15 you.' Should he refuse to answer the  
16 subject would not be pushed and we would  
17 let the gambler continue on. At no time  
18 would we seize the money. Should he  
19 provide an answer further probing could be  
20 completed. This information alone would  
21 certainly not be of use or value in  
22 criminal court nor in administrative court  
23 and would be as confidential as possible,  
24 although difficult. The admission that  
25 the funds came from a loan shark or 'money

1                    lender' could, from my perspective, be of  
2                    significant value. I won't comment  
3                    further in this email on that value."

4                    Mr. Vander Graaf declines to comment on the  
5                    value of this information. Perhaps I'll ask for  
6                    your opinion. Do you agree the answers to those  
7                    questions Mr. Vander Graaf laid out would have  
8                    been valuable?

9                    A    Yes. I think they would be valuable, but it  
10                   would be valuable in -- on the understanding of  
11                   the process. Evidentiary value might conflict  
12                   with that view of the police in the collection  
13                   of that information. We talk about an  
14                   individual that may put himself in a position of  
15                   jeopardy. We don't have the ability to extend  
16                   privilege as GPEB members.

17                   Q    Would you agree, though, that this information  
18                   would be helpful in establishing where the funds  
19                   in that transaction had come from?

20                   A    Yes. Yes.

21                   Q    And may have been useful to law enforcement?

22                   A    Yes. I mean, the information from one  
23                   individual may have been able to be supplied in  
24                   its generic fashion to the police for them to  
25                   understand that there is probably more

1 information available if they conducted their  
2 investigation into that matter.

3 Q If we could just move ahead to the next  
4 paragraph here. Mr. Vander Graaf says:

5 "Following our discussion a number of  
6 matters include the safety of the gambler  
7 as a result of being interviewed, to the  
8 ramification by organized crime to a GPEB  
9 investigator for even attempting to gather  
10 information that may in any way disrupt a  
11 lucrative business venture (loan sharking,  
12 money laundering) I believe that the  
13 casino unit and others felt that even  
14 interviewing the gambler would/could put  
15 our investigators at risk and could be a  
16 serious safety hazard. That concern was  
17 certainly strongly recognized."

18 Did you agree at the time that asking patron  
19 where they got their money and what it cost them  
20 would put if investigators at risk?

21 A Yes, I did.

22 Q And subsequent -- or I guess previous to this,  
23 did you ever investigate or interview a patron  
24 about the source of their cash during your time  
25 as an investigator with River Rock?

1           A     No.

2           Q     And is that because it was your understanding  
3                    from your superiors you were not supposed to do  
4                    that because of the potential danger involved?

5           A     That's correct.

6           Q     You're aware that in 2015 BCLC's anti-money  
7                    laundering unit began interviewing patrons  
8                    associated with suspicion buy-ins; is that  
9                    correct?

10          A     That's correct.

11          Q     And are you aware of any special security  
12                    measures put in place as part of those  
13                    interviews to address the concerns raised by  
14                    Mr. Vander Graaf in this email?

15          A     No.

16          Q     And are you able to identify any reason why  
17                    those security concerns would not have applied  
18                    equally to BCLC investigators as they did to  
19                    GPEB investigators?

20          A     The difference is that there's a perception that  
21                    even though BCLC is conducting an investigation  
22                    of a client in an industry, law enforcement or  
23                    the GPEB may be perceived to have been -- to  
24                    interfere with the criminal element that may be  
25                    involved outside of the casino and may be

1 different targeting of the investigators for  
2 different purposes.

3 There's a risk involved with conducting any  
4 form of investigation of -- inquiry that puts a  
5 client -- or a patron in jeopardy of criminal  
6 involvement with anyone and admitting to that  
7 involvement. I don't know or have any  
8 understanding of what the interview process  
9 allowed the patron to do with BCLC as far as  
10 providing jeopardy assurance. I don't know.

11 Q But it's your view that it would be -- it's  
12 potentially riskier for GPEB investigators to  
13 conduct these interviews than BCLC  
14 investigators?

15 A Yes.

16 Q Okay?

17 A Yeah, it's a different purpose of the interview  
18 too. We're looking for connections to criminal  
19 associations, and I'm not sure what the  
20 investigative theory or process was for BCLC and  
21 what their -- what their prep was for that  
22 interview.

23 Q And when these BCLC patron interviews began in  
24 2015, did you observe any change in the large  
25 cash transactions you observed at the River Rock

1 following the introduction of this program?

2 A From 2015 on there was a change in what was  
3 transpiring in the casinos and what was being  
4 presented in the volume of cash. Yes, there was  
5 some reduction over that period of time into the  
6 fall of 2015.

7 Q I wonder if I might, in light of that answer,  
8 take you quickly to paragraph 22 of your  
9 affidavit. Here you say:

10 "Despite me raising these concerns  
11 regarding large cash transactions, I did  
12 not observe any notable changes to the  
13 acceptance of cash at the service provider  
14 level from when I first joined GPEB in May  
15 2013 to January 2018, when Dr. Peter  
16 German's interim recommendations were  
17 being implemented."

18 I wonder if you can just comment on that in  
19 light of what you said a moment ago about the  
20 July -- the 2015 changes implemented by BCLC  
21 having some impact.

22 A Some impact, but the acceptance of cash was  
23 still taking place at the casinos even though  
24 they were identified as suspicious transactions.  
25 The acceptance was still taking place. So in

1 effect the large cash was being identified as  
2 suspicious. Some of it was being reduced by  
3 just the sheer nature of not as much coming in  
4 on an incident basis, and what was coming in was  
5 still being accepted.

6 So the presentation of the suspicious cash  
7 was noted, it was accepted, and the patron was  
8 allowed to continue to the table after the  
9 purchase of his chips and conduct gaming.

10 Q Thank you. We've just been looking at an email  
11 sent by Mr. Vander Graaf. I understand that he  
12 and Joe Schalk, who was the GPEB senior director  
13 of investigations, were removed from their  
14 positions in December of 2014. Is that correct,  
15 according to your recollection?

16 A I'm not really confident of the date, whether it  
17 was December or late November, but yes.

18 Q Late 2014?

19 A Late 2014, yes.

20 Q Do you have any insight into why they were  
21 removed from their positions?

22 A No.

23 Q And I think we've addressed this with respect to  
24 Mr. Vander Graaf at least, but based on your  
25 conversations with those two individuals, was it

1                   your understanding that Mr. Schalk and  
2                   Mr. Vander Graaf shared your concerns about  
3                   large and suspicious cash transactions in BC  
4                   casinos?

5           A     Yes.

6           Q     And you indicate in your affidavit that your  
7                   understanding was that Mr. Schalk and Mr. Vander  
8                   Graaf were raising concerns about these  
9                   transactions with higher-level officials within  
10                  GPEB and at meetings in Victoria; is that  
11                  correct?

12          A     That's my understanding, but I wasn't present in  
13                  any of those meetings.

14          Q     And when you say "higher-level officials within  
15                  GPEB," I take it the only official above  
16                  Mr. Vander Graaf at that time would have been  
17                  the General Manager of GPEB?

18          A     That's correct. And other executive directors  
19                  of the other divisions of GPEB.

20          Q     Okay. And during the period of time that you  
21                  were with GPEB and Mr. Vander Graaf was still  
22                  there, the General Manager of GPEB was John  
23                  Mazure; is that correct?

24          A     Initially, when I was first hired, it was  
25                  Mr. Scott, Doug Scott. It then transitioned to

- 1                   Mr. John Mazure.
- 2           Q     Okay.
- 3           A     I believe that was in the fall of 2013 as well.
- 4           Q     And based on your observations, did the efforts  
5                   made by -- that you understood Mr. Schalk and  
6                   Mr. Vander Graaf to be making in this regard,  
7                   did you observe any meaningful changes with  
8                   respect to how large and suspicious transactions  
9                   were treated within the casinos?
- 10          A     Not at those particular times, no. From the  
11                   time I got hired in 2013 until they left the  
12                   employ of GPEB, no.
- 13          Q     Essentially nothing changed during that --
- 14          A     That's correct.
- 15          Q     At paragraph 31 of your affidavit you identify a  
16                   number of individuals to whom who you raised  
17                   concerns about the large amounts of cash you  
18                   observed at the River Rock; is that correct?
- 19          A     That's correct.
- 20          Q     And those included Mr. Dickson and Mr. Schalk  
21                   and Mr. Vander Graaf?
- 22          A     Yes.
- 23          Q     And it also included Mr. Mazure; is that  
24                   correct?
- 25          A     Yes.

1           Q     Can you briefly describe for us how frequent  
2                    your contact with Mr. Mazure was?

3           A     It was infrequent contact.  My contact would  
4                    have been through the supervisors through my  
5                    reports.  There was occasion to meet with  
6                    Mr. Mazure when we had branch meetings of that  
7                    nature, but it was very infrequent.

8           Q     And did you ever -- when you say you raised your  
9                    concerns to him, did you ever do that directly  
10                   or was it always through your supervisors?

11          A     I don't recall in that time frame ever having  
12                    any direct communication with Mr. Mazure with my  
13                    concerns personally, one on one.

14          Q     Thank you.  And in these meetings where he was  
15                    present and you were there as well, do you  
16                    recall him ever expressing a view about these  
17                    large and suspicious cash transactions?

18          A     No, I don't recall.  No.  I can't really say.  
19                    No.

20          Q     Thank you.  And following the departure of  
21                    Mr. Schalk and Mr. Vander Graaf, I understand  
22                    that Len Meilleur became the executive director  
23                    with responsibility for GPEB investigations.  Is  
24                    that correct?

25          A     That's correct.



1           providing \$200,080 and the circumstances  
2           surrounding that and the observations by the  
3           service providers.

4                        What was changed was when we started doing  
5           the spreadsheet in 2015, it was a cumulative  
6           effect of exactly the same information being  
7           placed instead of on a report of findings in  
8           certain paragraphs, those paragraphs or those  
9           entries were now on a column in a spreadsheet  
10          with a cumulative total at the top. So it gave  
11          the reader or the viewer of that document an  
12          understanding of the magnitude over a period of  
13          time of the acceptance of cash that was coming  
14          into the casinos by various people. So all the  
15          same information that was going onto individual  
16          files became relative to the spreadsheet on a  
17          monthly basis.

18                       In 2015 that spreadsheet amounted to -- and  
19          I'd have to look at the spreadsheet itself for  
20          the exact numbers, but it was over \$20 million  
21          in cash, of which I believe there was  
22          \$14,856,000 roughly in \$20 bills. That stood  
23          out quite prominently on the very top of that  
24          spreadsheet in the cumulative totals that we  
25          were gathering from the various columns.

1                   That was what I presented to Mr. Meilleur  
2                   in August, early August of 2015. There was a  
3                   meeting with a variety of stakeholders at the  
4                   police office that he was attending and I was  
5                   attending and Mr. Barber was attending, and we  
6                   gave him a copy of the spreadsheet and that  
7                   would've been his first opportunity to view the  
8                   spreadsheet.

9                   Q    Prior to your providing Mr. Meilleur the  
10                   spreadsheet, was he receiving these individual  
11                   reports of findings related to specific  
12                   incidents that you just referred to?

13                   A    I'm not sure that he would be the recipient of  
14                   the actual reports depending on where they went.  
15                   If they were going to the registration division  
16                   for registered gaming worker investigations, it  
17                   would be the executive director of the licensing  
18                   registration department -- or division that  
19                   would get those reports.

20                   Mr. Meilleur would have had access to some  
21                   of these reports had he requested them, but they  
22                   generally go to the licensing registration  
23                   division for adjudication at that particular  
24                   moment if there's any wrongdoing of gaming  
25                   workers.

1                   So the reporting structure, again, would be  
2                   up to Mr. Dickson and then where it went from  
3                   there, I only have my understanding that those  
4                   reports were advanced through Mr. Schalk and  
5                   Mr. Vander Graaf to Victoria in some fashion.

6           Q       And in the period of time after Mr. Meilleur  
7                   took over responsibility for the investigations  
8                   function of GPEB and prior to your providing him  
9                   with this spreadsheet, do you recall any, let's  
10                  say, divisional meetings where the issue of  
11                  large and suspicious cash transactions would  
12                  have been discussed?

13          A       I don't recall exactly whether there was between  
14                  Mr. Vander Graaf's departure and Mr. Meilleur's  
15                  attendance at our office. I know there was some  
16                  meetings held with him when he took over from  
17                  Mr. Vander Graaf in terms of restructuring, but  
18                  specifically to the large cash transactions, I  
19                  don't recall whether we discussed that or not.

20          Q       And was your motivation to produce the  
21                  spreadsheet, was it in part -- any part a  
22                  concern that Mr. Meilleur in particular did not  
23                  understand or was not taking this issue  
24                  seriously?

25          A       It was my position, my understanding that we

1                   needed to put information collectively in the  
2                   hands of the decision makers, which would be the  
3                   supervisors of myself and Rob Barber up through  
4                   the chain of command, to make it more relevant  
5                   as to what was going on and provide them with  
6                   more wholesome information.

7                   What those -- decisions were made after  
8                   that, I can only provide the information and the  
9                   steps that they take after that. I wasn't aware  
10                  of what those steps were going to be.

11                 Q    Thank you. I wonder if we might turn to the  
12                   spreadsheet itself in just a moment. If I am  
13                   correct in your -- let's see here. If we can  
14                   go -- first let's go to paragraph 23 of your  
15                   affidavit, where you say:

16                                 "As a result, in July of 2015, Rob Barber  
17                                 and I began compiling information  
18                                 regarding large cash buy-in incidents at  
19                                 RRCR."

20                   I take it RRCR is meant to refer to the River  
21                   Rock Casino. Is that correct?

22                 A    Yeah, River Rock Casino Richmond.

23                 Q    And I wonder if we can turn to exhibit D, which  
24                   is the spreadsheet. Is that correct?

25                 A    That's correct.

- 1 Q And if I can just maybe direct your attention to  
2 the fourth column from the left titled "Venue."  
3 A Yes.  
4 Q And that's meant to indicate the casino at which  
5 the incident happened; is that correct?  
6 A That's correct.  
7 Q And on this first page all of the entries are  
8 River Rock with the exception of about two  
9 thirds of the way down the page there's an entry  
10 that says Edgewater.  
11 A That's correct.  
12 Q If we can jump ahead maybe to the fourth page of  
13 the spreadsheet, which is page 39 of the  
14 affidavit. Are you with me?  
15 A I am.  
16 Q Again, looking at the same column we see the  
17 first entry there is Edgewater.  
18 A That's correct.  
19 Q And if we work our way down, about two thirds of  
20 the way there's one for Grand Villa.  
21 A Yes.  
22 Q And then at the very bottom there's an entry for  
23 Starlight.  
24 A Correct.  
25 Q I take it -- as I read your affidavit the

1 suggestion there was that the spreadsheet only  
2 dealt with transaction at the River Rock. Based  
3 on these entries am I correct that it included  
4 transactions for other casinos as well?

5 A Yes, it did include other casinos as well.

6 Q And do you recall specifically which casinos  
7 were included?

8 A There's the large casinos in the Lower Mainland  
9 here where we're responsible for -- by GPEB.  
10 And that would be the River Rock Casino -- at  
11 the time it was the Edgewater Casino -- in  
12 downtown Vancouver, the Grand Villa casino in  
13 Burnaby. It would be the Starlight in Delta --  
14 or pardon me, in New Westminster and the  
15 Cascades Casino out in Langley.

16 Q Do you recall exactly what the criteria were for  
17 including a transaction on the spreadsheet? Was  
18 there a particular value threshold or what was  
19 the --

20 A Most of the transactions that were reported to  
21 us at that particular time were in excess of  
22 \$50,000 and they had a component of the content  
23 of the buy-in being \$20 bills or a significant  
24 amount of \$20 bills. And that's how it got to  
25 be of concern to us to put on the spreadsheet.

1           Q     Okay. Thank you. And you spoke earlier about  
2                    providing the spreadsheet to Mr. Meilleur. Do  
3                    you recall what his reaction was upon receiving  
4                    it?

5           A     I received a phone call from him that evening  
6                    after I had given him the spreadsheets, and he  
7                    conveyed to me at the time that he was shocked.

8           Q     And did he provide any further information about  
9                    what it was in particular that he found shocking  
10                  about it?

11          A     He thought I was joking. He thought I had set  
12                  him up with erroneous information.

13          Q     And you had not done that?

14          A     I had not done that. In fact I had told him  
15                  that it was verbatim off of the observations  
16                  that were provided to us by the service  
17                  providers.

18          Q     So would you agree, then, that your -- I'll say  
19                  your hypothesis about the individualized reports  
20                  of findings not adequately conveying the scope  
21                  of this issue applied to Mr. Meilleur?

22          A     Yes.

23          Q     And prior to receiving this spreadsheet, based  
24                  on his reaction, he was not aware of the full  
25                  scope of the problem as you saw it?

1           A     Perhaps not.

2           Q     And are you aware of any actions taken by  
3                 Mr. Meilleur in response to having received this  
4                 spreadsheet?

5           A     I'm aware of what he told me he was doing with  
6                 it, yes. I understand that he was acting at  
7                 that particular moment for the Assistant Deputy  
8                 Minister John Meilleur, and he told me that he  
9                 had presented the spreadsheet to the  
10                associate -- office of the Associate Deputy  
11                Minister, which would be Ms. Cheryl  
12                Wenezenki-Yolland.

13          Q     And are you aware of any actual concrete steps  
14                 or changes that were made in response to the  
15                 spreadsheet?

16          A     Not immediately. I am aware that over time  
17                 there has been significant changes and steps  
18                 taken, yes.

19          Q     Can you identify what those -- what you see as  
20                 the significant steps or changes taken since  
21                 that time?

22          A     From my understanding -- and I wasn't present at  
23                 any of the initial meetings -- it was that there  
24                 was an advancement to the minister responsible  
25                 for gaming at that particular time, which -- I

1 believe it was the Minister of Finance, and  
2 there was discussions with the police involved,  
3 and I've been informed that there was meetings  
4 held. And I ended up at JIGIT as a result of it  
5 over time that JIGIT was formed as a result of  
6 this process.

7 Q That's a convenient segue. That was the next  
8 topic I wanted to turn to, so thank you for  
9 that.

10 Can you describe for the Commissioner  
11 briefly what JIGIT is.

12 A JIGIT is a compilation of resources within the  
13 police. It's primarily RCMP members along with  
14 seconded municipal members within the Combined  
15 Forces Special Enforcement Unit of British  
16 Columbia. It's housed in the headquarters of  
17 the RCMP office in Surrey, and it's made up of a  
18 number of municipalities. There's also support  
19 staff that's available there. The JIGIT team  
20 was comprised of initially 22 police members and  
21 four identified GPEB positions. It started in  
22 April of 2016, and there was two GPEB members  
23 seconded to JIGIT at that particular time to  
24 meet the commitment that was given by GPEB to  
25 the minister to provide resources from GPEB.

1                   Those two investigators were myself and another  
2                   investigator by the name of John McDougall.

3                   There was no availability of the third and  
4                   fourth investigator to go there at that  
5                   particular time from the Kingsway office, and it  
6                   was not a forced thing; it was a volunteered  
7                   thing and -- or requested thing. So there was a  
8                   necessity to hire two more positions, which we  
9                   managed to have a hiring process and fill those  
10                  positions.

11                  The team was put together by -- at the time  
12                  Staff Sergeant Paul Dadwal, and there was a  
13                  sergeant assigned to it, Joel Hussey, and then  
14                  various members of the team were added as they  
15                  became available. Initially when you create a  
16                  situation like 22 policemen, you have to gather  
17                  them from somewhere, so it took a staffing --  
18                  issues in order to get those members available.  
19                  And the team was formed, and its mandate was to  
20                  investigate illegal gaming at the highest level  
21                  possible involving organized crime elements.

22                  Q     And when you say "illegal gaming," does that  
23                       include illegal activity within legal casinos as  
24                       well?

25                  A     Absolutely. Illegal gaming, whether it's inside

1                   of a legal gaming facility, it can still be  
2                   illegal. And of course any illegal activity  
3                   within the province.

4           Q       Can you speak to the role that GPEB and the GPEB  
5                   members play within JIGIT?

6           A       We brought to the table the expertise that we  
7                   had within the environment of gaming, drawing  
8                   into account the investigations that we were  
9                   conducting at the time in regards to the  
10                  collection of information and intelligence on  
11                  large cash transactions that were taking place  
12                  within the casino that we felt were suspicious  
13                  in nature. We had that ability to suggest that  
14                  there was other information available on some of  
15                  those investigations that we conducted.

16                         Using our police portal and PRIME and CPIC,  
17                         we had additional information to identify  
18                         specifically individuals that may have been  
19                         associated to those entries.

20           Q       And can you describe briefly your role as  
21                   Manager of Investigations within the GPEB  
22                   contingent in JIGIT?

23           A       The Manager of Investigations subsequently came  
24                   from my -- competing for a position of manager  
25                   after the other individuals had been hired and

1 brought into the team. There was a requirement  
2 for a manager to undertake the responsibilities  
3 of managing those four positions in accordance  
4 with, you know, pay, holidays, structuring  
5 proper scheduling to meet the team's needs, all  
6 of those -- all of those sort of administrative  
7 functions were also my responsibility in  
8 addition to my conducting investigations within  
9 the team as well and being tasked with certain  
10 requirements of the team.

11 Q I wonder if we can take you to exhibit H to your  
12 affidavit. And this is, I think you mentioned  
13 in the body of the affidavit, a draft  
14 operational proposal prepared by Corporal Ben  
15 Robinson?

16 A I believe, it is.

17 Q Corporal Ben Robinson is -- or at least was at  
18 the time a JIGIT member?

19 A He was. He joined the team in 2017.

20 Q And this is dated January 6th, 2017; correct?

21 A That's right.

22 Q Can you just briefly give us a sense of what the  
23 purpose of what a document like this would be.

24 A The purpose of the document is to identify a  
25 problem and have the reader, who is going to be

1           the authority to give the necessary go-ahead to  
2           conduct an investigation of this magnitude --  
3           and because there's expenses and things of that  
4           nature that may be required in order to conduct  
5           the investigation, so it has to have authority  
6           to continue through the management of the  
7           policing agency.

8                        So the background of the problem is given  
9           to the reader, and then a proposed investigative  
10          action is also identified. And that's presented  
11          to the reader for their consultation and  
12          concurrence with the operational plan.

13          Q        And if I can direct you to the very top of the  
14          page, there's -- you mentioned that part of the  
15          purpose of this document is to identify a  
16          problem, and conveniently there's a heading that  
17          says "The Problem," which says:

18                        "Based on intelligence from the police,  
19                        BCLC and GPEB, illegitimate lenders are  
20                        using the proceeds of crime to finance  
21                        casino patrons for gambling at the River  
22                        Rock Casino and Resort (RRCR)."

23          Based on the evidence you've given in your  
24          affidavit and earlier today about what you were  
25          observing in -- at the River Rock in 2013, would



1                   inclination to take that operation on?

2           A       Yes.

3           Q       Let's move ahead to another JIGIT initiative,  
4                   which you describe at paragraph 39 of your  
5                   affidavit, which you identify as Project Athena.  
6                   I wonder if you can describe for the  
7                   Commissioner what Project Athena is.

8           A       Project Athena is a public/private partnership  
9                   in order to bring stakeholders together to  
10                  discuss issues surrounding potential laundering  
11                  of the proceeds of crime through various means.  
12                  It's been discovered that financial instruments,  
13                  be it cash or bank drafts, are susceptible to  
14                  manipulation by criminals through nominees,  
15                  purchases of bank drafts through nominees, and  
16                  the structuring of buy-in amounts in order to  
17                  access bank drafts through accounts of nominees.

18                         The production of bank drafts as a financial  
19                         instrument into the casinos was identified as  
20                         being perhaps problematic when it was identified  
21                         that the bank drafts themselves are different,  
22                         depending on the financial institution that they  
23                         come from. The content on the face of the  
24                         document was different. The ability to identify  
25                         the payee was different, depending on the bank.

1                   So these meetings were put together to address  
2                   those types of concerns and issues and see if  
3                   there was any resolve that could be collectively  
4                   brought to bear to strengthen the financial  
5                   industry and financial instruments within the  
6                   industry to mitigate any attempts by criminals  
7                   to manipulate those systems.

8                   Q     Can you expand a little bit on how the  
9                   differences and the type of information  
10                  presented on bank drafts from different  
11                  institutions would create a potential money  
12                  laundering vulnerability.

13                 A     If -- I think most people are aware of what a  
14                  personal cheque looks like, and what kind of  
15                  information is contained on a personal cheque.  
16                  It usually has the payee's information, address,  
17                  bank account number, those types of things that  
18                  are on the face of the document and who it's  
19                  being paid to. Some of the bank draft  
20                  information coming from some institutions had no  
21                  relative information relative to the payee. It  
22                  was basically blank on some respects, other than  
23                  maybe a truncated account number. So it was  
24                  hard to identify who the payee was that was  
25                  presenting a bank draft to a casino. It was

1                   made out, to, say, the River Rock Casino, and  
2                   there was a truncated account number on it, but  
3                   no name.

4           Q       So is the risk, then, that an individual could  
5                   acquire that bank draft other than from the  
6                   financial institution itself --

7           A       That's right.

8           Q       -- and provide payment to whoever, somebody  
9                   else?

10          A       Correct.

11          Q       And do you believe that that vulnerability  
12                   remains an issue in casinos today?

13          A       Yes, I believe it still remains. I know there's  
14                   work being done on it as we speak, and it's  
15                   continuing. The Project Athena has now  
16                   manifested itself into a national program of  
17                   which BC is a component. It's called CIFA BC,  
18                   and it's the -- oh, boy -- Coordinated Illicit  
19                   Financial Agencies of BC. And I'm sorry, I  
20                   probably screwed that up really bad. I  
21                   apologize.

22                   But it's gone on to representation at the  
23                   national level as well to address these issues  
24                   through the Canadian Banking Association, to  
25                   name some of the stakeholders in it. FINTRAC is



1 brought to the table to discuss potential  
2 vulnerabilities as we see them. There may be  
3 trends that have been developed through audit  
4 presentations, through intelligence gathering  
5 that may have shown a significant trend in some  
6 fashion, and we try to address it through  
7 discovery. It leads down a road of discovery to  
8 whether or not that is a risk to the industry  
9 and whether or not there can be systems put in  
10 place to mitigate that risk.

11 Q I'm going to take you now to tab O of your  
12 affidavit. And this is a document titled  
13 "Internal GPEB Table: Potential AML  
14 Vulnerabilities"; is that correct?

15 A That's correct.

16 Q And am I correct that this is a table that  
17 identifies potential money laundering  
18 vulnerabilities identified by this working  
19 group?

20 A Correct.

21 Q And I think in your affidavit you indicate that  
22 this is a group involving a number of different  
23 members, and you're not -- certainly not the  
24 lead on each of these different vulnerabilities  
25 and so may not be up to date on exactly the work

1 done on all of them. Is that fair?

2 A That's correct. It's a work in progress, and I  
3 might be a contributor to some of them, but not  
4 certainly the lead on all of them, or  
5 collectively maybe a lead with others on certain  
6 ones.

7 Q That said, I am doing to ask you for -- about a  
8 few of these vulnerabilities, and so you'll  
9 answer based on your own observations and what  
10 you know of the work being done by GPEB. I  
11 wonder if we might start by -- with the first  
12 one, which is on the second page of that  
13 exhibit, page 109 of the affidavit in its  
14 entirety. And here we have on the far left-hand  
15 column under the heading "Issue" it says:

16 "1. Unsourced cash under \$10,000 (aka  
17 Vancouver Model under 10K)."

18 This, if I understand it correctly, refers to  
19 the possibility that proceeds of crime could be  
20 used to buy in at casinos under the \$10,000  
21 source of funds threshold. Is that fair?

22 A That's the theory, yes.

23 Q Okay. And you say that's the theory. Is there  
24 evidence that that is occurring that you're  
25 aware of?

1           A     There is ongoing work in relationship to this as  
2                     we go on right now speaking about this that's  
3                     underway to try to understand whether or not  
4                     it's a significant risk.

5           Q     Okay. I wonder if I might take you to -- back  
6                     to paragraph 60 of your affidavit. Here you  
7                     say:

8                     "However, I have more recently observed an  
9                     increase in cash buy-ins just below  
10                    \$10,000. I have also continued to observe  
11                    buy-ins at casinos where patrons use  
12                    suspiciously packaged cash; for example,  
13                    cash which is bundled with elastic bands  
14                    or where there is a change in the  
15                    orientation of the bills. I estimate that  
16                    casinos continue to generate between  
17                    100-200 unusual financial transaction  
18                    reports each month."

19           Am I correct that this paragraph simply  
20                    indicates that you continue to see some of the  
21                    indicators of suspicious cash transactions that  
22                    you mentioned earlier on, but these types of  
23                    transactions continue to occur?

24           A     Correct. Under the \$10,000 mark.

25           Q     Right.

1           A     Yes.

2           Q     And is it your -- I mean, based on this, is it  
3                   your belief that the casinos continue to receive  
4                   and accept proceeds of crime?

5           A     It's changing.  The environment has definitely  
6                   changed in the last while.  I know there are  
7                   refusals of amounts of cash that are taking  
8                   place now that didn't take place before.  And if  
9                   the suspicious circumstances are such that the  
10                  service provider warrants, they will refuse to  
11                  take the cash.

12          Q     If we can go back to -- and I apologize for  
13                  jumping back and forth.  If we can go back to  
14                  exhibit O and back to that same page, page 109.  
15                  And if we can look at the fourth column with the  
16                  heading "Existing Preventative Policies &  
17                  Safeguards."  The entry in that column says:

18                         "Convenience cheques are marked 'Verified  
19                         Game Winnings' or 'Return of Funds - Not  
20                         Gaming Winnings' to identify winnings from  
21                         non-winnings.  However, banks are unlikely  
22                         to consider the marking on the cheque when  
23                         processing, limiting their value from an  
24                         AML perspective."

25           Am I correct that this refers to the practice --

1                   BCLC's practice or a casino practice of issuing  
2                   two types of cheques, one for winnings that can  
3                   be verified as winnings and one for the return  
4                   of funds used to buy in?

5           A     That's correct.

6           Q     And am I correct that the "return of funds"  
7                   cheques are limited to \$10,000 per week?

8           A     Yes. There has been some discussion about  
9                   unlimited cheques -- amounts, but I believe it's  
10                  still at the \$10,000 mark.

11          Q     And am I correct that the vulnerability or the  
12                  concern identified here is that even though  
13                  these cheques are clearly marked as "verified  
14                  winnings" cheque or "return of funds" cheques,  
15                  this marking may mean nothing to a financial  
16                  institution --

17          A     Yes.

18          Q     -- receiving the cheque?

19          A     Yes. That's the -- what's trying to be  
20                  explained here is that the presentation of that  
21                  cheque to a cashier at a bank may be  
22                  unrecognized as anything significant.

23          Q     And to your knowledge is there any evidence  
24                  either way as to whether the banks view these  
25                  markings as significant in any way?

1           A     No, no evidence that I'm aware of.

2           Q     Thank you.  If I can ask you to move ahead now  
3                 in the same exhibit to page 111 of the  
4                 affidavit, which is, I think, two pages ahead.

5           A     Got it.

6           Q     And on the left-hand column here we have another  
7                 identified potential vulnerability, multiple max  
8                 disbursements.  And in the third column the  
9                 potential vulnerability is described.  It says:

10                     "Potential vulnerability:  Compounding  
11                     vulnerability #1 above through cash  
12                     buy-ins under \$10,000 and convenience  
13                     cheques from multiple casinos during a  
14                     single week, to bypass weekly limit of a  
15                     single cheque."

16           A     Am I correct the vulnerability identified here  
17                 is that the risk that a patron who is limited --  
18                 in theory limited to one cheque per week of  
19                 \$10,000 or less might receive multiple cheques  
20                 from multiple different casinos?

21           A     I think that's what being implied here, yes.

22           Q     And are you aware of any evidence that that is  
23                 taking place?

24           A     I'm not, no.

25           Q     Okay.  The last line of question I want to get

1                   into is -- relates to exhibit J to your  
2                   affidavit, if I can take you there. And am I  
3                   correct that this is a document you prepared for  
4                   Attorney General David Eby?

5           A       That's correct.

6           Q       And it's dated September 25th, 2017?

7           A       That's correct.

8           Q       And it identifies three sort of potential areas  
9                   for, I'll say, enhancement of what GPEB does?

10          A       Yes.

11          Q       Okay. I'll just ask you briefly about each of  
12                   these. The first one you suggest:

13                   "Direction to BCLC to provide full data  
14                   access to Itrak for the purpose of  
15                   conducting a Cost Base analysis of the  
16                   work that the Combined Forces Special  
17                   Enforcement Unit (CFSEU) and more directly  
18                   the Joint Illegal Gambling [sic]  
19                   Investigation Team (JIGIT) are responsible  
20                   for."

21                   Can you maybe briefly break down what it is  
22                   you're suggesting in that -- in this paragraph?

23          A       The Combined Forces Special Enforcement Unit has  
24                   a unit of analysts that look at investigations,  
25                   especially long-term complex investigations as

1                   to whether or not they are financially equitable  
2                   to conduct, and what that effect has of those  
3                   long-term investigations on, say, the industry  
4                   or the area of -- that's being investigated.  
5                   More so on a commercial crime basis than  
6                   anywhere else, but this would be in conjunction  
7                   with compiling all the data that's available  
8                   from an investigation and also the data that's  
9                   available from, say, the Crown corporation of  
10                  BCLC that has listing of all the players, the  
11                  amount of money, you know, the occurrences of  
12                  buy-ins relative to who has -- may be identified  
13                  within a criminal investigation. And that way  
14                  you can have a cost-base analysis of the effect  
15                  that the investigation had on identifying the  
16                  wrongdoing and whether or not that there was any  
17                  measures that can be assisted through that  
18                  analysis to tighten those -- target hardening,  
19                  if you will, of that enterprise.

20                  Q     And has this suggestion been taken up? Have  
21                           you --

22                  A     I'm not familiar with any of these suggestions  
23                           being implemented or not. I don't know what the  
24                           minister did with the -- with these suggestions.

25                  Q     I mean, are you aware of whether GPEB has access

1 to the data that you refer to here?

2 A We have access to iTrak to the extent necessary  
3 that we can use it for investigations, yes.

4 Q The second recommendation or suggestion you make  
5 is:

6 "A budget that would allow members of the  
7 Compliance division to develop expertise  
8 as Subject Matter Experts on behalf of  
9 government as the Regulator. I say this  
10 as we speak today there is an Association  
11 of Certified Anti-Money Laundering  
12 Specialists (ACAMS) underway attended by  
13 BCLC representatives."

14 And ACAMS is an organization that offers the  
15 certification Certified Anti-Money Laundering  
16 Specialist; is that correct?

17 A That's correct.

18 Q And am I correct that at the time that you wrote  
19 this there was no budget for GPEB investigators  
20 to get that certification?

21 A That's correct.

22 Q And is there a budget for that now?

23 A Yes. Limited to identified individuals, not a  
24 broad base for every investigator within GPEB.

25 There is a different organization that's called

1 CAMLI. It's the Canadian equivalent to  
2 anti-money laundering specialists, and that has  
3 been provided for every investigator and  
4 actually it's become a mandatory course that has  
5 to be completed this year by every investigator.

6 Q Do you believe it would be helpful for every  
7 investigator to have the ACAMS certification?

8 A I do, yes.

9 Q And then we'll turn to your third suggestion  
10 here, which is:

11 "Work toward change within the ACT and  
12 regulations to allow oversight with the  
13 ability to prohibit (in addition to BCLC)  
14 for violations of the act not only  
15 independently but in support of BCLC and  
16 ultimately support its Service Providers."

17 I take it what you're suggesting here is that  
18 GPEB be given the ability to prohibit patrons  
19 from casinos?

20 A That's correct.

21 Q And does GPEB now have that ability?

22 A Yes, we do.

23 Q And when -- do you recall when --

24 A It would have been early 2019 we were given that  
25 power.

1           Q     And do you have a sense of how frequently, if at  
2                   all, GPEB has used that authority since that  
3                   time?

4           A     It hasn't been used since that time.  There is a  
5                   process in place right now to put together the  
6                   structure for that process to be properly  
7                   administered.  It requires a review process and  
8                   that has not been worked out.  And I know that  
9                   the strategic policy and programs division is  
10                  working on it to try to get that established and  
11                  how that's going to be administered because if  
12                  anybody appealed a prohibition, there needs to  
13                  be a review process to adjudicate that.

14          Q     Thank you.  And you indicate in your affidavit  
15                   that you attended a briefing with Minister Eby  
16                   at which these ideas were discussed; is that  
17                   correct?

18          A     That's correct.

19          Q     Do you recall Minister Eby commenting on any of  
20                   these ideas directly?

21          A     No.

22          Q     Do you recall other suggestions about how to  
23                   improve GPEB or develop a more effective gaming  
24                   regulator at that meeting?

25          A     Not particularly at that meeting, no.

1           Q     And maybe just to conclude, then, you've  
2                    indicated at the end of your affidavit you've  
3                    been involved in some discussions around the  
4                    creation of an independent gaming control  
5                    office; is that correct?

6           A     Again, that's a work in progress as we move into  
7                    the new year. It's been suggested and approved  
8                    by the minister that we have an independent  
9                    gaming control office sometime in 2021. So  
10                   there's a lot of work in progress trying to  
11                   understand and establish what that's going to  
12                   look like and the process of setting up it up.

13          Q     Aside from the three suggestions you've  
14                    identified in this document, do you have any  
15                    particular ideas about sort of the essential  
16                    components of an effective gaming regulator for  
17                    British Columbia?

18          A     It's been discussed within the GPEB  
19                    investigative -- or enforcement division that we  
20                    have enforcement officers that are actually in  
21                    the casino on a, if not 24/7 basis, as much as  
22                    potential possible based on sort of the time  
23                    frame that we can have those people, depending  
24                    on the resources available, actually attending  
25                    the floor of the casinos or the environment on a

1           regular basis to make their own observations and  
2           be available for consultation with the service  
3           providers on issues necessary. That's one of  
4           the facets that I think we're working towards is  
5           getting enforcement people actively in the  
6           casinos on a 24/7 basis.

7           Q     And can you comment very briefly as someone who  
8           spent a number of years in the casinos -- or at  
9           least assigned to a casino himself, what's the  
10          value of having GPEB investigators or other  
11          personnel at the casino on a 24-hour basis or  
12          something approaching that?

13          A     Certainly there's observations being made that  
14          we may be able to interject in situations, such  
15          as a suspicious transaction occurring at the  
16          cage, at the time that we don't have immediate  
17          attendance capabilities up until we put people  
18          in the casinos that are there present when that  
19          happens. The 86 Report that we'd been getting,  
20          we get after the fact. The acceptance of the  
21          cash has taken place. There may be an  
22          opportunity for enforcement officers on the  
23          floor at that time to interact with the service  
24          providers and consult with them as to what to do  
25          with that.

1           Q     When you say "interact with the service provider  
2                   and consult with them," what types of actions do  
3                   you envision those members potentially taking or  
4                   directing, or ...

5           A     They may even involve the police of  
6                   jurisdiction, where they can make a call to the  
7                   police jurisdiction and specify what they're  
8                   seeing and what they're observing, and perhaps  
9                   the police would attend and conduct those  
10                  investigations that are outside the nexus to  
11                  gaming that we can't with our current SPC status.

12           MR. McCLEERY: Thank you very much, Mr. Ackles.

13                         Mr. Commissioner, those are my questions for  
14                         Mr. Ackles.

15           THE COMMISSIONER: Thank you, Mr. McCleery.

16                         And I understand that Mr. Simonneaux for  
17                         Canada has some questions of Mr. Ackles, and he  
18                         has been allotted 10 minutes; is that correct?

19           MR. SIMONNEAUX: Yes. Good afternoon -- or good  
20                         morning, Mr. Commissioner. That's right about  
21                         10 minutes for Canada's cross-examination of  
22                         Mr. Ackles. But before we begin the  
23                         cross-examinations, I wonder if perhaps this was  
24                         a good time to take a morning break.

25           THE COMMISSIONER: Yes. All right. We can take

1                   15 minutes.

2                   MR. SIMONNEAUX: Thank you.

3                   MR. RAJOTTE: Mr. Commissioner, if I may. My name is  
4                   Chantelle Rajotte. I'm counsel for GPEB. We  
5                   have a scheduling issue we'd like to raise.  
6                   It's not directly relevant to Mr. Ackles, but I  
7                   understand it may impact the time allocation for  
8                   participants with respect to Mr. Ackles. So I'm  
9                   wondering if it would be appropriate for us to  
10                  address that either before or as soon as we come  
11                  back from the break this morning.

12                  THE COMMISSIONER: Why don't we address it now.

13                  MR. RAJOTTE: Thank you. So our concern relates to  
14                  the timing of delivery of affidavits by  
15                  commission counsel. And we have concerns  
16                  related to specifically insufficient notice, and  
17                  it's primarily related to at present the witness  
18                  Daryl Tottenham. He's scheduled to testify this  
19                  Wednesday, and on Saturday evening commission  
20                  counsel provided participants with two  
21                  affidavits that were sworn by Mr. Tottenham.  
22                  Each affidavit is over 1,000 pages in length.  
23                  And in our view, Mr. Tottenham is a significant  
24                  witness. He is presently the manager of AML  
25                  programs for the BCLC. And in his affidavit he

1 provides evidence essentially with respect to  
2 BCLC's approach to AML from 2010 to present. By  
3 my count his first affidavit attaches  
4 118 exhibits. His second affidavit attaches  
5 190 exhibits.

6 And our position is simply that the late  
7 delivery of these affidavits does not provide  
8 participants, and in particular GPEB, with  
9 sufficient time to consider Mr. Tottenham's  
10 evidence and properly prepare for  
11 cross-examination and that that raises  
12 procedural fairness issues. And so our request  
13 is that rather than Mr. Tottenham proceeding as  
14 scheduled this Wednesday, that he be moved to a  
15 later date next week to provide participants  
16 with more time to prepare for that  
17 cross-examination.

18 Also we're concerned in general with  
19 respect to this issue and we would ask for some  
20 guidance with respect to the appropriate  
21 reasonable notice that ought to be given for  
22 affidavits when a witness is set to testify.  
23 Our position on this is that more like 10 days  
24 prior to the witness taking the stand would be  
25 reasonable notice in the circumstances. As the

1           Commissioner knows, participants are required to  
2           provide five days notice with respect to any  
3           documents they intend to put to the witness in  
4           cross-examination, any topics that they intend  
5           to examine the witness on. And so in our view,  
6           in order to do that in a meaningful way, we  
7           require the affidavit from the witness before  
8           that notice period for participants arises.

9                     And so those are our requests,  
10           Mr. Commissioner.

11           THE COMMISSIONER: Okay. Is this something you've  
12           had an opportunity to discuss with commission  
13           counsel?

14           MR. RAJOTTE: We raised it with commission counsel  
15           yesterday, Sunday. We received the affidavits  
16           on Sunday -- Saturday night. I'm not aware of  
17           their position, but we do understand that  
18           counsel for Mr. Kroeker, counsel for Canada and  
19           counsel for Great Canadian all support our  
20           position.

21           THE COMMISSIONER: Okay. What I'm going to suggest  
22           is that we stand this application down until the  
23           end of today, that is at 1:30. Take our break  
24           at this point, and in the meantime commission  
25           counsel can at least consider what it is you had



1                   Mr. Simonneaux.

2                   MR. SIMONNEAUX: Thank you, Mr. Commissioner.

3                   **EXAMINATION BY MR. SIMONNEAUX:**

4                   Q     Good afternoon, Mr. Ackles. As I mentioned, my  
5                   name is Dorian Simonneaux, and I am counsel  
6                   representing Canada. Can you hear me okay?

7                   A     I can.

8                   Q     Perfect. So to begin, I'd like to take you back  
9                   to the Section 86 Reports you discussed with  
10                  commission counsel at the start of your  
11                  testimony. That was exhibit B. I don't need to  
12                  take you to them, but in your review of those  
13                  reports, would you agree that police officers  
14                  were not called to attend the casino in relation  
15                  to those incidents?

16                  A     That's correct. They were not called.

17                  Q     Thank you. And that was typical; right? Police  
18                  were not normally called to attend?

19                  A     I've reviewed literally thousands of these  
20                  documents, so I would think more so than not  
21                  they haven't been called.

22                  Q     Okay. And I believe you said that those Section  
23                  86 Reports were used as sort of a first step in  
24                  a longer-term investigation by GPEB or BCLC  
25                  investigators; is that right?

1           A     That's correct.  It's the incident notification  
2                   that starts the process for both BCLC and GPEB.

3           Q     Thank you.  I'd like to ask you about a specific  
4                   event, a meeting that you participated in back  
5                   in 2015, I believe.  I understand that this was  
6                   a meeting where members of the RCMP's Federal  
7                   Serious and Organized Crime section, or FSOC,  
8                   attended the GPEB offices to seek information  
9                   about individuals of interest and particular  
10                  suspicious cash transactions.  Did you attend  
11                  such a meeting?

12          A     I was present for one of those meetings, yes.

13          Q     And as part of that meeting or in that meeting,  
14                  did you provide FSOC with information?

15          A     Yes.

16          Q     What was your understanding as to why FSOC  
17                  wanted the information that they elicited from  
18                  you?

19          A     They were conducting an investigation into a  
20                  particular individual that had associations with  
21                  some of the patrons that were represented by  
22                  some of our investigative material.

23          Q     And have you had similar meetings or  
24                  communications with other RCMP members on other  
25                  matters?

1           A     Yes.

2           Q     And how do these communications, these meetings  
3                   or calls or emails, how do they arise? Do you  
4                   contact law enforcement or do they contact you?

5           A     In some respects I would contact them, yes.

6           Q     Okay. And so do you have the direct contact  
7                   information for RCMP members or CFSEU members?

8           A     I do for the RCMP members. In the particular  
9                   time when I got hired I was recently retired  
10                  from Richmond, who -- Richmond RCMP, who also  
11                  have the jurisdiction of the River Rock Casino,  
12                  so I knew most of the members in the Richmond  
13                  detachment and would have contact information  
14                  for anyone in the detachment.

15          Q     And when you do communicate with those officers,  
16                  do the officers seem interested in the  
17                  information that you provide or share with them?

18          A     Yes.

19          Q     Okay. Do you recall a meeting with CFSEU back  
20                  in 2014 -- I believe it was in May -- a meeting  
21                  to identify provincial tactical enforcement  
22                  priority targets, which might pose a risk to  
23                  BCLC and casino service providers?

24          A     No, I don't recall that meeting. I was not  
25                  present that I recall.

1           Q     Do you have other knowledge of that meeting, or  
2                   no?

3           A     I don't recall that meeting, no.

4           Q     Prior to your involvement in JIGIT, did you have  
5                   other communications or communications at all  
6                   with CFSEU members then?

7           A     No.

8           Q     I'd like to ask you now a few specific questions  
9                   that relate to your involvement with JIGIT. I  
10                  believe your evidence was that you -- that JIGIT  
11                  was formed in April of 2016 and that you joined  
12                  in May of 2016. Is that correct?

13          A     I believe it was right at the end of April that  
14                  I joined in 2016.

15          Q     Okay. And just for context, JIGIT stands for  
16                  Joint Illegal Gaming Investigation Team;  
17                  correct?

18          A     That's correct.

19          Q     And would you agree that JIGIT is made up of  
20                  individuals from CFSEU, the Combined Special  
21                  Forces Enforcement Unit, and investigators from  
22                  GPEB?

23          A     Yes.

24          Q     How would you characterize your relationship  
25                  with JIGIT, your working relationship?

1           A     Excellent.  I'm actually situated right in the  
2                   office with the JIGIT team.

3           Q     Okay.  And what does that -- what does being  
4                   situated with the team allow you to do?

5           A     The ongoing relationship to any investigation  
6                   that's going on, attend briefings, understand  
7                   the whole concepts and processes of an  
8                   investigation that's undertaken by them, and  
9                   assist in that whole process.

10          Q     Okay.  I think we've heard JIGIT referred to as  
11                   an "integrated team" and I'd like to ask you  
12                   about JIGIT's integrated operations.  Would you  
13                   agree that an integrated team consists of two or  
14                   more agencies working collaboratively on a daily  
15                   basis?

16          A     Yes.

17          Q     And that's the case within the JIGIT unit --

18          A     Yes.

19          Q     -- with being co-located with them in the same  
20                   building?

21          A     That's correct.

22          Q     So GPEB and its partner agencies work closely  
23                   together, you would say?

24          A     Yes, very close.

25          Q     How many different partner agencies are

1 represented in JIGIT's personnel?

2 A There are a number of municipal department  
3 secondments within CFSEU, but that's still  
4 police, regular member police, and GPEB. There  
5 are also criminal analysts that are part of the  
6 CFSEU structure, but they're all within the  
7 CFSEU structure, so they're all one in the same  
8 entity. So the only other entity would be GPEB  
9 that's at the table.

10 Q So GPEB and CFSEU?

11 A That's correct.

12 Q And in your role with JIGIT are you able to draw  
13 on the resources and expertise of the members  
14 that make up CFSEU?

15 A Yes.

16 Q So, for example, if the JIGIT team needed an  
17 undercover operative, for example, or if the  
18 team required extra resources temporarily, would  
19 you be able to access that through CFSEU?

20 A Yes.

21 Q Now, I'd like to ask you just a few questions  
22 about information sharing within the context of  
23 JIGIT. Would you agree that information sharing  
24 between the partner agencies GPEB and CFSEU is  
25 important?

1           A     Yes, it is.

2           Q     Would you agree that each agency may have  
3                   different information to share?

4           A     Yes.

5           Q     And regarding that information that you share,  
6                   would you agree that each agency might have  
7                   different perspectives on the information?

8           A     Yes.

9           Q     Different means of collecting that information?

10          A     That's correct.

11          Q     And each agency, GPEB and then the municipal and  
12                   other policing forces that make up CFSEU, they  
13                   would have different institutional knowledge or  
14                   different subject matter experts at their  
15                   disposal?

16          A     Within the structure of JIGIT there are all  
17                   sorts of components available to JIGIT through  
18                   direct associations to criminal investigations  
19                   or investigative matters, municipal forces that  
20                   are seconded to JIGIT or to the CFSEU  
21                   environment have access to all of the collective  
22                   CFSEU resources that are available to the units  
23                   to investigate a myriad of projects or crimes  
24                   that they have on the go or whatever.

25                   I don't know of -- whether or not there's

1                   any additional resources that any one specific  
2                   municipality would bring to the table other  
3                   that. I think it's a collective, and that's the  
4                   basis of CFSEU is forming that combined forces  
5                   aspect and bringing all those resources to bear  
6                   in one particular unit.

7                   Q     It would it seems to me that this sort of  
8                   collective or integrated model would be or could  
9                   be very helpful in the investigation of complex  
10                  crimes, for example, like money laundering.  
11                  Would you agree with that?

12                 A     Absolutely.

13                 Q     I'd now like to just talk about a few specific  
14                  events that I understand you may have taken part  
15                  in. Do you recall taking part in joint  
16                  enforcement activity at the River Rock Casino on  
17                  a Saturday evening? I believe it would have  
18                  been January 28th of 2017.

19                 A     Yes, I do.

20                 Q     And had that enforcement been coordinated by  
21                  JIGIT?

22                 A     Yes.

23                 Q     And in that JIGIT included both BCLC and GPEB?

24                 A     That's correct.

25                 Q     Can you recall who was there for BCLC?

1           A     Mr. Ross Alderson was present along with  
2                     Mr. Steve Beeksma.

3           Q     Okay. And then from GPEB it would have been  
4                     yourself and ...

5           A     Myself, Rob Barber. I can't recall anyone else,  
6                     other than the two of us, being present at that  
7                     particular time. There may have been others.

8           Q     Okay. And what was the purpose of that onsite  
9                     enforcement action at the River Rock?

10          A     The focus was on the potential buy-in of  
11                    individuals to -- with large amounts of money in  
12                    order to game. The objective of the day was to  
13                    intercept those people with a police presence  
14                    and conduct some inquiries as to the source of  
15                    the funds that they were presenting.

16          Q     Okay. Do you know what the outcome of that was?

17          A     There was an individual encountered who had  
18                    presented cash and subsequently a bank draft for  
19                    the purchase of chips and was gambling at the  
20                    time. He was spoken to by the police and some  
21                    information gathered from him.

22          Q     Okay. Do you recall a seizure as part of that  
23                    enforcement action?

24          A     Yes, I do.

25          Q     What can you tell me about that?

1           A     The amount of chips that were on the table at  
2                   the time that the individual was encountered  
3                   were gathered by the service provider, and BCLC  
4                   interjected and retrieved those chips and turned  
5                   that over to the police.

6           Q     Okay. As part of your time with JIGIT, have you  
7                   provided lectures or training to casino service  
8                   providers?

9           A     Myself, no. People within JIGIT with  
10                  responsibility have, yes.

11          Q     Okay. And then just to conclude, a few  
12                  questions about the gaming intelligence group  
13                  that you spoke about earlier in your direct  
14                  evidence.

15                         How would you characterize JIGIT's role in  
16                         the establishment of the gaming intelligence  
17                         group?

18          A     It's a function within the team that was  
19                  developed over a period of time. Initially the  
20                  JIGIT team concentrated primarily on a single  
21                  investigation, which took a lot of resources.  
22                  Over the course of the time it became an  
23                  understanding that there was a gathering of  
24                  information that was required from an  
25                  intelligence level in order to look at specific

1 intelligence that may develop itself through a  
2 process of collecting further information that  
3 would provide a basis for subsequent  
4 investigations.

5 There was a necessity to put together  
6 individual members of the team to focus on that  
7 collection of that material in order to best  
8 manage the creation or development of further  
9 investigations that the entire JIGIT team may  
10 take on. And it was found to be that the GPEB  
11 members that were seconded to the team were best  
12 suited for that because of our limitations, if  
13 you will, to conduct similar activities of the  
14 regular members because of deficiencies in our  
15 abilities to conduct those wholesome steps of  
16 regular full-fledged regular members of the RCMP  
17 or other police forces.

18 Q And Sergeant Ben Robinson of the RCMP was the  
19 first chairperson of the GIG?

20 A He was the one that started the GIG, and it  
21 became the gaming integrity group as opposed to  
22 the intelligence group because the word  
23 "intelligence" was coming up too often and it  
24 developed a misunderstanding of the group's sort  
25 of purpose. So it changed to integrity group

1                   after a period of time, but Sergeant Robinson  
2                   was the first one to initiate the group's  
3                   meetings with the inclusion of BCLC, GPEB and  
4                   the police all together.

5           Q       And you took over that role from Sergeant  
6                   Robinson?

7           A       I took over the chairing of some of the  
8                   materials, yes.

9           MR. SIMONNEAUX: Perfect. Well, thank you very much.

10                   Those are my questions.

11           THE WITNESS: Thank you.

12           THE COMMISSIONER: I'm sorry. Thank you,  
13                   Mr. Simonneaux.

14                               Mr. Smart now for BC British Columbia  
15                   Lottery Corporation. I understand he's been  
16                   allotted 20 minutes.

17           MR. SMART: Thank you, Mr. Commissioner. I'll just  
18                   raise with you -- I think I will try to be  
19                   within 20 minutes, but some of the evidence that  
20                   we've heard this morning raises issues that I  
21                   know are a concern to BCLC, and I believe  
22                   Mr. Kroeker's counsel is concerned about the  
23                   time limits placed on her. That's why the issue  
24                   of whether the evidence will proceed with  
25                   Mr. Tottenham on Wednesday is of some



1                   unless there was very high-level, significant  
2                   problems with a scene. So that does not allow  
3                   me to suggest that I have direct knowledge of  
4                   the evidence that may have presented itself at  
5                   the scene as to where the money came from. It  
6                   was a general reference to my understanding that  
7                   these were potentially -- possibly follow-home  
8                   robberies from casinos where there was large  
9                   amounts of moneys that may or may not have been  
10                  in possession of the individuals that were  
11                  victimized in a robbery in their driveway or  
12                  near their home.

13                  Q   Well, you had some confidence in the integrity  
14                      of what you were told by other officers, didn't  
15                      you?

16                  A   Absolutely.

17                  Q   Yes. So given that that may have happened from  
18                      time to time, it wouldn't surprise you that  
19                      people carrying large amounts of cash might want  
20                      to conceal that fact?

21                  A   That's correct.

22                  Q   So carrying large amounts of cash in a gym bag  
23                      or a grocery store bag might be one way of  
24                      trying to hide the fact that they were carrying  
25                      significant amounts of money?

1           A     It may be a method of concealment. To  
2                    understand what a person is carrying in a bag is  
3                    difficult, so if it's in a bag and you can't see  
4                    the contents of the bag, then obviously it's  
5                    concealed. I can't offer you any suggestions as  
6                    to what it -- you know, what it might be other  
7                    than what's in the bag is only known to the  
8                    carrier of the bag.

9           Q     Well, that's true. But if you're trying to  
10                   conceal you've got \$200,000 in cash from  
11                   potential robbers, it might be a good idea to  
12                   put it in a bag that doesn't obviously indicate  
13                   that it's a large amount of cash. Do you agree  
14                   with that?

15          A     Oh, I agree with that entirely. Yes.

16          Q     So you started at -- you've told the  
17                   Commissioner that you started in 2013 at River  
18                   Rock. I just want to ask you your -- and then  
19                   you've given evidence about being involved at  
20                   JIGIT. Is Daryl Tottenham one of the people  
21                   that you work with from time to time?

22          A     Yes, he is.

23          Q     And you have a good working relationship with  
24                   him?

25          A     I believe so, yes.

1           Q     Okay.  And BCLC participates in providing  
2                   information to JIGIT, doesn't it?

3           A     Yes, it does.

4           Q     And you've got a group now that you refer to in  
5                   your affidavit that's the Gaming Integrity  
6                   Group?

7           A     Yes.

8           Q     What's that, please?

9           A     That's a group that meets on a regular basis.  
10                  It's made up of BCLC, primarily their AML  
11                  enforcement unit, JIGIT members, police and GPEB  
12                  members.

13          Q     Okay.  And you've explained -- and you put this  
14                  in your affidavit and you've explained it again  
15                  today that illegal gaming relates to unlawful  
16                  activity both inside and outside of lawful  
17                  gaming facilities.

18          A     That's correct.

19          Q     Correct?  And there was an organization that was  
20                  established when you were at the Richmond  
21                  detachment and working there called IIGET?

22          A     That's before my time in GPEB, but I was at the  
23                  RCMP detachment at the time, yes.

24          Q     No, I appreciate that.  And it was disbanded in  
25                  2009, but when you were at Richmond did you have

1 discussions with members of that organization?

2 A I don't recall any discussions with members of  
3 that organization, no.

4 Q Okay. Were you surprised when it was disbanded?

5 A I don't recall really having any position on it  
6 one way or the other at the time.

7 Q You've given some evidence about what you did in  
8 the first few years after joining GPEB, and as I  
9 understand it, you would come in in the morning,  
10 you'd get the Section 86 Reports that came from  
11 the service providers. You then might follow up  
12 and obtain further information, often from BCLC.

13 A Sometimes from BCLC, but it was usually by way  
14 of an 86(1) request back to the service provider  
15 because of the rendering of the observations  
16 made by registered gaming workers working for  
17 GCGC at the River Rock that would have put their  
18 notes into what we know as iTrak.

19 Q Yes. I'm sorry, you're right. That was  
20 another -- the next step that you followed. And  
21 then if you needed more, you would seek  
22 information from BCLC?

23 A Sometimes. We would converse with the BCLC  
24 investigators at the casino.

25 Q And you testified that the information, the

1                   reports that you obtained from them generally  
2                   were quite thorough?

3           A     Yes, they were.

4           Q     And there was no need for GPEB or you to  
5                   duplicate those -- what was contained -- the  
6                   information that had been collected in those  
7                   reports?

8           A     Sometimes the report itself was very accurate.  
9                   There was no need for us to duplicate it, no.

10          Q     It was probably most often; isn't that right?

11          A     Yes, that's correct.

12          Q     And you would cut and paste that information,  
13                   put it together with other information you had  
14                   to prepare your own reports?

15          A     That's correct.

16          Q     It would go to Mr. Dickson?

17          A     That's correct.

18          Q     Okay. And I think you've acknowledged that  
19                   there was really a lot of duplication between  
20                   what BCLC investigators were doing and what you  
21                   were doing?

22          A     In some facets of that, yes. And if we were  
23                   going to go down to the casino and review the  
24                   video in the same fashion that BCLC  
25                   investigators had reviewed the same video, that

1                   would have been complete duplication, and it was  
2                   my understanding that -- I came to know that the  
3                   rendering of that information from their  
4                   observations and their reports to us was very  
5                   accurate and very complete.

6           Q       And as you've said in your affidavit, based on  
7                   your observations -- and I'm dealing now with  
8                   your first few years at GPEB -- based on your  
9                   experience as a former RCMP officer, that you  
10                  suspected that some of these large cash  
11                  transactions involved proceeds of crime?

12          A       That's correct.

13          Q       Other than gathering information, collecting  
14                  information and providing it to Mr. Dickson,  
15                  what were you doing with respect to these large  
16                  cash transactions, you and your fellow GPEB  
17                  investigators?

18          A       We were compiling the reports and supplying them  
19                  to our supervisors.

20          Q       Yeah. And to police, or did you --

21          A       And through -- my understanding is that some of  
22                  those reports were forwarded to the police as  
23                  well.

24          Q       Yeah. That's what BCLC was doing, wasn't it?

25          A       Yes, they were.

1           Q     Yeah.  You were asked about the information flow  
2                   from BCLC to GPEB, and then -- or you gave  
3                   evidence of that, and then you were asked about  
4                   whether information was being provided from GPEB  
5                   to BCLC.  And your response is -- and I'm  
6                   summarizing this -- is there was no legal  
7                   requirement for us to do that.  Do you recall  
8                   giving that evidence?

9           A     Yes, I do.  There was no statutory requirement  
10                   to return information that we may have -- also  
11                   have received from things like CPIC inquiries or  
12                   additional information into associates that were  
13                   identified during the process.

14          Q     But you could have done that?

15          A     There's the integrity of certain aspects of CPIC  
16                   that prohibited us from doing that.

17          Q     Well, you could've redacted some, but you could  
18                   have provided information to BCLC investigators,  
19                   couldn't you?

20          A     And we did on occasion.

21          Q     Yeah.  Do you understand there was frustration  
22                   with BCLC investigators during this period of  
23                   time that the flow of information appeared to go  
24                   all one way?

25          A     Absolutely.

1           Q     Yeah.  And frustration.  They wondered what GPEB  
2                   was doing in terms of dealing with large cash  
3                   transactions and potential proceeds of crime in  
4                   casinos?

5           A     I'm aware that from talking to the investigators  
6                   themselves that they were frustrated, yes.

7           Q     Yes.  You gave some evidence about GPEB in  
8                   today's world going actually into casinos and  
9                   being present and watching transactions, and be  
10                  more -- they'd be more effectively able to  
11                  oversee the integrity gaming in casinos if they  
12                  could actually be on the floor.

13          A     That's correct.

14          Q     Was that in 2013, '14 or '15?

15          A     No, it wasn't.

16          Q     Why not?

17          A     Didn't have the resources, didn't have the  
18                  capabilities of doing that.

19          Q     But that was GPEB's job, wasn't it, to oversee  
20                  the integrity of gaming?

21          A     Yes, it was.

22          Q     Okay.  So much of this seems to be about  
23                  resources.  Am I wrong about that?

24          A     Not entirely, no.

25          Q     Okay.  I mean, you've talked about the

1                   limitations. You were a Special Constable, as  
2                   others were under the Police Act. You've talked  
3                   about the limitations. But you had the legal  
4                   authority -- leave aside resources, you had the  
5                   legal authority to investigate money laundering,  
6                   illegal gaming, those kinds of offences that  
7                   took place in and about casinos, didn't you?

8                   MS. CHEWKA: Mr. Commissioner. Sorry, I'm not sure  
9                   if I you can hear me, but if so, we just object  
10                  to this line of questioning. My friend  
11                  Mr. Smart is asking this witness for a legal  
12                  conclusion.

13                 THE COMMISSIONER: About his legal authority?

14                 MS. CHEWKA: That's correct. It's different if it  
15                 was prefaced with his understanding of his legal  
16                 authority, but that's not how the question was  
17                 asked.

18                 THE COMMISSIONER: Okay. I think that's a fair  
19                 objection. So, Mr. Smart, if you could just  
20                 recast that in terms of his understanding of  
21                 what his legal authority was.

22                 MR. SMART: Thank you, Mr. Commissioner.

23                 Q     So what was your understanding as a Special  
24                 Constable of your legal authority to investigate  
25                 money laundering and other criminal offences

1                   that were taking place in and around casinos?

2                   A     Given my designation as an SPC under section 9  
3                   of the Police Act of British Columbia, it allows  
4                   me to enforce provisions of the Criminal Code  
5                   and other provincial statutes as it has a nexus  
6                   to gaming in the province and to protect the  
7                   integrity of gaming in the province.

8                   Q     Yes.

9                   A     The ability to investigate money laundering, or  
10                  more correctly the proceeds of crime, under  
11                  section 462 of the Criminal Code requires a  
12                  nexus to other investigations or predicate  
13                  offences such as money laundering or -- sorry,  
14                  drug trafficking or human trafficking or  
15                  fraudulent credit card investigations, that type  
16                  of thing, which the provisions given to me as an  
17                  SPC do not give me the authority to investigate  
18                  those offences.

19                 Q     But you're gathering information to help police,  
20                  aren't you?

21                 A     Yes.

22                 Q     Leave aside security issues, you could have  
23                  interviewed patrons that brought large cash --  
24                  large amounts of cash into casinos, couldn't you  
25                  have?

- 1           A     No. I believe that through my instructions  
2                    given to me by my supervisors that we would not  
3                    do that.
- 4           Q     Okay. So you agree that you could have, but you  
5                    were told not to?
- 6           A     That's my understanding that the superiors -- or  
7                    supervisors of myself had undertaken that that  
8                    would be injurious to us and potential  
9                    investigations by the police, so we were  
10                  instructed not to.
- 11          Q     The same would apply to BCLC investigators,  
12                  wouldn't it?
- 13          A     It would.
- 14          Q     Yeah. I mean, you could have done some  
15                  surveillance, couldn't you? You could have  
16                  rented cars and followed patrons home to at  
17                  least see where they were going or where they're  
18                  getting money? You could have done some initial  
19                  surveillance?
- 20          A     No. Complex investigations like money  
21                  laundering require techniques that don't allow  
22                  SPCs to do surveillance. There's all sorts of  
23                  aspects of safety concerns for investigators and  
24                  the public in conducting surveillance of any  
25                  nature.

1 Q Okay. You put together this exhibit D, the  
2 Suspicious Cash Transaction Report.

3 MR. SMART: If that could just be brought up, please,  
4 Madam Registrar.

5 Q Exhibit D or tab D to your affidavit.

6 A M'mm-hmm. I have it.

7 Q Yeah. This was something that you put together  
8 pulling together the information in the month of  
9 July 2015?

10 A That's correct. Along with my partner Rob  
11 Barber.

12 Q Okay. And I'm not being critical of you,  
13 Mr. Ackles, but this is something that could  
14 have been done in 2013 or 2014?

15 A Yes.

16 Q Yeah. Obviously not for July 2015 transactions,  
17 but it's something you did that got a response  
18 that GPEB could have done sooner to present to  
19 the Deputy Minister.

20 A As an investigator, I didn't have anything other  
21 than the instructions that I was provided when I  
22 first started and conducted my daily activities  
23 as a result of those instructions from  
24 supervisors.

25 Q Do I understand your answer that you sought to

1 do this but were told not to?

2 A No, I didn't seek to do this until 2015 in July.  
3 Just prior to the start of July.

4 Q So I guess the answer is I could have asked, but  
5 I didn't, permission to do this as an earlier  
6 date?

7 A Perhaps.

8 Q And, Mr. Ackles, I'm not trying to give you  
9 personally blame; I'm just trying to highlight  
10 that it doesn't appear that GPEB was doing very  
11 much itself in terms of these large suspicious  
12 transaction reports. You were trying to get the  
13 police involved. Not very successfully, it  
14 seems. But directly GPEB wasn't doing very much  
15 to address these large suspicious cash  
16 transactions?

17 A The recording of the suspicious transaction was  
18 taking place on a case-by-case basis and on  
19 individual files, and they were being presented  
20 to the supervisors and it was my understanding  
21 that the supervisors were advancing that  
22 information to Victoria.

23 Q Okay. Are you aware of in 2013, '14 or '15 any  
24 criminal charges that GPEB initiated?

25 A Yes.

1 Q Okay. Any in relation to money laundering?

2 A No.

3 Q Okay. Paragraph -- in your affidavit at  
4 paragraph 23 -- and you've given some evidence  
5 of this today that you were raising concerns  
6 with Mr. Schalk and Mr. Vander Graaf about these  
7 large transactions up until when they were  
8 removed in December of 2014.

9 A Correct. 21? Yes.

10 Q Yes. Paragraph -- I'm sorry, 21, yes. And you  
11 state in the same paragraph:

12 "I was advised by Len Meilleur and verily  
13 believe to be true that Mr. Schalk and  
14 Mr. Vander Graaf raised the issue of large  
15 cash transactions in B.C. casinos with  
16 higher-level officials within GPEB in the  
17 course of meetings held in Victoria, BC.  
18 However, I was not personally present for  
19 these meetings."

20 The juxtaposition of their termination and what  
21 information you received are just coincidence?  
22 You're not suggesting that they were -- from  
23 your own knowledge that they were terminated  
24 because of what they advised Victoria?

25 A I have no direct knowledge of why they were

1                   terminated. I wasn't present during the  
2                   termination.

3           Q       It's just a coincidence that those two facts are  
4                   in the same paragraph?

5           A       Perhaps, yes.

6           MR. SMART: At paragraph 22 -- and you've alluded to  
7                   this -- all right. There's -- I'm told I'm out  
8                   of time.

9           MR. MCGOWAN: If Mr. Smart has further ground that he  
10                   feels he needs to cover with this witness, I  
11                   would invite him to make that request. He seems  
12                   to be covering ground that's relevant and should  
13                   he have further ground to cover, I don't oppose  
14                   him carrying on.

15           MR. SMART: Mr. Commissioner, I make that request for  
16                   another 10 minutes.

17           MR. MCGOWAN: Commission counsel doesn't oppose that  
18                   request, Mr. Commissioner.

19           THE COMMISSIONER: I'm sorry. I was muted. I  
20                   actually granted the request.

21           MR. SMART: Thank you.

22           Q       At paragraph 22 you raise:

23                   "Despite me raising these concerns  
24                   regarding large cash transactions, I did  
25                   not observe any notable changes to the

1 acceptance of cash at the service provider  
2 level when I first joined GPEB in May 2013  
3 to January 2018 when Dr. Peter German's  
4 interim recommendations were being  
5 implemented."

6 There was a significant -- I'm going to suggest,  
7 Mr. Ackles, there was a significant drop in  
8 large cash transactions and in the amount of  
9 cash that was coming into casinos that would be  
10 termed suspicious transactions.

11 A That's correct. That's correct. There was some  
12 reduction in the amount of cash that was coming  
13 in. However, the condition of acceptance was  
14 still in play at the casinos where the cash was  
15 being accepted that was being presented.

16 Q You stated after referring to Exhibit D, the  
17 suspicious cash transactions, that in July there  
18 was approximately \$20 million in cash buy-ins,  
19 including \$14 million in \$20 bills, but there  
20 was 4 to \$5 million of suspicious transactions  
21 that were 50 and \$100 bills?

22 A Sorry, \$1,500 bills?

23 Q No, 50 and 100.

24 A Oh, 50 and \$100 bills. Sorry. There was -- not  
25 very many of them actually were just 50s and

1                   \$100 bills. As you can see from the collection  
2                   of the 86 Reports that came in in July, there's  
3                   two columns, and most of the columns contain  
4                   both the total and the \$20 bill columns, and  
5                   there may be the odd exception in there that  
6                   doesn't list the \$20 bills, but for -- in most  
7                   of the cases, all of the reports contain  
8                   \$20 bills within the total amount.

9           Q       But all I'm saying is there's -- there was also  
10           millions of dollars that was \$50 bills and/or  
11           \$100 bills.

12          A       I'm not aware of the exact totals, but they  
13           weren't reported as suspicious cash transactions  
14           to GPEB.

15          Q       Sorry, they were or weren't?

16          A       Were not.

17          Q       Okay. I'm sorry, there were \$50 bills or  
18           \$100 bills that weren't reported as suspicious  
19           cash transactions?

20          A       All of the suspicious transactions for July of  
21           2015 are reported here on this spreadsheet --

22          Q       Yes.

23          A       -- that were received by GPEB.

24          Q       Okay. Let me -- look at the first page about  
25           just past halfway down. There's Edgewater?

- 1           A     Yes.
- 2           Q     \$300,000?
- 3           A     Yes.
- 4           Q     See that?  39,960 were 20s and the rest were 50s  
5                 and 100s?
- 6           A     That's correct.
- 7           Q     Over the second page.  You'll see in the middle  
8                 there is a \$599,000 transaction?
- 9           A     That's correct.
- 10          Q     And 596,000 of that were 50s and 100s?
- 11          A     That's correct.
- 12          Q     Just moving down the page.  There's a \$70,000 --  
13                 \$300,000 transaction.  Only \$70,000 of that was  
14                 20s?
- 15          A     That's correct.
- 16          Q     So I won't go through it all now.  My point is  
17                 there was a significant amount of suspicious  
18                 transactions that involved 50s and \$100 bills,  
19                 even if it was in a minority to the \$20 bills.  
20                 Do you agree?
- 21          A     I agree that all of these suspicious  
22                 transactions contain \$20 bills along with 50s  
23                 and 100s in some instances.
- 24          Q     Well, one of the ones I just took you to, it was  
25                 all -- it was \$3,000 in 20s, and \$596,000 in

1 others.

2 A Correct.

3 Q Okay. Are you aware that in 2015 in September  
4 that BCLC began imposing source cash conditions  
5 on high-value patrons?

6 A Yes.

7 Q Okay. Many of the transactions you've referred  
8 to in exhibit D, those patrons were put on  
9 source cash conditions?

10 A Yes, I believe that there's a significant number  
11 of those individuals. Yes.

12 Q And being put on source cash conditions means  
13 what?

14 A It means that they would have to identify the  
15 source of the cash, its derivative, from where  
16 it came from --

17 Q Yes.

18 A -- that respected their buy-in purchase.

19 Q The AML vulnerabilities group that you've given  
20 evidence about that was established, that could  
21 have been established years before, earlier than  
22 it was, couldn't it have been?

23 A I don't know.

24 Q Well, I guess my point is GPEB, BCLC, police,  
25 we've all learned over time a lot more about

1 money laundering and measures to try to combat  
2 it. Do you agree with that?

3 A Yes.

4 Q Okay. And there may be disagreements, but  
5 everybody was trying to do the right -- let me  
6 put it this way: BCLC, GPEB, the law  
7 enforcement were trying to do the right thing?

8 A Yes. I believe so.

9 MR. SMART: Okay. Those are my questions. Thank  
10 you, Mr. Commissioner.

11 THE COMMISSIONER: Thank you, Mr. Smart.

12 Now I'll call on Ms. Skwarok for the Great  
13 Canadian Gaming Corporation, who I understand  
14 has been allotted 15 minutes.

15 MR. SKWAROK: Yes. Thank you, Mr. Commissioner.

16 **EXAMINATION BY MR. SKWAROK:**

17 Q Mr. Ackles, my name's Mark Skwarok. I'm one of  
18 the lawyers for Great Canadian Gaming casino.

19 Could I take you, please, to paragraph 9 of  
20 your affidavit.

21 A Yes, I have it.

22 Q And in that paragraph you make references to  
23 memos coming from the head of GPEB that talk  
24 about the types of activities that need to be  
25 reported; correct?





1                   currency transactions or suspicious  
2                   electrical fund transfers)."

3                   Right?

4           A       That's correct.

5           Q       And so Great Canadian would have had an  
6                   obligation to report such things?

7           A       That's correct.

8           Q       Go to the next page, please, halfway down.  And  
9                   there is a paragraph that starts off with "under  
10                  section 79"?

11          A       Yes.

12          Q       And that paragraph says in effect that service  
13                  providers are obliged to make their premises  
14                  available to all investigators at GPEB, and this  
15                  is for the purpose of conducting investigations.  
16                  Correct?

17          A       That's correct.

18          Q       And by and large, GPEB was obliged to give  
19                  prompt notice and it did give prompt notice;  
20                  correct?

21          A       Yes.

22          Q       All right.  But the --

23          A       Excuse me.  GPEB gave ...

24          Q       No, GCGC.

25          A       GCGC, sorry.  Yes.

1 Q Probably my mistake, I apologize.

2 GPEB had other powers as well. You  
3 indicated earlier, I believe, that you didn't  
4 think GPEB had the authority to ban players or  
5 to prohibit them from any particular gaming  
6 facility. Did you give that evidence?

7 A Yes, I did.

8 Q And that was just your understanding?

9 A That was my understanding up until that was  
10 granted to us, I believe, in early 2019.

11 Q All right. You understand that GPEB has the  
12 authority to deregister service providers?

13 A Yes.

14 Q And employees if they don't comply with GPEB  
15 directives; right?

16 A Following an investigation of that nature, there  
17 may be an adjudication through our licensing and  
18 registration division relative to that type of  
19 penalty or adjudication, yes.

20 Q So basically the long and short of it is is that  
21 if Great Canadian doesn't cooperate with GPEB,  
22 there are significant potential adverse  
23 consequences; right?

24 A Yes.

25 Q Moving to paragraphs 10 and 11. I won't read

1                   them, but they talk about Section 86 Reports and  
2                   the fact that they include summaries of  
3                   incidents; they're not terribly detailed, but  
4                   they were bare bones. Correct?

5           A        Correct.

6           Q        And there was a reason for that, and that was  
7                   because they had to be submitted immediately;  
8                   right?

9           A        That's correct.

10          Q        Tell me why did they have to be given to GPEB  
11                   immediately?

12          A        My understanding was that that's the way the  
13                   directive was written, so it was the direction  
14                   given by the General Manager. And to say what  
15                   that relevant time frame is on immediate, I  
16                   really can't put my own reflection on it. But  
17                   that's what the words said, so I take it that  
18                   that's what the direction was at the time, and  
19                   the service providers responded in kind to that  
20                   direction.

21          Q        And did GPEB to your -- in your experience  
22                   actually do anything immediately?

23          A        No. No.

24          Q        In the following paragraph, sir, you talk about  
25                   how you further your investigation, and you do

1                   that by asking for information initially from  
2                   service providers like Great Canadian; correct?

3           A       That's correct.

4           Q       And the type of information you'd get would  
5                   include such things as surveillance video  
6                   footage that's been taken in the hotel, in the  
7                   casino or in the parkade; correct?

8           A       It was only on the gaming floor or outside.  
9                   There would be very little in the hotel. That  
10                  might be available in a supplemental that might  
11                  have been commented on, but for all intents and  
12                  purposes our surveillance captures were on the  
13                  gaming floor or from outside.

14          Q       And so this information nonetheless is coming  
15                  from Great Canadian surveillance; correct?

16          A       Yes, it is.

17          Q       You indicated, I believe, that you spoke with  
18                  Great Canadian employees, surveillance  
19                  employees, on occasion. Did you get the  
20                  information you asked for from them?

21          A       Always.

22          Q       And would you say that they were quite  
23                  cooperative with you?

24          A       Yes.

25          Q       All right. And generally there was a very close

1 relationship, a good relationship between GPEB  
2 and the employees; right?

3 A It was developed over time. Yes, there was good  
4 relationships.

5 Q I'm going to move on to -- we've touched on the  
6 quality of incident reports, and I think you  
7 know that those are the types of things first  
8 prepared by Great Canadian's surveillance and  
9 put into iTrak. Would you agree with me that  
10 those were generally of a very high quality?

11 A The actual surveillance notes rendered into  
12 iTrak relative to the surveillance that they  
13 observed was a synopsis and it was relatively  
14 accurate, yes.

15 Q And these types of synopses would include things  
16 like the exact time that certain people might  
17 drive into the parkade, the exact time they  
18 might buy in at the cage, the denominations they  
19 might buy in with, the times of betting, the  
20 times of cashing out and times when there might  
21 have been suspicious intermingling with people  
22 of questionable backgrounds?

23 A That's correct.

24 Q All right. Thanks. Speaking specifically about  
25 Mr. Jin, could I take you, please, to

1 paragraph 27.

2 A Yes.

3 Q And in that paragraph you talk about a number of  
4 events that were part of your investigation of  
5 Mr. Jin. Would you agree with me, sir, that all  
6 of those factors in that paragraph came from  
7 Great Canadian?

8 A They would have been captured on surveillance  
9 and provided to us in subsequent requests  
10 through 86(1) of the Gaming Control Act.

11 Q All from Great Canadian; correct?

12 A All from Great Canadian, yes.

13 Q Are you aware, sir, that Mr. Pat Ennis banned  
14 the buy-ins from any persons who were in  
15 Mr. Jin's car? That happened in May of 2016.  
16 Are you aware of that?

17 A I'm not exactly sure of the terminology that you  
18 use about being in Mr. Jin's car, but I'm aware  
19 that Mr. -- associates of Mr. Jin, if they could  
20 be directly related through surveillance to him,  
21 were subject of further scrutiny by the service  
22 provider.

23 Q Yes. The service provider also barred buy-ins  
24 from people who dropped money off from the  
25 vehicle. Are you aware of that?

1           A     I'm aware that there were some barrings that  
2                    took place as a result of that, yes.

3           Q     And those are things that GPEB could have  
4                    ordered had it been so inclined; correct?

5           A     I don't understand your question --

6           Q     Well --

7           A     -- completely.

8           Q     Great Canadian took the initiative to ban  
9                    buy-ins from these people, but GPEB could have  
10                   done it on its own; right?

11          A     No, not at that time. No. We didn't have the  
12                   banning or prohib provisions of the Gaming  
13                   Control Act at our disposal. That would have  
14                   been a BCLC requirement to ban or further  
15                   prohibit at that particular time. It wasn't  
16                   until early 2019 that we even received the  
17                   ability to prohibit.

18          Q     All right. I'm going to move on to a topic of  
19                   what was told to Great Canadian staff during the  
20                   relevant time. At paragraph 18 and 19 of your  
21                   affidavit you say you become increasingly  
22                   concerned about the number of large cash  
23                   transactions, and you're concerned they might  
24                   have been proceeds of crime; correct?

25          A     That's correct.

1 Q And did you pass on those observations to Great  
2 Canadian?

3 A In conversations with surveillance providers  
4 there was conversations in that regard, yes.

5 Q Well, did you tell them that you refused such  
6 transactions?

7 A No. I had no authority to tell them to do that.

8 Q At paragraph 21 you talk about raising money  
9 laundering concerns with your superiors, at 31  
10 again with your superiors and a former Assistant  
11 Deputy Minister, at 44 with the Attorney  
12 General; right?

13 A Yes.

14 Q And you didn't pass on that information to Great  
15 Canadian, did you?

16 A Not in any formal process, no.

17 Q You talked about a Mr. Sha and you were taken to  
18 exhibit B, which showed a number of Section 86  
19 Reports.

20 A Correct.

21 Q And all of that information in those reports  
22 came from Great Canadian; correct?

23 A That's correct.

24 Q Do you interview Mr. Sha or any of the players  
25 in an effort to allay suspicions of where they

1                   might have got large cash buy-ins?

2           A       No, I did not.

3           Q       You've indicated your belief that you could not  
4                   ban players, but did you recognize that you had  
5                   the ability to direct Great Canadian to ban  
6                   players?

7           A       No.

8           Q       Are you saying --

9           A       There would be a conversation perhaps that would  
10                   transpire, but it would be on the basis of Great  
11                   Canadian's decision to ban or prohibit for a  
12                   period of time upon review by BCLC.

13          Q       But, sir, in your response -- your role as in  
14                   charge of integrity of gaming in the province,  
15                   why couldn't you have directed Great Canadian to  
16                   refuse buy-ins from these alleged troublemakers?

17          A       We did not have the conduct and manage portion  
18                   of the Gaming Control Act. That was BCLC's  
19                   responsibility to direct the service providers  
20                   as to what to do.

21          Q       All right. I won't take you to the legislation.

22                   With respect to investigation, you've given  
23                   cogent, thorough evidence about what you saw  
24                   were the limits of your ability to engage in  
25                   stopping any types of activities like this;

1 right?

2 A Correct.

3 Q And you talked about things like the  
4 investigations are complex, there's a potential  
5 threat of violence and that type of thing,  
6 right?

7 A That's correct.

8 Q And it was never your position that Great  
9 Canadian should have done the investigation;  
10 correct?

11 A No.

12 Q When you say no, you agree with me, it was never  
13 --

14 A I agree with you, yes.

15 Q Their job was simply to report; correct?

16 A That's correct.

17 Q Thank you. Going to paragraph 60 of your  
18 affidavit, and you make reference to the fact  
19 that there are continued buy-ins that you  
20 suggest may be suspiciously -- you have  
21 suspicions about them; right?

22 A Correct.

23 Q You'll agree with me sir, that if a transaction  
24 has suspicious circumstances, that doesn't mean  
25 that there's anything afoul going on; right?

1           A     Suspicion is in the mind of who's looking at it,  
2                    depending on what's being presented in the  
3                    incidence relative to that suspicion, what would  
4                    create that suspicion in someone's mind.

5           Q     But you agree with me that suspicion does not  
6                    amount to evidence that would demonstrate  
7                    criminal activities; correct?

8           A     No, definitely not.

9           Q     All right. And are you aware, sir, that there's  
10                  been no legal determination that any of the cash  
11                  buy-ins at Great Canadian have been proven to be  
12                  the proceeds of crime?

13          A     That's correct.

14          MR. SKWAROK: Okay. Those are my questions, sir.

15                  Thank you very much.

16          THE COMMISSIONER: Thank you, Mr. Skwarok.

17                  Now Mr. McFee on behalf of Mr. Lightbody,  
18                  and I understand Mr. McFee has been allotted  
19                  15 minutes.

20                  **EXAMINATION BY MR. MCFEE:**

21          Q     Thank you. Mr. Ackles, are you able to hear me  
22                  all right?

23          A     I am.

24          Q     Is it fair to say that in your 37 years with the  
25                  RCMP before you joined GPEB that you had quite

1                   limited exposure to the gaming sector?

2           A       Very limited.

3           Q       And in your 37 years with the RCMP were you  
4                   involved in any significant investigation into  
5                   suspected money laundering?

6           A       On occasion, yes. Through drug investigations  
7                   that I was involved in and the seizure of  
8                   significant amounts of cash.

9           Q       Were the actual -- I'm sorry, go ahead.

10          A       It would have been the proceeds of crime at that  
11                 particular -- or offence-related property that I  
12                 was aware of. Not exactly laundering the  
13                 proceeds of crime, but investigations that  
14                 developed into the seizure of cash objects,  
15                 financial amounts of cash.

16          Q       That was -- it seems a bit ancillary to the drug  
17                 investigation. You weren't involved centrally  
18                 in the investigation of the offence of money  
19                 laundering, were you, in your times --

20          A       No.

21          Q       -- at the RCMP?

22          A       No, I was not.

23          Q       And similarly, in your years with the RCMP were  
24                 you involved in any significant investigations  
25                 into loan sharking?

1           A     No.

2           Q     So when you joined GPEB in 2013, although you  
3                    had 37 years of experience with the RCMP, were  
4                    you provided with any training with respect to  
5                    the gaming sector and money laundering and/or  
6                    loan sharking to prepare you for your new role  
7                    as a GPEB investigator?

8           A     No.

9           Q     Did you ask for any training at the time in  
10                   2013?

11          A     There was always the ask for additional training  
12                   to be made available to us, yes.

13          Q     And would that be you and other investigators  
14                   making the ask to your supervisors?

15          A     Yes.

16          Q     And what response were you given?

17          A     There was no available training for us other  
18                   than a training course in Nevada that was  
19                   protecting the games.

20          Q     We saw your wish list to Minister Eby. I take  
21                   it from that wish list you and the other  
22                   investigators weren't provided with any training  
23                   with respect to identifying money laundering  
24                   such as the certification of the Association of  
25                   Certified AML Specialists?

- 1           A     That's correct.
- 2           Q     And we saw in your wish list to Minister Eby you  
3                 were asking for that.
- 4           A     Yes.
- 5           Q     I take it you probably asked your supervisors  
6                 for similar training before you made that wish  
7                 list to the minister.
- 8           A     Yes.
- 9           Q     And did you get the same response?
- 10          A     Yes.
- 11          Q     Basically -- what?  No funding available or no  
12                 budget for that?
- 13          A     Lack of a budget, lack of funding, yes.
- 14          Q     And you referred to a Canadian equivalent course  
15                 in answer to questions from commission counsel,  
16                 which I see as CAMLI?
- 17          A     CAMLI, yes.
- 18          Q     And have you obtained that certification to  
19                 date?
- 20          A     No, I haven't.  But it's one of the courses  
21                 that's now mandatory within our investigation  
22                 division, and it is in the process of everyone  
23                 completing that course.
- 24          Q     So are we at the front end of GPEB investigators  
25                 getting that certification?

1           A     Yes.

2           Q     I take it funding was only recently approved for  
3                   that type of training.

4           A     Yes.

5           Q     And you told the commission your evidence that  
6                   in your time as a GPEB investigator that service  
7                   providers were directed to provide Section 86  
8                   Reports with respect to a number of elements,  
9                   and Mr. Skwarok took you through a few of them,  
10                  but I'm going to key on a few.  The service  
11                  providers were directed to provide reports with  
12                  respect to money laundering and loan  
13                  sharking incidents?

14          A     Yes.

15          Q     As I understood your evidence, once those -- you  
16                  reviewed those Section 86 Reports, you could  
17                  request further information and documents from  
18                  the service provider.

19          A     That's correct.

20          Q     And you often did.

21          A     Yes.  Almost in all instances.

22          Q     And did I understand your evidence that you  
23                  could also undertake further investigation in  
24                  your capacity as a GPEB investigation?

25          A     Limited investigation, yes.

1           Q     And you've given quite a bit of evidence about  
2                   the limits of the mandate of a Special Constable  
3                   under the GPEB regime, but could you have made  
4                   application to the court for production orders?

5           A     In some instances, yes.

6           Q     And did you ever do that?

7           A     No.

8           Q     The flavour I got from your evidence in the  
9                   years that you were a GPEB investigator at River  
10                  Rock, a great deal of your time was expended  
11                  reviewing these Section 86 Reports and then  
12                  preparing reports for your supervisors.

13          A     That's correct.

14          Q     Can you give the commission a reasonable  
15                  estimate of, in those three years you were at  
16                  GPEB investigator, what percentage of your time  
17                  was expended preparing these reports?

18          A     I would say conservatively 70 percent of my  
19                  time.

20          Q     And tell me if I'm correct about this: it  
21                  strikes me from the tenor of your evidence that  
22                  the majority of those Section 86 Reports were  
23                  coming in -- that were coming in were dealing  
24                  with suspicious buy-ins or large cash buy-ins in  
25                  the casinos.

1           A     That's correct.

2           Q     And so those reports would be focused on  
3                 identifying potential money laundering; correct?

4           A     Correct.

5           Q     And yet did it strike you as odd when you were  
6                 spending 70 percent of your time reviewing these  
7                 reports and preparing reports to pass on to your  
8                 supervisors that all these reports were coming  
9                 in identifying potential money laundering to  
10                GPEB but you at GPEB didn't have a mandate to  
11                investigate money laundering and/or loan  
12                sharking?

13          A     It was frustrating.

14          Q     Well, it was more than frustrating, wasn't it,  
15                 sir? Did you recognize it wasn't a very good  
16                 expenditure of your time?

17          A     Correct. It wasn't.

18          Q     And you'd prepare these -- your own report and  
19                 pass it on to your supervisor?

20          A     That's correct.

21          Q     And your supervisor was Mr. Dickson for the time  
22                 that you were a casino investigator?

23          A     That's correct.

24          Q     And I understood from your evidence in response  
25                 to commission counsel's questions that sometimes

1                   those -- Mr. Dickson would decide to pass those  
2                   reports on to law enforcement?

3           A     That's correct.

4           Q     And were you informed that one of your reports  
5                   had been sent on to law enforcement?

6           A     On occasion, yes, by Mr. Dickson. He would tell  
7                   me he'd contacted law enforcement with  
8                   information from one of my reports, yes.

9           Q     And was that partly to give you a heads up in  
10                  case the investigators from the RCMP would  
11                  contact you?

12          A     Perhaps.

13          Q     And in those three years that you were a casino  
14                  investigator, 2013 to 2016, to your knowledge  
15                  did the RCMP take any steps investigating any of  
16                  those reports that you were spending so much of  
17                  your time preparing?

18          A     Yes. In 2015 they had some interest in some of  
19                  the reports that we had supplied, yes.

20          Q     And did anything come out of that?

21          A     There was a stay of proceedings in that  
22                  investigation.

23          Q     So in the first two years, 2013, 2014, that you  
24                  were a casino investigation, to your knowledge  
25                  no steps were taken by the RCMP on any of the

1 reports that you were preparing?

2 A Not that I'm aware of, no.

3 Q And to be clear, that's the period of time when  
4 you as a GPEB investigator were observing a  
5 steady increase in the number and size of cash  
6 buy-ins in BC casinos?

7 A That's correct.

8 Q Now, you were taken to this email from  
9 Mr. Vander Graaf in your affidavit where there  
10 was a discussion about the role of GPEB  
11 investigators, and I want to focus on GPEB  
12 investigators interviewing patrons.

13 A Correct.

14 Q And it was decided GPEB investigators wouldn't  
15 interview casino patrons partly because of a  
16 safety issue from the investigators'  
17 perspective; correct?

18 A Correct.

19 Q And you agreed with that analysis and that  
20 conclusion?

21 A Yes, I did.

22 Q But to your knowledge BCLC implemented in June  
23 2015 a cash conditions program, a central  
24 element of which was BCLC investigators  
25 interviewing casino patrons?

1           A     That's correct.

2           Q     And you were aware of that when it was being  
3                    implemented?

4           A     Yes.

5           Q     And you had a good relationship, I take it, with  
6                    the BCLC investigators?

7           A     I did.

8           Q     Did you or, to your knowledge, anybody else at  
9                    GPEB raise with BCLC this concern about a  
10                   security risk to investigators if they were  
11                   interviewing casino patrons?

12          A     No. The basis of their interviews of the  
13                   patrons was not to the same extent that a  
14                   criminal investigative interview would take. So  
15                   they were more of a client-based interview by  
16                   BCLC.

17          Q     Help me with what the distinction is is because  
18                   in this scenario that Mr. Vander Graaf pointed  
19                   out, it was basically ask the patron two very  
20                   straightforward threshold questions: where did  
21                   the cash come from and what are you paying for  
22                   it; correct?

23          A     Correct.

24          Q     Weren't those the very same questions, as you  
25                   understand it, that BCLC investigators were

1 starting with?

2 A Perhaps, yes.

3 Q So there really wasn't any distinction in the  
4 type of interview, was there, as it unfolded on  
5 the ground?

6 A No, the unfolding of it on the ground would be  
7 continued investigation and a continued  
8 statement taken from a patron involving perhaps  
9 the source of that cash and where it came from  
10 and developing that interview back. That would  
11 be stepping outside of the abilities of my SPC  
12 status again because of the complexity of  
13 laundering the proceeds of crime investigation  
14 takes, and discovering the nexus to predicate  
15 offences necessary in order to continue that  
16 investigation is outside the scope of what I had  
17 given to me by my SPC status.

18 Q But as I understand your evidence, then, BCLC  
19 was doing, from your observation, a great deal  
20 of reporting with respect to suspicious  
21 transactions and large cash transactions?

22 A Yes.

23 Q And you and the other GPEB investigators were  
24 analyzing those reports and preparing your own  
25 reports and sending them up the chain of

1 command?

2 A That's correct.

3 Q But as I understand your evidence, given the  
4 limitation on these GPEB investigators' Special  
5 Constable status, any forwarding -- moving  
6 forward an investigation into money laundering  
7 and loan sharking had to be done by the law  
8 enforcement agencies, particularly the RCMP?

9 A That's correct.

10 Q And up until 2015 that simply wasn't happening;  
11 there was no action being taken from your  
12 observation by law enforcement?

13 A That's correct.

14 Q And the formation of JIGIT in 2016, as I  
15 understood your evidence, was a means, at least,  
16 to try and address that?

17 A Yes.

18 Q But yet there's been no successful convictions  
19 for money laundering or loan sharking arising  
20 out of JIGIT's activities yet; correct?

21 A Yet. Yes. Correct.

22 Q Right. And we're here in 2012; correct? I'm  
23 sorry, 2020.

24 A In 2020, yes.

25 Q And certainly when you joined GPEB in 2013, the

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Exam by Ms. Mainville

1                   problem and concern with respect to large cash  
2                   transactions entering BC casinos had been  
3                   identified and was being directly discussed?

4           A       That's my understanding.  It had been discussed  
5                   for a period of time, yes.

6           MR. McFEE:  Those are my questions.  Thank you.

7           THE COMMISSIONER:  Thank you, Mr. McFee.

8                   Ms. Mainville for Mr. Kroeker.  And I  
9                   understand you've been allotted 20 minutes,  
10                  Ms. Mainville.

11          MS. MAINVILLE:  Thank you.  And I may follow  
12                  Mr. Smart's example, and when I reach my time  
13                  limit, I may be requesting more time at that  
14                  time, if it's appropriate.

15          THE COMMISSIONER:  All right.  Thank you.

16          **EXAMINATION BY MS. MAINVILLE:**

17          Q       Mr. Ackles, you spent five years at the Richmond  
18                  RCMP detachment; correct?

19          A       Actually, it was seven and a half years that I  
20                  spent at the Richmond RCMP detachment.

21          Q       Up until 2012; correct?

22          A       That's correct.

23          Q       Did you know there an Officer Eric Hall?

24          A       Yes, I did.

25          Q       And did you know Rendall or Renny Nessel?

1           A     Yes, I did. He was the operations officer.

2           Q     So he was there at the time that you were;

3                   correct?

4           A     Yes.

5           MS. MAINVILLE: Madam Registrar, could we bring up

6                   BCLC4200.

7           Q     This is an email correspondence or an email  
8                   chain between Mr. Kroeker, my client, and Mr. --  
9                   or Officer Hall in April of 2014, and I know  
10                  that you were not there at the time, but if I  
11                  could just ask you a couple of questions once I  
12                  go through this. And you'll see just earlier in  
13                  the chain, if you've had the opportunity to see  
14                  it before there, Mr. Kroeker reaches out to the  
15                  Richmond RCMP detachment given an article in the  
16                  media.

17          MS. CHEWKA: Mr. Commissioner, I'm loathe to  
18                  interrupt my friend, but I believe this document  
19                  was provided to us late and was not given the  
20                  five days notice and requires leave to be shown  
21                  to Mr. Ackles.

22          MS. MAINVILLE: That's fair. That's accurate. I  
23                  intended to seek leave. So I am. I requested  
24                  that Mr. Ackles be given advanced notice of  
25                  that. I'm not sure whether that was done. But

1           Mr. Commissioner, you'll know that we are  
2           contending with -- I think significant is an  
3           understatement -- significant amounts of  
4           information and documentation, so some of it is  
5           coming -- is sometimes difficult to provide  
6           adequate notice, and so I don't have really any  
7           excuse beyond that, but I do ask for leave to  
8           be -- to put this document to Mr. Ackles.

9           THE COMMISSIONER: Ms. Chewka.

10          MS. CHEWKA: Mr. Commissioner, we just note that  
11          Mr. Ackles has actually not seen this document.  
12          He is not copied on it. He wasn't a recipient  
13          of it, not an author of it, and so it's  
14          difficult to see the probative value of putting  
15          this document to Mr. Ackles.

16          THE COMMISSIONER: All right. Does commission  
17          counsel have any submissions to make?

18          MR. MCGOWAN: Mr. Commissioner, I don't know whether  
19          Mr. Ackles has seen the document before other  
20          than perhaps recently and perhaps we'll know if  
21          he's asked that question. I will say the reason  
22          that the rules provide for -- one of the reasons  
23          that the rules provide for the opportunity to  
24          seek leave to put a document to a witness for  
25          which notice hasn't been given is the

1 recognition that we're dealing with large  
2 volumes of documents. I note this is sort of a  
3 single-page document that likely wouldn't take  
4 the witness long to review. It's perhaps  
5 difficult to take a position without knowing  
6 what questions are going to flow from it, but I  
7 don't oppose counsel being given leave to seek  
8 to make something of the document.

9 THE COMMISSIONER: All right. Bearing in mind what  
10 Ms. Chewka's position is, it may or may not have  
11 probative value, but I think I'm going to permit  
12 you to proceed with it, Ms. Mainville, just --  
13 it may be used as something to refresh this  
14 witness's memory or frame a question for his  
15 consideration. So go ahead.

16 MS. MAINVILLE: Thank you. And I do intend to  
17 Mr. Ackles through the important portion of it.

18 Q So you'll see here following this media article  
19 Officer Hall responds to Mr. Kroeker and  
20 indicates "Renny." And I take that to mean  
21 Rendall Nasset. If you're aware of his  
22 nickname.

23 A Yes. Yes.

24 Q "Renny is out of town until next week. As  
25 you recall, I used to work at IPOC for

1 over a decade and conducted numerous money  
2 laundering investigations and have a real  
3 in-depth understanding of money  
4 laundering. I have spoken to Renny about  
5 the issue, and we as the police force of  
6 jurisdiction are very satisfied with the  
7 regimes, policies and procedures followed  
8 by the River Rock, BCLC, FINTRAC, BC  
9 Gaming Branch and the police to prevent  
10 the activity. We do not have a concern  
11 about money laundering at the River Rock.

12 You can tell from the news articles  
13 we were not approached or consulted. The  
14 solution of a police officer on the floor  
15 or surveillance room will not likely stop  
16 any sophisticated money laundering  
17 operation anywhere, and I don't believe  
18 the casinos in BC can even be a  
19 participant in a sophisticated organized  
20 money laundering process with the existing  
21 reporting regimes designed to prevent the  
22 activity.

23 I know that proceeds of crime could  
24 potentially be gambled. However, without  
25 an extensive investigation by police, the

1 casinos would never be able to determine  
2 the source of all funds spent in their  
3 facilities."

4 And just at the bottom paragraph:

5 "Let me reiterate on behalf of Renny and  
6 the Richmond detachment, we are very  
7 comfortable with the River Rock's ability  
8 not to facilitate money laundering."

9 So my question is does this align with your  
10 understanding of the Richmond RCMP's view of  
11 River Rock before you left the detachment in  
12 September 2012?

13 A At the Richmond detachment prior to my leaving  
14 was as watch commander on a watch. Dealing with  
15 the minutia of everyday incidents and events  
16 that require police attendance, I was not  
17 involved in discussions with either Rendall  
18 Nessel or Eric Hall in relationship to what this  
19 reply suggests. So I really -- I have  
20 difficulty providing an opinion of what my  
21 understanding was of Richmond detachment's  
22 respect to what it knew or what it didn't know  
23 about activities at the River Rock.

24 Q Does it align with your assessment once you were  
25 at GPEB in April of 2014, around that same time

1 frame?

2 A In some respects, yes. I note in here that it  
3 is noted that the proceeds of crime could be  
4 gambled, but that money laundering  
5 investigations are complex and sophisticated,  
6 and that goes to where our limitation as Special  
7 Provincial Constables also lies in that the  
8 laundering of proceeds of crime investigations,  
9 having to have that nexus to a predicate offence  
10 usually takes place outside of the casino.

11 There's no proceeds of crime being generated  
12 within the casinos per se, so that has to take  
13 place somewhere else. Perhaps the money coming  
14 from that source is in the hands of a patron  
15 walking through the door, but that would require  
16 that investigation by the police in a  
17 sophisticated manner and complex manner in order  
18 to derive that that was actually what was in the  
19 hands of the patron was the proceeds of crime.  
20 And the police would be responsible for that  
21 investigation.

22 MS. MAINVILLE: Thank you. We can remove this  
23 document, Madam Registrar. I'm not going to ask  
24 that it be marked because of course Mr. Ackles  
25 can't identify it, unless, Mr. Commissioner, you

1                   would like it as a lettered exhibit for later  
2                   identification.

3           THE COMMISSIONER: I leave that up to you,  
4           Ms. Mainville.

5           MS. MAINVILLE: I don't require it. I don't think  
6           I'll be able to use it later on, but ...

7           THE COMMISSIONER: All right. Thank you.

8           MS. MAINVILLE:

9           Q     Mr. Ackles, is it fair to say that GPEB, to your  
10           understanding, was supportive of cash  
11           alternatives?

12          A     Sorry, you broke up a little bit.

13          Q     Is it your understanding that GPEB was  
14           supportive of cash alternatives?

15          A     Yes.

16          Q     To your knowledge did that include Mr. Len  
17           Meilleur?

18          A     Yes.

19          Q     Now, you've been taken to paragraph 22 of your  
20           affidavit where you indicate that you did not  
21           observe any notable changes to the acceptance of  
22           cash at the service provider level from when you  
23           first joined GPEB in May 2013 up to January  
24           2018. And you've acknowledged that there was  
25           some reduction in the flow of cash.

1 MS. MAINVILLE: If I could, Madam Registrar, bring up  
2 BCLC6409.

3 Sorry, I should clarify, you said some  
4 reduction in 2015.

5 If we could bring up BCLC6409. And could  
6 you please go to page 5.

7 MS. CHEWKA: Mr. Commissioner, again I believe this  
8 document is one of the late disclosed ones and  
9 requires leave once again.

10 THE COMMISSIONER: Okay.

11 MS. MAINVILLE: Yes. This -- I do seek leave,  
12 Mr. Commissioner, for the same reason, and it's  
13 really just one chart. I don't purport to  
14 suggest that Mr. Ackles will have direct  
15 knowledge of it, but it's simply a chart to ask  
16 whether this refreshes his memory regarding what  
17 he may have observed to be the case or  
18 understood to be happening in the casinos at the  
19 time.

20 THE COMMISSIONER: All right. You may proceed.

21 MS. MAINVILLE:

22 Q Mr. Ackles, you'll see there this is a chart of  
23 \$20 bills coming into Lower Mainland casinos  
24 from table games from January 2015 to June 2018?

25 A Correct.

1 Q Do you see there the red line represents River  
2 Rock?

3 A Yes.

4 Q So I'm going to suggest to you there's a very  
5 dramatic decline of large cash transactions in  
6 \$20 bills at the River Rock in September of  
7 2015.

8 A Correct.

9 Q And so do you agree that that's in fact what was  
10 happening at the time based on your own  
11 observations and assessment?

12 A My observations were that there was a reduction  
13 in the amount of cash that was being presented.  
14 In my affidavit when I state that despite  
15 raising these concerns, I did not observe a  
16 notable change in the acceptance of cash.  
17 That's in relationship to the -- the situations  
18 that were presented in the form of cash to the  
19 casinos at that particular time was still being  
20 handled in the same manner and it's being  
21 accepted even though it might have been reported  
22 to GPEB as a suspicious transaction.

23 It was still being accepted and the  
24 gambler -- or the patron was allowed to continue  
25 gambling with the purchase of chips and taking

1                   them to the table. There may in fact have  
2                   definitely been a reduction in the amount of  
3                   bulk cash that was coming into the casino as  
4                   depicted in your representation of this slide  
5                   that you've shown me.

6           Q       Were you notified in 2015 of the introduction of  
7                   BCLC's cash -- sourced-cash conditions program?

8           A       Yes.

9           Q       Under that program, I'm going to suggest, that  
10                  patrons were in fact prohibited, some patrons  
11                  were identified, and they were the subject of  
12                  cash conditions or perhaps better said, no cash  
13                  conditions, which meant in fact that cash was  
14                  refused or not accepted from those patrons  
15                  unless it could properly be sourced. Are you  
16                  aware of that?

17          A       Yes, I think there was an escalation throughout  
18                  the fall of 2015 to that effect and the use of  
19                  source of funds declarations by individual  
20                  patrons upon attending the casino.

21          Q       Right. And so is that not a refusal or not an  
22                  acceptance of cash at that time in 2015?

23          A       Again, the reduction of the amount of cash that  
24                  was coming in was reduced because of that. I  
25                  did have observations of some of the source of

1 funds declarations that were being provided by  
2 the patrons at the time. I've probably seen a  
3 handful of them or thereabouts, and on those  
4 source of funds declarations the source of funds  
5 that was asked of the patrons was, where did you  
6 get the cash? And it was from, you know, my  
7 home, my car, from a friend. Those types of  
8 answers were there, which over a course of the  
9 next few months BCLC would conduct further  
10 inquiries with that individual, and perhaps  
11 there would be, you know, extenuating conditions  
12 placed on that individual and reduce the cash  
13 that way. Yes, that occurred.

14 Q And I'm going to suggest that the numbers speak  
15 for themselves in terms of the impact of BCLC's  
16 sourced-cash condition program. Is that not  
17 fair?

18 A Yes, that's fair.

19 Q And I'm going to suggest, then, that your  
20 assertion in paragraph 22 of your affidavit is  
21 at least somewhat misleading, that you observed  
22 no notable changes up until January 2018 in the  
23 acceptance of cash at the service provider  
24 level.

25 A Yes. It still comes down to the point where the

1                   suspicious transactions that were reported to us  
2                   were still being accepted. It's the individual  
3                   reports to GPEB relative to an 86 Report of a  
4                   suspicious transaction. What I was reviewing  
5                   indicated that it was being accepted.

6           Q       But not all of them were being accepted because  
7                   in fact patrons were turned away or their cash  
8                   was turned away. Is that not right?

9           A       That's right, yes, some of it was.

10          Q       You were part of a briefing with Minister Eby in  
11                   2017 when the NDP government came into power; is  
12                   that correct?

13          A       That's correct.

14          Q       And is this narrative what was presented to  
15                   government in 2017 that there was no notable  
16                   changes in service providers, casino were  
17                   accepting all of this cash without it being  
18                   refused?

19          A       Yes, that's basically the narrative. Yes.

20          Q       That was the tenor of the message to government  
21                   at that time?

22          A       Yes.

23          Q       Am I correct that BCLC was not part of that  
24                   briefing?

25          A       No, they were not.

1 Q Did GPEB notify BCLC of what it was going to  
2 present to government?

3 A My understanding was that it wasn't, no.

4 Q And did GPEB inform the minister about the steps  
5 BCLC had taken and the significant impact that  
6 had -- that that had had as of 2015 during that  
7 briefing?

8 A I don't recall any specifics in the briefing  
9 relative to that.

10 Q At paragraph 21 of your affidavit you  
11 indicate -- please go to it. You indicate there  
12 that Mr. Meilleur informed you that Mr. Schalk  
13 and Mr. Vander Graaf raised the issue of large  
14 cash transactions in BC casinos with  
15 higher-level officials within GPEB in the course  
16 of meetings held in Victoria; correct?

17 A That's correct.

18 Q Is it your understanding that that's because  
19 Mr. Meilleur was part of those meetings, that  
20 that's where his knowledge came from?

21 A That's my understanding, yes.

22 Q Because he was -- at the time was a director of  
23 registration or head of registration  
24 [indiscernible]?

25 A He was either director or executive director of

1 registration, yes.

2 Q And these meetings were held prior to 2015;  
3 correct? And I say this to situate you because  
4 he was speaking about Mr. Schalk and Mr. Vander  
5 Graaf, who were terminated at the end of 2014.

6 A Yes. It's -- the meetings that Mr. Schalk and  
7 Mr. Vander Graaf had would have been prior to  
8 their termination.

9 Q So it's fair --

10 A They were referring to.

11 Q Sorry. So it's fair to say that prior to 2015  
12 Mr. Meilleur was aware of this issue to the  
13 extent it was presented to him at these meetings  
14 in Victoria?

15 A I can't say because I wasn't at those meetings  
16 whether he was present during specific comments  
17 made by either Mr. Schalk or Mr. Vander Graaf.

18 Q But he did --

19 A I couldn't say.

20 Q Sorry. But he did inform you that Mr. Schalk  
21 and Mr. Vander Graaf raised these issues in  
22 Victoria?

23 A Yes. And I don't know how he came to that  
24 information, whether he was present or whether  
25 he was imparted that information from someone

1                   else at those meetings as well.

2                   Q     We've spoken about the spreadsheet you prepared  
3                   with Mr. Barber in July of 2015.

4                   A     Yes.

5                   Q     You -- were you aware that the E-Pirate  
6                   investigation has already been initiated by the  
7                   FSOC at that point in time as of April of 2015?

8                   A     I can't recall when I first became aware of the  
9                   investigation of E-Pirate, whether it was in the  
10                  middle of 2015 -- or July of 2015 or -- but it  
11                  would have been around that time frame that we  
12                  started the spreadsheet that that investigation  
13                  became subject of my awareness, yes.

14                  Q     And you'll suggest that E-Pirate began or had a  
15                  connection to this spreadsheet?

16                  A     No. No.

17                  Q     And are you aware that BCLC rolled out its cash  
18                  condition program to service providers in April  
19                  of 2015?

20                  A     I'm not aware of the exact dates.

21                  MS. MAINVILLE: Mr. Commissioner, I'm advised I'm out  
22                  of time. I will ask for -- frankly I'll need  
23                  another 20 minutes. I do -- because I do have  
24                  to address Mr. Ackles' understanding of GPEB's  
25                  authority -- or various authorities, in my

1                    submission, in some detail, which I did not  
2                    expect frankly because I thought commission  
3                    counsel would be canvassing that to a greater  
4                    extent.

5                    THE COMMISSIONER: All right. Carry on, then.

6                    MS. CHEWKA: Mr. Commissioner, if I may just ask if  
7                    Mr. Ackles is okay to continue, if he needs a  
8                    break. I just note to time. If he needed a  
9                    bathroom break. I'm not so sure.

10                   THE COMMISSIONER: Of course. I think that's a good  
11                   suggestion, Ms. Chewka. Does anyone need a  
12                   break of any sort?

13                                      And, Mr. Ackles, certainly as far as you're  
14                   concerned you're entitled to one, if you wish.

15                   THE WITNESS: I'm fine to continue, Mr. Commissioner.

16                   THE COMMISSIONER: All right. I'm not hearing any  
17                   clamour for a break. We will carry on. Thank  
18                   you.

19                   MS. MAINVILLE: Thank you.

20                   Q        So I'm going to suggest, Mr. Ackles, that the  
21                   spreadsheet led Mr. Meilleur and perhaps as a  
22                   result higher-ups at GPEB to take notice of the  
23                   issue of large cash buy-ins in or around August  
24                   of 2015, but that it was not a -- it was not  
25                   otherwise a revelation to BCLC; is that fair to

1 say?

2 MR. MCGOWAN: I'm just going to interject,  
3 Mr. Commissioner. Is my friend asking this  
4 witness what BCLC knew?

5 MS. MAINVILLE: That's a fair interjection. Let me  
6 rephrase. Let me take that back.

7 Q You've suggested, Mr. Ackles, that prior to  
8 August 2015 when Mr. Meilleur is made aware of  
9 this that you had not taken clear action in  
10 respect of these large cash buy-ins; correct?

11 A Correct.

12 Q And in fact this spreadsheet was a revelation to  
13 him, indeed a shock?

14 A Yes.

15 Q So I'm going to suggest that this was not a  
16 priority for GPEB investigations prior to that  
17 time if that knowledge only came to  
18 Mr. Meilleur's attention in August of 2015.

19 A No, I don't agree. There was --

20 THE COMMISSIONER: I'm sorry, I'm just going to  
21 interrupt for one moment. I take it you're  
22 finished with the chart.

23 MS. MAINVILLE: Yes, yes. Apologies. Yes. Thank  
24 you.

25 THE COMMISSIONER: Thank you, Madam Registrar. Yes.

1                   I'm sorry, I interrupted. If you need the  
2                   question re-asked, Mr. Ackles, please indicate.

3           THE WITNESS: Yes, please. If I could have the  
4                   question again.

5           MS. MAINVILLE:

6           Q     I'm just -- I was suggesting that the issue of  
7                   large cash buy-ins was not a priority then for  
8                   GPEB investigations if your executive director  
9                   of investigations was not alerted, let's say, to  
10                  the significance of the problem until August  
11                  2015?

12          A     I'm having a hard time agreeing with you based  
13                  on the fact that I don't know what was in the  
14                  mind of Mr. Meilleur prior to the spreadsheet  
15                  being delivered to him by myself in August of  
16                  2015. I don't know what his relationship was to  
17                  briefings that perhaps Mr. Vander Graaf had had  
18                  in Victoria prior to his termination. I don't  
19                  know whether that exists or that information  
20                  exists over there. I wasn't there. I don't  
21                  know. I can't relate to that exchange, to what  
22                  was in his mind prior to that.

23          Q     You did not yourself go to Mr. Meilleur prior to  
24                  that to sound the alarm?

25          A     No, I didn't.

1 Q Did you meet with Peter German during his  
2 initial review on Dirty Cash?

3 A Not with Peter German himself other than just an  
4 introductory meeting, but I did have interviews  
5 with his co-reviewer.

6 Q You were interviewed by him?

7 A By his -- yes.

8 Q Is that Jerome Malysh?

9 A Yes, it is.

10 Q Do you know whether your partner Mr. Barber was  
11 also interviewed?

12 A I believe so, yes.

13 Q Were you interviewed together?

14 A Not together, no.

15 Q Did you suggest to him that this Excel  
16 spreadsheet was the great revelation that led to  
17 action?

18 A I may have, yes.

19 Q And I'm going to suggest that it not only led  
20 GPEB to action but that BCLC and the service  
21 provider, GCGC, had long tried to take action in  
22 regards to large cash buy-ins at River Rock?

23 A I think it was a progression over time where  
24 BCLC, from my viewpoint, was trying to change  
25 some of the procedures, yes.

1 Q I'm going to suggest that it may have been a  
2 resourcing issue. I'm not blaming you, but I'm  
3 going to suggest that GPEB was lagging behind on  
4 the issue of large cash buy-ins.

5 A I would agree with your suggestion. I know that  
6 our resources were diminishing in 2015. People  
7 that were retiring were not being replaced.

8 Q And, for instance, you indicated that after  
9 joining GPEB in 2013 you became aware of  
10 Mr. Jin's involvement through conversations with  
11 BCLC investigators at the River Rock?

12 A That's correct.

13 Q And when you were informed of this, Mr. Jin had  
14 already been banned in 2012; do you recall?

15 A That's correct. Prior to my joining GPEB.

16 Q I'm going to move you to a more recent time  
17 period. Do you recall being in attendance at a  
18 meeting on February 3rd, 2017, with Mr. Kroeker  
19 and Mr. Meilleur at the head office of GPEB in  
20 Victoria?

21 A I remember being at a meeting with Mr. Kroeker  
22 and Mr. Meilleur in Victoria. The date escapes  
23 me.

24 Q Fair enough. And they did -- the two of them  
25 did meet periodically to discuss various

1 compliance matters? Is that fair?

2 A That's what I understood, yes.

3 Q Do you recall at the end of one such meeting or  
4 the meeting you may have attended Mr. Meilleur  
5 telling Mr. Kroeker that he was in possession of  
6 information that showed 10 of BCLC's top  
7 customers were buying in with bank drafts that  
8 had been acquired with proceeds of crime?

9 A I don't recall the substance of that statement,  
10 but it may have taken place. I'm not going to  
11 deny that it might have taken place, but I don't  
12 know the substance totally of that statement.

13 Q Do you recall Mr. Meilleur saying that GPEB had  
14 found bank drafts that BCLC had accepted that  
15 had no payee listed or payor listed or that had  
16 a name crossed out and another name written in?

17 A To the best of my recollection there may have  
18 been conversations in that regard, yes.

19 Q Do you recall Mr. Kroeker asking Mr. Meilleur  
20 for the names of the 10 players who had been  
21 using these bank drafts?

22 A I believe so, yes.

23 Q And this was for the purpose of banning them?

24 A Yeah, again, I can't confirm that.

25 Q Okay. And do you recall Mr. Meilleur saying he

1                   would have to get back to him on that, on the  
2                   names?

3           A     Again, I can't confirm that either. The best of  
4                   my recollection is what I'm providing you.

5           Q     Okay. That's all you knew on the issue. Fair  
6                   enough.

7                                 In terms of Project Athena. In your  
8                   affidavit you indicated that it's premised on  
9                   the importance of sharing information and  
10                  working collaboratively with other stakeholders;  
11                  correct?

12          A     That's correct.

13          Q     And the issue targeted by that project is the  
14                  fact that bank drafts could be used for money  
15                  laundering purposes because they allow for  
16                  anonymous acquisition and use; correct?

17          A     That's correct.

18          Q     And am I right that that's in terms of what  
19                  transpires at the bank level, the anonymity  
20                  issue?

21          A     Yes.

22          Q     You agree that there's no evidence BCLC accepted  
23                  defective bank drafts?

24          A     To my understanding, no, no acceptance of  
25                  deficient bank drafts.

1           Q     And are you aware of the challenges that BCLC  
2                    has in terms of obtaining information from banks  
3                    regarding accounts that players may -- bank  
4                    account that players may have at the bank?

5           A     Yes, I am.

6           Q     You mention in your affidavit a 2017 media  
7                    announcement that GPEB had with JIGIT  
8                    regarding -- or JIGIT regarding nine arrests  
9                    that had been made in a money laundering  
10                  investigation?

11          A     Yes.

12          Q     And the money laundering typology alleged in  
13                  this -- in that case involved proceeds of crime  
14                  being deposited into financial institutions,  
15                  including banks, and then bank drafts were  
16                  issued and eventually used by customers to buy  
17                  in at a casino; correct?

18          A     Is there a reference in my affidavit to that  
19                  effect?

20          Q     It's at -- the reference is at paragraph 42 of  
21                  your affidavit. There's no specific there about  
22                  what the arrests related to, but I'm asking if  
23                  that refreshes your memory.

24          A     Can I just review this quickly?

25          Q     Sure.

1           A     Relative to the statement you made about the  
2                     bank drafts, I don't see that in my --

3           Q     No. Did you know what the arrests related to at  
4                     the time?

5           A     Yes. Yes. Yes.

6           Q     You did. But that -- it doesn't refresh your  
7                     memory for me to suggest that it was proceeds of  
8                     crime --

9           A     Yes, it was proceeds of crime. And there was  
10                    bank drafts involved, yes.

11          Q     Bank drafts issued by banks and then used at  
12                    casinos?

13          A     Yes.

14          Q     And are you -- do you recall the statements that  
15                    were made at the press conference were about  
16                    money laundering through the casinos, not -- no  
17                    reference being made to the banks?

18          A     When was that press conference?

19          Q     2017. I don't have the exact month.

20          A     I believe I was on holidays in Europe at that  
21                    time because I don't remember the conference at  
22                    all. The press conference.

23          Q     Do you not say in your affidavit that you  
24                    attended? No?

25          A     No, I did not attend a press conference. No.

1           Q     Are you aware of BCLC subsequent to these  
2                   arrests requesting the name of the persons  
3                   arrested so they could be banned from BC  
4                   casinos?

5           A     Yes, I do --

6           Q     Do you recall --

7           A     -- believe I had an understanding that was that  
8                   was a request made of JIGIT.

9           Q     And are you aware that that information was not  
10                  provided?

11          A     To the best of my recollection that was still a  
12                  matter under investigation. It wouldn't have  
13                  been released by JIGIT.

14          Q     From your perspective as an investigator, would  
15                  that be a valid basis upon which to refuse to  
16                  provide that information in a context where  
17                  these people had been arrested and therefore  
18                  presumably were aware of the charges against  
19                  them? Or sorry, I correct that. I know there  
20                  were no charges. But were aware of their own  
21                  arrest?

22          A     I can't make that determination. That was a  
23                  JIGIT determination at the time of release, so  
24                  that was not my call. That was the leaders of  
25                  the JIGIT team from a police perspective, and

1                   that was their determination at the time, if  
2                   that was in fact what happened.

3           Q       And do you recall, though, being at a subsequent  
4                   meeting in July 2017 with Mr. Kroeker,  
5                   Mr. Meilleur and Officer Hackett from --

6           A       Yes.

7           Q       -- JIGIT?

8           A       Yes.

9           Q       And Ross Alderson?

10          A       Yes.

11          Q       And do you recall, first of all, Officer Hackett  
12                   was unwilling to share those names at the time?

13          A       That's correct.

14          Q       Do you recall him advising BCLC that they had  
15                   not found any circumstance where an individual  
16                   had attended a casino with proceeds of crime and  
17                   were able to launder the proceeds directly at  
18                   the casino?

19          A       I don't recall that statement, no.

20          Q       Do you recall he indicated that BCLC should have  
21                   known that the bank drafts were purchased with  
22                   proceeds of crime?

23          A       Again, I don't recall him saying that.

24          Q       And those nine arrests did not result in any  
25                   charges, ultimately?

1 A I believe the matter is still before the Crown.

2 Q Okay. Is it fair to say that since JIGIT's  
3 inception BCLC has continued to provide valuable  
4 information to JIGIT?

5 A Yes.

6 Q Now, in terms of your top three requests to  
7 government in 2017, you sought as a priority the  
8 ability for GPEB to ban players; correct?

9 A Yes.

10 Q And you ultimately obtained that wish in early  
11 2019?

12 A That's correct.

13 Q And you've indicated GPEB has not since banned  
14 any players and you've said that is because the  
15 process still needs to be implemented.

16 A That's right. It's a work in progress within  
17 our branch.

18 Q But this is nearly two years ago and this was a  
19 priority request.

20 A Correct.

21 Q And the other request -- one of the other  
22 requests was for GPEB compliance to get ACAMS  
23 training or certification?

24 A That's correct.

25 Q Are you aware of BCLC much earlier than that

1 offering to pay for GPEB officers to get this  
2 training and GPEB not taking BCLC up on this  
3 offer?

4 A I'm aware of a limited number of individuals  
5 that were offered that, yes.

6 Q And that --

7 A And they took it up -- they took up on the offer  
8 of actually providing the training for a limited  
9 number of people, yes, within the branch. Yes.

10 Q They accepted that offer?

11 A Yes.

12 Q Now, GPEB communicated -- sorry, GPEB's General  
13 Manager communicated reporting requirements to  
14 BCLC and service providers via memorandum you  
15 say in your affidavit?

16 A Yes.

17 Q And these memoranda set out the types of  
18 incidents that must be reported to GPEB;  
19 correct?

20 A That's correct.

21 Q And it includes money laundering?

22 A Yes.

23 Q And reference to other Criminal Code offences.  
24 And am I right that it does not restrict the  
25 list to only Part VII offences of the Criminal

1 Code relating to --

2 A That's correct.

3 Q And indeed theft, for instance, is not a  
4 Part VII offence?

5 A That's correct.

6 Q But GPEB does investigate thefts?

7 A A limited number of investigations into theft,  
8 yes.

9 Q And I'm right that in this list there is no  
10 caveat in the GM memos, GPEB's General Manager  
11 memos, there are no caveats to -- listing money  
12 laundering or Criminal Code -- other Criminal  
13 Code offences with a nexus to gaming?

14 A By caveat -- what are you referring to as a  
15 caveat?

16 Q Let me say it appears to be very broad, those  
17 memos.

18 A Yes. Very broad.

19 Q And would you agree with me it would suggest to  
20 service providers and BCLC who are the  
21 recipients of these memos or directives that  
22 these matters are within GPEB's mandate?

23 MS. CHEWKA: Mr. Commissioner, I'm loathe again to  
24 interrupt my friend on this point, but I feel  
25 like we're venturing close, I think, to the line

1 of questioning regarding special provincial  
2 constable status, and it raises some concerns  
3 from my perspective regarding the -- my friend  
4 is now acting outside the scope of Mr. Kroeker's  
5 grant of standing. And to that end I'd actually  
6 bring that up, the original ruling number 1 of  
7 the Commissioner where you indicate that:

8 "Mr. Kroeker must ensure that his  
9 contribution does not duplicate that of  
10 other participants, including BCLC, and  
11 GCGC. Mr. Kroeker's status as a  
12 participant is limited to matters  
13 involving consideration of his personal  
14 conduct and with respect to which his  
15 position diverges from those of BCLC and  
16 GCGC."

17 And in our submission, these questions and what  
18 I anticipate being asked next, Mr. Commissioner,  
19 is not only duplicative of some of the questions  
20 we've heard today but also doesn't diverge from  
21 the position of BCLC and GCGC, and it's  
22 apparently divorced from the personal conduct of  
23 Mr. Kroeker himself.

24 And as you're maybe aware, Rule 51 states  
25 that a participant may cross-examine with

1           respect to the scope of standing. And so we say  
2           that at this point we're verging outside the  
3           standing granted to Mr. Kroeker in this  
4           proceeding and now duplicating the efforts of  
5           others.

6           THE COMMISSIONER: Okay. Ms. Mainville, what do you  
7           say to that, first of all? But also it seems to  
8           me that the question you're posing right now is  
9           asking this witness to provide his opinion of  
10          how others might interpret this letter, which it  
11          seems to me is just getting a little tenuous and  
12          outside the scope of what really the grant of  
13          Mr. Kroeker's standing permits.

14          MS. MAINVILLE: So I agree with you,  
15          Mr. Commissioner, on the last question. In  
16          terms of generally this area, I would submit  
17          that what Mr. Kroeker's expectations or  
18          understanding would have been, which is informed  
19          by what was represented to BCLC and the service  
20          providers, is very relevant to his grant of  
21          standing because of course it would also have  
22          informed how he acted and how he discharged his  
23          own responsibilities.

24                   And I will say this. Here's my difficulty:  
25          given the extent to which, I submit, commission

1           counsel challenged BCLC investigators on their  
2           authority or lack of authority, I frankly  
3           expected this to be probed much more  
4           significantly today with Mr. Ackles. And so my  
5           difficulty is I believe this does need to be  
6           probed much more significantly on the basis --  
7           that it's been up to now on the basis of the  
8           records we have and the evidence we understand  
9           other GPEB witnesses to eventually give on this  
10          point.

11          THE COMMISSIONER: All right. But I don't see how  
12          that relates to Mr. Kroeker's grant of standing.

13          MS. MAINVILLE: Well, and I -- frankly I had this as  
14          an area where I hoped I did not need to get  
15          into, but here I find myself. And although I do  
16          submit that it has a direct bearing on  
17          Mr. Kroeker's grant of standing because, as I've  
18          indicated, what GPEB represented its authority  
19          to be is relevant in how he acted both when he  
20          was at GCGC and at BCLC.

21          THE COMMISSIONER: I may -- he can certainly testify  
22          to that.

23          MS. MAINVILLE: Okay.

24          THE COMMISSIONER: And I just don't think it helps to  
25          canvass with this witness what Mr. Kroeker or

1                   others at BCLC might have taken from the  
2                   memorandum from the General Manager of GPEB.

3           MS. MAINVILLE:   Okay.   Thank you.

4           THE COMMISSIONER:   All right.   Thank you.   And I  
5                   think you've come close to the end of  
6                   your additional time.

7           MS. MAINVILLE:   Yes.   If I could just have a brief  
8                   moment to look if there's anything critical I  
9                   would need to raise.

10          THE COMMISSIONER:   All right.

11          MS. MAINVILLE:   No.   That would be my questions,  
12                   then.   Thank you, Mr. Commissioner.

13          THE COMMISSIONER:   Thank you, Mr. Mainville.

14                   Ms. Chewka.   And, again, I suppose I should  
15                   canvass if anyone needs a break at this point.

16                   All right.   Ms. Chewka.

17          MS. CHEWKA:   Thank you, Mr. Commissioner.   We just  
18                   have a few questions.   I don't anticipate taking  
19                   up the allotted 30 minutes we had estimated.

20          THE COMMISSIONER:   All right.   Thank you.

21          **EXAMINATION BY MS. CHEWKA:**

22          Q   First of all, Mr. Ackles, as Manager of  
23                   Investigations it's correct that your embedded  
24                   within the Gaming Policy and Enforcement Branch?

25          A   That's correct.

1           Q     And can you describe for the commission the  
2                   mandate of what I'll refer to as GPEB?

3           A     It's to investigate any wrongdoing relative to  
4                   the applications of the gaming industry and  
5                   bringing -- or ensuring the integrity of gaming  
6                   is met through those investigations.

7           Q     Is GPEB broken down into distinct divisions?

8           A     Yes. I believe there's six divisions. There's  
9                   a compliance division, an enforcement division,  
10                  strategic policy and programs division,  
11                  communities division; certification division, a  
12                  licensing registration component division. I  
13                  may have missed one. Operations division as  
14                  well. Sorry.

15          Q     This morning my friend Mr. Smart had asked a  
16                  question of you where he suggested to you that  
17                  BCLC employees were frustrated that GPEB was  
18                  doing nothing to stop cash from coming into the  
19                  casinos. Do you recall that question?

20          A     Yes.

21          Q     Now, the work being done to combat money  
22                  laundering and to stop cash coming into casinos,  
23                  is that only being done by the enforcement  
24                  division?

25          A     No. It's being done by other entities within

1 GPEB as well, and other divisions, primarily  
2 being the strategic planning and programs  
3 division, which look at the vulnerabilities.  
4 And I think we had mentioned earlier in my  
5 testimony about the vulnerabilities working  
6 group, money laundering working group. That's  
7 where the strategic planning and projects  
8 division also oversees that whole planning  
9 process, looking at risks, looking at the  
10 mitigation of those risks. And recently that  
11 has included BCLC representatives in order to  
12 discuss those issues as combined efforts on  
13 those risks.

14 Q Now, if we go back to when you first joined GPEB  
15 as an investigator in 2013, can you describe the  
16 relationship as you saw it between BCLC and  
17 GPEB?

18 A I can only relate to my own personal  
19 relationship with the BCLC investigators that I  
20 encountered at the River Rock, and that was an  
21 introduction and a development over time with  
22 those individuals that basically they taught me  
23 the inside-out of casino activity. It was a  
24 very good relationship. I got along with them  
25 well. We communicated well. It was a

1 professional relationship. My involvement with  
2 BCLC above that level was limited.

3 Q So you are in a position to describe the  
4 relationship between BCLC and GPEB executives at  
5 that time?

6 A My understanding was that there was a tense  
7 relationship between the executives.

8 Q But you had no first-hand knowledge of that  
9 directly?

10 A No first-hand knowledge of it, no.

11 Q Did the relationship between BCLC and GPEB  
12 change over time while you were at GPEB?

13 A Yes, it has. And it continues to evolve and  
14 develop collaboratively to this current day.  
15 When we speak about things like the gaming  
16 integrity group, there is an exchange of  
17 information that is now undertaken through that  
18 group, not always two-way, but certainly BCLC is  
19 a contributor to that. And we have very  
20 collaborative meetings between the agencies, be  
21 it police, GPEB and BCLC combined. And they are  
22 very, very effective working arrangements and  
23 working groups that develop all sorts of  
24 collaborative approaches to understanding the  
25 gaming industry and developing risk mitigation

1 as well.

2 Q Is it possible to identify a particular moment  
3 in time that marked this shift in the  
4 relationship?

5 A Shortly after -- I believe it was 2018 when  
6 Sergeant Ben Robinson actually put the group  
7 together formally and the discussions developed  
8 from that. Early in the process there was an  
9 exchange between GPEB investigators' and BCLC  
10 investigators' relationship to the ongoing  
11 perusal of the 86 Reports that were coming in,  
12 the incident reports being reported. They were  
13 being reported to BCLC and to GPEB at the same  
14 time. And of course, as I've stated earlier,  
15 there's a review process that GPEB undertook.  
16 There was also a review process of the same  
17 incident that BCLC undertook.

18 The two perspectives might have been  
19 different. Through the GIG meetings and through  
20 the communications that were developed through  
21 the GIG meetings there was a sharing of those  
22 perspectives over a series of incidents that may  
23 have involved one patron, and it was the  
24 behaviour of the patron that was observed from  
25 maybe a different perspective that GPEB had in

1 relationship to it than BCLC. So the exchange  
2 was then made with BCLC as to what the  
3 perspective was that was being seen, and an ask  
4 to BCLC to review those same incidents in their  
5 entirety to see if they discovered the same  
6 things that were discovered by our review. And  
7 they were.

8 Q I have a couple of questions in light of what  
9 came out in your testimony this morning. The  
10 first one is with respect to a question that was  
11 asked by commission counsel, Mr. McCleery. In  
12 response to a question you stated that there was  
13 duplication between GPEB and BCLC investigators.

14 Now, my question is in your view were GPEB  
15 investigators better positioned than BCLC  
16 investigators to identify larger systemic  
17 trends?

18 A No. I don't think that in isolation the two are  
19 independently better at establishing those  
20 trends. I think collectively together that's  
21 where the trends are really developed.

22 Q Were you able as a GPEB investigator to see the  
23 cumulative effect of Section 86 Reports?

24 A Yes.

25 Q Were BCLC investigators able to see the

1 cumulative effect from Section 86 Reports?

2 A I think they were aware of the magnitude of the  
3 buy-ins, but I don't know that they collected it  
4 in the same fashion that the GPEB 86s were  
5 collected, especially when we got into the  
6 spreadsheet collection of those incidents over  
7 that one-month period, and we continue to  
8 collect it in the same fashion today. I think  
9 that really showed the cumulative effects over a  
10 defined amount of time.

11 Q Many of the counsel this morning took you to the  
12 email from Mr. Vander Graaf that's attended to  
13 your affidavit.

14 A Yes.

15 Q In response to questions from Mr. Smart,  
16 Mr. McCleery and Mr. McFee you gave evidence to  
17 the effect that there were safety concerns about  
18 GPEB investigators asking followup questions.  
19 Do you recall that evidence that you gave?

20 A Yes. Yes.

21 Q And is it my -- were you directed not to engage  
22 in those followup questions with patrons?

23 A Yes.

24 Q At that time were GPEB investigators positioned  
25 on the casino floors or within the casinos?

- 1           A     No.
- 2           Q     So at that time would a GPEB investigator have  
3                 been in the position to ask those followup  
4                 questions regarding cash buy-ins?
- 5           A     No.
- 6           Q     And why is that?
- 7           A     Usually we got the incident reported to us after  
8                 the fact, and the incidents would come in well  
9                 after the patron had already left the casino,  
10                perhaps.
- 11          Q     Mr. Smart also asked you a question, you'll  
12                 recall, about bags of cash coming into the  
13                 casino. Do you recall that line of questioning?
- 14          A     Yes.
- 15          Q     And Mr. Smart asked you whether there was a  
16                 reason for carrying the cash in the bags. Do  
17                 you recall that?
- 18          A     Correct.
- 19          Q     If you could please turn to paragraph 19 of your  
20                 affidavit. Is it accurate to say that here  
21                 you're describing the kinds of cash that you saw  
22                 during the course of your criminal  
23                 investigations?
- 24          A     Yes.
- 25          Q     And I'll draw your attention to the last

1 sentence where it states:

2 "Based on these experiences, I became  
3 suspicious that some of the large cash  
4 transactions I was observing as a GPEB  
5 investigator involved proceeds of crime,  
6 as they involved many of the same  
7 methods - large volumes of cash bundled  
8 together with elastic bands, oriented a  
9 particular way, and stored in backpacks,  
10 totes or duffel bags."

11 Do you see that?

12 A That's correct.

13 Q So my question to you is that was it the  
14 receptacle of cash that the cash was coming in  
15 that marked it as suspicious or was it a  
16 combination of the factors?

17 A It's a combination of the factors and more  
18 specific to the method of bundling and  
19 collecting the bills together in bricks and  
20 bundles.

21 Q The other question or line of questioning that  
22 you were asked related to the different approach  
23 taken by BCLC and GPEB regarding whether or not  
24 to have conversations with patrons. Do you  
25 recall that?

1           A     That's correct.  That's correct.

2           Q     So were you told to have those conversations  
3                 with these patrons, or were you told not to have  
4                 those conversations with patrons?

5           A     I was told not to.

6           Q     Is it your understanding that BCLC eventually  
7                 had those conversations with patrons?

8           A     Yes.

9           Q     Now, were you present when BCLC -- presumably  
10                executives directed the BCLC investigators to  
11                have these conversations?

12          A     No, I wasn't.

13          Q     Do you have any first-hand knowledge of what was  
14                communicated to BCLC investigators?

15          A     No, I don't.

16          Q     So you don't know the rationale for making that  
17                direction to BCLC investigators?

18          A     No, I don't.

19          Q     Or the reason for the different approach of BCLC  
20                and GPEB investigators on that issue?

21          A     No.

22          Q     My friend Ms. Mainville asked a few questions  
23                with respect to the cash conditions that BCLC  
24                imposed on patrons in 2015.  Do you recall that  
25                line of questioning?

1           A     Yes.

2           Q     Do you know how many patrons were subject to  
3                   those cash conditions in 2015?

4           A     No. I wouldn't be able to put a number on it.  
5                   No.

6           Q     And the last question I have for you,  
7                   Mr. Ackles, relates to a question that Mr. Smart  
8                   had asked you this morning. Mr. Smart asked if  
9                   you had -- could have provided information to  
10                  BCLC, was that information exchanged. Do you  
11                  recall that line of questioning?

12          A     Yes.

13          Q     You agreed and stated that you could and did on  
14                  occasion. Do you recall that?

15          A     Yes. And it's limited to the extent that  
16                  there's certain information that I cannot impart  
17                  on BCLC investigators, such as private  
18                  information obtained through other means, such  
19                  as CPIC, PRIME, police investigations that I  
20                  have the ability to discover, but I don't have  
21                  the ability to share it back with BCLC in its  
22                  entirety.

23          Q     Can you provide some examples of when you may  
24                  have shared that information with BCLC  
25                  individuals?

1           A     I know that there would be conversations with  
2                    BCLC investigators surrounding a particular  
3                    incident where perhaps a patron had arrived in a  
4                    specific vehicle and had maybe arrived in that  
5                    same vehicle several times, and there was a  
6                    partial plate number observed in surveillance  
7                    and the BCLC investigators had that partial  
8                    plate.  And they would ask me things like, can  
9                    we get the registered owner of that plate  
10                  number?  Well, I may very well have been able  
11                  to, through alternate investigation methods,  
12                  have obtained the registered owner of that  
13                  vehicle.  And I would ask questions of the  
14                  investigator like, well, do you think it's his  
15                  vehicle?  And they go well, yeah, I think it's  
16                  his vehicle; I think he owns the vehicle.  And  
17                  I'd say well, I think you're pretty accurate in  
18                  that assessment.  In that manner.  Without  
19                  actually exposing the methods that I used in  
20                  order to ensure that that was correct.

21                MS. CHEWKA:  Mr. Commissioner, we have no further  
22                  questions for this witness.

23                THE COMMISSIONER:  Thank you, Ms. Chewka.

24                                Mr. McCleery, do you have anything arising?

25                MR. McCLEERY:  Yes.  Just very briefly,

1                   Mr. Commissioner.

2                   **EXAMINATION BY MR. MCCLEERY:**

3                   Q     Mr. Ackles, you indicated earlier that there  
4                   have been no convictions arising from any JIGIT  
5                   investigations; is that correct?

6                   A     I'm not going to say no convictions arising from  
7                   any JIGIT investigations, but as far as proceeds  
8                   of crime investigations, there haven't been any  
9                   convictions registered by JIGIT. There have  
10                  been convictions for operating an illegal gaming  
11                  house.

12                  Q     And you indicated that there -- in  
13                  Ms. Mainville's questioning there have been  
14                  nine -- there were nine arrests announced in  
15                  2017 related to a proceeds of crime  
16                  investigation; is that correct?

17                  A     That's correct.

18                  Q     Have there been any other arrests arising from  
19                  JIGIT investigations with respect to proceeds of  
20                  crime investigations?

21                  A     No, there haven't.

22                  Q     And I take it, then, you indicated there have  
23                  been no -- there were no changes laid as a  
24                  result of those nine arrests?

25                  A     Not as yet. I believe the matter is still

1                   before the Crown for a decision.

2                   Q     And in that case there would be no charges  
3                   arising from proceeds of crime investigations?

4                   A     As yet.

5                   Q     As yet. And if I was to expand that question to  
6                   include money laundering investigations, have  
7                   there been any -- aside from those nine arrests,  
8                   any arrests related to money laundering  
9                   investigations by JIGIT?

10                  A     No.

11                  MR. McCLEERY: Thank you. Those are my questions,  
12                  Mr. Commissioner.

13                  THE COMMISSIONER: Thank you. Mr. Smart?

14                  MR. STEPHENS: It's Mr. Stephens here. Mr. Smart  
15                  says he does not have any further questions.  
16                  Thank you, Mr. Commissioner.

17                  THE COMMISSIONER: Thank you. Mr. Skwarok?

18                  MR. SKWAROK: No questions, sir.

19                  THE COMMISSIONER: Thank you. Mr. McFee?

20                  MR. McFEE: Nothing arising, Mr. Commissioner. Thank  
21                  you.

22                  THE COMMISSIONER: Thank you. Ms. Mainville?

23                  MS. MAINVILLE: No, thank you, Mr. Commissioner.

24                  THE COMMISSIONER: Thank you. All right. Thank you,  
25                  Mr. Ackles, you are excused.

1                                   **(WITNESS EXCUSED)**

2                   THE COMMISSIONER:   And we'll now turn to deal --

3                   MS. CHEWKA:   Mr. Commissioner, I'm sorry.  There's an  
4                                   order with respect to Mr. Ackles that he can't  
5                                   attend the hearing.  We just want to confirm on  
6                                   the record that he is now able to attend the  
7                                   remainder of the webcast, if that's acceptable.

8                   THE COMMISSIONER:   I don't see any reason why not.  
9                                   Mr. McGowan, do you have any --

10                  MR. MCGOWAN:   No, Mr. Commissioner.  Commission  
11                                   counsel has extended a blanket exemption for  
12                                   witnesses who have completed their evidence and  
13                                   who have not been told that they may be required  
14                                   to give evidence again, so that would apply to  
15                                   Mr. Ackles.

16                  MS. CHEWKA:   Thank you, sir.

17                  THE WITNESS:   Thank you, Mr. Commissioner.

18                  THE COMMISSIONER:   Thank you.  Now, Ms. Rajotte, did  
19                                   you wish to enlarge on your submissions at this  
20                                   point?

21                  MS. RAJOTTE:   No, thank you, Mr. Commissioner.

22                  THE COMMISSIONER:   All right.  Thank you.  And I  
23                                   understand that, Mr. Simonneaux, you had some  
24                                   submissions to make on behalf of Canada.  Is  
25                                   that correct?

1 MS. WRAY: Actually, Mr. Commissioner --

2 THE COMMISSIONER: Sorry. Ms. Wray.

3 MS. WRAY: Yes. Thank you. My submissions are only  
4 to second those of the Attorney General of  
5 British Columbia's. Our biggest concern here is  
6 just the timing and the volume, I guess, of the  
7 affidavits that we've received. We simply want  
8 to ensure that we have adequate time to prepare  
9 for the cross-examinations for each of these  
10 witnesses and especially with the Tottenham  
11 materials. They're very voluminous. We  
12 received them late in the day on Saturday  
13 evening, and he's scheduled to testify on  
14 Wednesday of this week.

15 THE COMMISSIONER: I think it's Thursday, is it not?

16 MS. WRAY: I believe he's scheduled for Wednesday of  
17 this week.

18 THE COMMISSIONER: I'm sorry, I probably have that  
19 wrong. Anyway, go ahead.

20 MS. WRAY: So the concern for us is just simply  
21 making available these affidavits in a way that  
22 gives us an adequate amount of time to prepare.  
23 We understand that there's been the suggestion  
24 that he move his testimony to, I believe, next  
25 week sometime, and that the testimony of

1           Mr. Meilleur be changed to the next session for  
2           the gaming witnesses in the new year. So  
3           essentially they would trade places. We  
4           certainly don't object to that, and that would  
5           provide us with adequate time to finish the  
6           review for the purposes of cross-examination.

7                     And, again, just going forward, as my friend  
8           Ms. Rajotte indicated, it would be helpful. I  
9           realize we're all under extreme deadline  
10          pressures here. Everyone is dealing with very  
11          tight timelines, but certainly as much advanced  
12          notice as possible would be very helpful to us.

13          THE COMMISSIONER: Okay. Thank you. I think,  
14          Mr. Skwarok, did you have submissions to make on  
15          the issue as well?

16          MR. SKWAROK: Nothing that would separate my position  
17          from those that have been previously voiced.

18          THE COMMISSIONER: Thank you. And Ms. Mainville?

19          MS. MAINVILLE: Yes, we simply echo the concerns my  
20          friends have. And I can advise that I did make  
21          the suggestion, I believe yesterday morning,  
22          that Mr. Tottenham's evidence be -- occur late  
23          next week to allow that time, and I requested  
24          that rather than postponing his evidence to the  
25          next session, that Mr. Meilleur's evidence be

1           postponed, and I raise that for a couple reasons  
2           because I have alerted my friends, counsel to  
3           the commission, about how significant  
4           Mr. Meilleur is as a witness in respect of my  
5           client.

6                         How much time lead I expect I would need  
7           should we receive an affidavit -- and I have yet  
8           to get confirmation that we will be receiving an  
9           affidavit from him, but my suspicious based on  
10          other witnesses is that we would. And given  
11          that we still don't have that and I do not know  
12          when it will be provided, my concern is that we  
13          will not be ready to cross-examine -- properly  
14          cross-examine him next week. And so I've  
15          suggested that he be put over to the next  
16          session. And in my mind, that only makes sense  
17          because I believe he is the only executive  
18          scheduled to testify during this portion of the  
19          hearings. And in my submission -- and I've also  
20          raised this with commission counsel earlier --  
21          it would be fairer for his evidence to be heard  
22          at a later time at which other executives will  
23          be testifying and have an ability to respond.

24                         Now, I don't want to suggest that commission  
25          counsel has not been responsive to my concerns.

1                   They have, and we've discussed some proposed  
2                   solution to that. But given that this issue has  
3                   arisen with respect to affidavits and not having  
4                   sufficient time to review and prepare, that  
5                   would be my suggestion as to the best way to  
6                   proceed here.

7                   And I add that it would have the added  
8                   benefit of allowing for sufficient time to  
9                   cross-examine all witnesses.

10                  THE COMMISSIONER: All right. Thank you. Did any of  
11                   the other participants have any submissions to  
12                   make on this issue?

13                  MR. STEPHENS: Mr. Commissioner, it's Michael  
14                   Stephens for BCLC.

15                  THE COMMISSIONER: Yes, Mr. Stephens.

16                  MR. STEPHENS: Just briefly. Mr. Tottenham is ready  
17                   and will be ready to proceed this Wednesday as  
18                   scheduled. There's been a proposal, and I  
19                   haven't heard commission counsel's response to  
20                   this, but -- the proposal from some other  
21                   participants about testifying next week, and  
22                   BCLC does not oppose that if the Commissioner  
23                   considers that to be the most appropriate  
24                   course. And Mr. Tottenham is available next  
25                   week.

1                   If there was a proposal, however, for  
2                   Mr. Tottenham to be put over to the new year,  
3                   BCLC opposes -- or would oppose that. That  
4                   is he has -- Mr. Tottenham has been preparing  
5                   for these hearings for a while. He's been  
6                   reviewing documents that notice has been given  
7                   may be put to him, and much of that time would  
8                   have to be duplicated again if he had to be put  
9                   over for several months to testify in the new  
10                  year. So I don't want to tilt at windmills  
11                  because I don't know whether that's even on the  
12                  table yet, but having not heard definitively  
13                  from commission counsel whether it considers or  
14                  they consider next week to be in the cards, I  
15                  just wanted to register that position in terms  
16                  of any proposal for the new year.

17                THE COMMISSIONER: All right. Thank you,  
18                Mr. Stephens. I think that's helpful. Any  
19                other submissions?

20                MS. BEVAN: Mr. Commissioner, it's Laura Bevan,  
21                counsel for Gateway Casinos.

22                THE COMMISSIONER: Yes, Ms. Bevan.

23                MS. BEVAN: We've advised our friends that we support  
24                the proposal to move Mr. Tottenham's evidence.

25                THE COMMISSIONER: Okay.

1 MS. BEVAN: The only other comment with respect to  
2 Ms. Rajotte's application for directions on  
3 reasonable notice is a very small comment with  
4 respect to a request to provide affidavits in  
5 PDF searchable format.

6 THE COMMISSIONER: Okay. All right. Thank you. Any  
7 further submissions from participants? Yes,  
8 Mr. McGowan.

9 MR. MCGOWAN: Yes, Mr. Commissioner. As you're  
10 aware, the affidavits that we have put forward  
11 and anticipate continuing to put forward with  
12 some witnesses are designed to form a portion of  
13 that witness's evidence. And I submit to you  
14 that the focus here ought not to be on when the  
15 affidavits were delivered but when the  
16 anticipated subject matter and contents of the  
17 witness's evidence was delivered.

18 Our process is and has been that we have  
19 distributed summaries of anticipated evidence  
20 that could be adduced from a witness that will  
21 be adduced by commission counsel and that may be  
22 available for others to adduce. We've also  
23 provided notice of the documents that commission  
24 counsel intends to adduce.

25 We are using these affidavits as a manner

1           in which to efficiently adduce the witness's  
2           evidence without unduly putting a strain on  
3           hearing time and ensuring we leave as much  
4           hearing time for other counsel to examine the  
5           witnesses as is reasonably possible. And while  
6           counsel for the participants didn't receive the  
7           affidavit until Saturday, in my submission they  
8           did receive notice of the anticipated contents  
9           of the witness's evidence with sufficient detail  
10          at a much earlier time.

11                   And my position is a delivery of an  
12          affidavit even shortly before the witness is  
13          called to give evidence provides more notice  
14          than the participants would get in the normal  
15          course as usually they wouldn't hear the actual  
16          evidence of the witness until the witness took  
17          the stand and testified under oath.

18                   Now, I have some comments with respect to  
19          the contents of the two affidavits. And to be  
20          fair, and I don't know if this has been  
21          mentioned, there are two affidavits at issue for  
22          Mr. Tottenham. The first affidavit is the one  
23          that has been described to you as over a  
24          thousand pages in length. The body of the  
25          affidavit, the text of the evidence is 46 pages

1           in length. It closely tracks the witness  
2           summary that was provided to participants on  
3           September 17th of this year. There are some  
4           additions to the affidavit, but those are the  
5           types of additions one would anticipate coming  
6           out there. For example, some background  
7           information, some additional evidence about the  
8           types of cheques that were issued that has been  
9           addressed in recent days and some sort of  
10          supporting narrative for some of the documents  
11          that are attached.

12                        With respect to the documents, and that is  
13          the bulk of the thousand pages, there are  
14          140 exhibits to the affidavit. We gave notice  
15          of all of but two of those prior to circulating  
16          that document, and those two documents were  
17          simply documents that were identified by the  
18          witness that the witness and the participant the  
19          witness is associated with wanted to attach, and  
20          that had recently arisen. And I will say the  
21          majority of those documents, participants were  
22          given notice that they were on commission  
23          counsel's list on September 17th. There were  
24          some that were added through the month of  
25          October in the context of commission counsel

1 continuing to receive from governments and some  
2 significant participants documents that were  
3 requested in some cases months ago.

4 So commission counsel could have dispensed  
5 with the affidavit, taken more hearing time,  
6 called the witness and adduced the evidence  
7 which is in the affidavit in real time today and  
8 introduced the documents that are appended to  
9 the affidavit in real time today. Had we  
10 proceeded in that manner, it's my position  
11 commission -- or participants who would be  
12 hearing from the witness's mouth the evidence  
13 for the first time today would have no cause to  
14 object, having been given sufficient and precise  
15 enough notice of the anticipated nature of the  
16 witness's evidence.

17 THE COMMISSIONER: All right.

18 MR. MCGOWAN: With respect to -- sorry, go ahead.

19 THE COMMISSIONER: No, you go ahead.

20 MR. MCGOWAN: I'm happy to address any questions you  
21 have, Mr. Commissioner, at any point. Certainly  
22 jump in if you'd like.

23 I did just want to explain briefly  
24 affidavit 2. It is -- the second affidavit of  
25 this witness is in the nature of an affidavit

1           you might see from a legal assistant in many  
2           proceedings, sort of "attached hereto is." And  
3           what is attached to that affidavit are a  
4           collection of player interview -- notes of  
5           prayer interviews conducted by BCLC.

6           These documents were requested by commission  
7           counsel close to a year ago on November 8th,  
8           2019. They were first listed by the British  
9           Columbia Lottery Corporation, who I'm certain  
10          was doing their level best in the face of some  
11          significant document requests, but they were  
12          first listed on June 9th. They weren't produced  
13          to commission counsel until October on the 9th,  
14          13th and 16th of that month. And notice was  
15          given that we intended to introduce them  
16          promptly.

17          Notice was given with respect to most of  
18          these documents well in advance of the affidavit  
19          being provided, although there was initially a  
20          suggestion they'd be introduced for another  
21          witness. We transitioned to introducing them  
22          through Mr. Tottenham. And with respect to the  
23          vast majority of those, notice was given over  
24          10 days before we delivered the affidavit. Or  
25          pardon me, 10 days before the affidavit was --



1 affidavit is more notice than participants will  
2 get if commission counsel calls the witness and  
3 adduces the evidence in real time. We are  
4 working in the context of continuing to receive  
5 documents requested months ago in many cases  
6 that are continuing to come in to us. We are  
7 working to prepare affidavits in the  
8 circumstances where we do so with counsel for  
9 the witness, and in some cases that occasions  
10 delays in having the affidavits produced.

11 In my submission having the affidavits  
12 produced is advisable because it allows the  
13 witness to carefully set out evidence that --  
14 and ground that needs to be covered in an  
15 efficient way but still makes the witness  
16 available to be -- for that evidence to be  
17 tested. I think the unfortunate outcome, if a  
18 significant time period is imposed, that in many  
19 circumstances where affidavits may have been  
20 produced they won't be relied upon.

21 I'll say again, to the extent concerns are  
22 being raised about the amount of time available  
23 for participants to examine Mr. Tottenham, that  
24 is something that I have seen through the emails  
25 that were distributed on Sunday and that's

1 something commission counsel is considering how  
2 they might address.

3 THE COMMISSIONER: I wonder -- I'm just sort of  
4 canvassing options at this point, Mr. McGowan,  
5 and I'll canvass this with other counsel as  
6 well, but we've got -- and I'm obviously not up  
7 to date because my schedule has Mr. Tottenham on  
8 Thursday, but I take it it's Wednesday that he's  
9 scheduled to testify. Is that correct?

10 MR. MCGOWAN: I believe that's the case, but I'll  
11 invite Mr. McCleery to unmute and correct me if  
12 I'm wrong.

13 THE COMMISSIONER: Okay.

14 MR. MCGOWAN: Yes, Mr. McCleery appears to be nodding  
15 along. So my understanding is that we have  
16 Mr. Barber tomorrow. We then have  
17 Mr. Tottenham, then Mr. Pinnock and then  
18 Mr. Robertson with the expectation that  
19 Mr. Robertson would not require a full day and  
20 anticipating that Mr. Tottenham is -- one of the  
21 moves we'd made to try to respond to these  
22 concerns was to move a Mr. Holland [sic], buying  
23 us an extra half day this week, anticipating  
24 that participants' counsel's examination of  
25 Mr. Tottenham may bleed over into the Pinnock

1           day, and in turn Mr. Pinnock might bleed into  
2           the Friday.

3           THE COMMISSIONER: I'm not a fan of doing this, but  
4           would it be feasible from commission counsel's  
5           perspective to lead Mr. Tottenham's evidence in  
6           chief on Wednesday and then adjourn those  
7           portions of his examination which -- where  
8           counsel say they need more time or -- either  
9           more time for the examination or more time to  
10          prepare it until the following week?

11          MR. MCGOWAN: Yes. I say that without -- I just want  
12          to think through. What sort of hasn't been  
13          before you and we haven't placed before you,  
14          Mr. Commissioner, are the significant efforts we  
15          have made to try and accommodate scheduling  
16          witnesses in the context of having this many  
17          participants and having some of whom aren't even  
18          in the room yet having an interest in some of  
19          the witnesses who have yet to come.

20          THE COMMISSIONER: Right.

21          MR. MCGOWAN: And we also have with respect to all of  
22          the witnesses we've called in this block made  
23          attempts to accommodate their personal  
24          schedules, which is -- but Mr. Tottenham, I  
25          understand from Mr. Stephens, is available this

1 week and next.

2 In that context, if we take that approach,  
3 we will have to bump a witness from next week  
4 and we'll have to consider who that is and what  
5 the scheduling implications of that are. But I  
6 think the short answer to your question is yes,  
7 commission counsel would be in a position to  
8 adduce the witness's evidence in chief on  
9 Wednesday as scheduled. And -- yes, I believe  
10 we could defer his examination by participants  
11 to sometime next week and work to adjust the  
12 schedule to accommodate that.

13 THE COMMISSIONER: All right. Well, I think, unless  
14 I hear a strong voice of resistance to that,  
15 that's what I'm going to order or direct,  
16 Mr. McGowan, that on Wednesday Mr. Tottenham be  
17 examined by commission counsel. And if there  
18 are other counsel who are able to complete their  
19 examinations of him on Wednesday, they can do so  
20 as well. Those who require more time perhaps  
21 can -- well, those who require more time will  
22 conclude their examination of him next week at a  
23 time to be agreed among counsel after consulting  
24 with the witnesses as to their availability.  
25 But it seems to me that we may as well make use

1 of the time we have for Mr. Tottenham on  
2 Wednesday and that would lessen the amount of  
3 time we would need to take next week.

4 I'm generally aware of the process that  
5 commission counsel have followed in providing  
6 notice of the substance of evidence to be given  
7 by witnesses to counsel for the participants,  
8 and it's my understanding that that notice is  
9 provided well in advance of the witnesses  
10 testifying. The affidavits, as pointed out by  
11 Mr. McGowan, really don't change the nature of  
12 the evidence to be given or their substance or  
13 their content. They simply organize it in a way  
14 that allow counsel to have a better sense of the  
15 focus of the witnesses' evidence than what they  
16 have received to this point.

17 So I don't really see the late delivery or  
18 at least the delivery of affidavits several days  
19 in advance of the witnesses' evidence as being  
20 inadequate notice. It seems to me that it's  
21 relatively helpful for counsel to get the  
22 affidavits whenever they get them, provided  
23 they've had adequate notice of the summary of  
24 the witnesses' evidence and adequate notice of  
25 the documents which commission counsel, at

1           least, will be relying on significantly in  
2           advance of the evidence.

3           So I'm not inclined to grant the adjournment  
4           on the basis of the time when the affidavit was  
5           provided because I don't think it provides  
6           anything new in substance to the -- to counsel  
7           for the participants. I am, however, very alive  
8           to the fact that there is a lot of disclosure  
9           being given and in fact being produced even at  
10          this late stage, so it is necessary for counsel  
11          for the participants to read, absorb, distill  
12          and thoroughly understand the documents before  
13          they can conduct a sufficient examination of the  
14          witness.

15          And for that reason I'm inclined to order  
16          that Mr. Tottenham give his evidence in response  
17          to commission counsel's questions on Wednesday,  
18          but that he be adjourned to a date next week to  
19          be agreed upon by counsel, by all counsel, so  
20          that they have adequate time to prepare for and  
21          conduct their respective examinations.

22          I'm not going to make any specific  
23          direction with respect to the affidavits. I  
24          accept that those are really an additional boon  
25          to counsel rather than something new or

1 different than requires more notice than they've  
2 been given already. So unless there are any  
3 questions, counsel, I think we'll leave it on  
4 that footing.

5 Ms. Stephens I noticed you pressed a button  
6 there

7 MR. STEPHEN: Yes, Mr. Commissioner. Just a  
8 logistical one. And I wanted to clarify just  
9 while, Mr. Commissioner, you're giving  
10 directions. One of the logistical aspects of  
11 breaking his testimony like that is if he were  
12 to start cross-examination on the Wednesday, he  
13 would then not be permitted to talk about his  
14 evidence until he next testified, which could  
15 become tricky, Mr. Commissioner, because  
16 sometimes notice is given to another document to  
17 be given to him, et cetera.

18 I think if the commission counsel simply  
19 does examination in chief and that's it on  
20 Wednesday, I don't think that's a difficulty.  
21 But I just wanted to bring that to your  
22 attention because I think there could be some  
23 prejudice if he starts cross and can't speak to  
24 anybody about his evidence for a week or so.

25 THE COMMISSIONER: I can always direct that he be

1                   permitted to speak with counsel if that becomes  
2                   an issue. So I think -- let's deal with it on  
3                   that footing.

4                   MR. STEPHENS: Thank you.

5                   THE COMMISSIONER: And we'll go from there.

6                                 Any other submissions, questions, concerns,  
7                   that counsel wish to raise?

8                                 All right. Thank you. We will then adjourn  
9                   until tomorrow at 9:30.

10                  THE REGISTRAR: This hearing is adjourned until

11                                 9:30 a.m. on November 3rd, 2020. Thank you.

12                                 **(PROCEEDINGS ADJOURNED AT 2:09 P.M. TO NOVEMBER 3,**  
13                                 **2020)**

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