

**PROCEEDINGS AT HEARING
OF
APRIL 15, 2021**

COMMISSIONER AUSTIN F. CULLEN

INDEX OF PROCEEDINGS

Witness	Description	Page
	Proceedings commenced at 9:30 a.m.	1
	Discussion re witnesses	1
Tony Farahbakhchian (for the commission) Kurt Bedford (for the commission)	Examination by Mr. Davis	2
	Proceedings adjourned at 11:20 a.m.	92
	Proceedings reconvened at 11:29 a.m.	92
Tony Farahbakhchian (for the commission) Kurt Bedford (for the commission)	Examination by Mr. Davis (continuing)	93
	Examination by Ms. Friesen	141
	Proceedings adjourned at 12:30 p.m.	143
	Proceedings reconvened at 12:33 p.m.	143
Tony Farahbakhchian (for the commission) Kurt Bedford (for the commission)	Examination by Ms. Friesen (continuing)	144
	Examination by Mr. Rauch-Davis	153
	Proceedings adjourned at 12:47 p.m.	156
	Proceedings reconvened at 12:48 p.m.	156
Tony Farahbakhchian (for the commission) Kurt Bedford (for the commission)	Examination by Mr. Rauch-Davis (continuing)	157
	Colloquy	163
	Proceedings adjourned at 12:58 p.m. to April 16, 2021	164

INDEX OF EXHIBITS FOR IDENTIFICATION

Letter	Description	Page
--------	-------------	------

No exhibits for identification marked.

INDEX OF EXHIBITS

No.	Description	Page
854	Curriculum vitae of Tony Farahbakhchian	3
855	Curriculum vitae of Kurt Bedford	6
856	Presentation - FSOC Financial Integrity Program Group 1 - Undated	10
857	Integrated Market Enforcement Team – 2018 Performance Improvement Action Plan RCMP – June 31, 2018	36
858	IMET Performance Improvement Action Plan – 2019 IMET HR Modernization phase 1 - Undated	41
859	“E” Division Criminal Operations Chart - March 15, 2021	68
860	RCMP Definition revision of the Federal Policing Priorities – October 12, 2018	81
861	Letter from Michael Duheme re Directive on Proceeds of Crime and Money Laundering in All Future Federal policing Serious and Organized Crime Investigations – February 4, 2020	86

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
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April 15, 2021

(Via Videoconference)

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

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

THE COMMISSIONER: Thank you, Madam Registrar.

Yes, Mr. Davis. Do you have conduct on this panel of witnesses?

MR. DAVIS: I do, Mr. Commissioner. The next panel will be Inspector Farahbakhchian and Staff Sergeant Kurt Bedford testifying as a panel on behalf of the RCMP.

Madam Registrar, for the purposes of administering the oaths, both witnesses will swear to give their evidence.

THE REGISTRAR: Would each of you please state your full name and spell your first name and last name for the record. We'll start with Inspector Farahbakhchian.

A (TF) My legal name is Soheyl Jean-Marie Farahbakhchian. Do you need me to spell it?

THE REGISTRAR: Yes, please, first name and last name.

A (TF) S-o-h-e-y-l, and the last name is F-a-r-a-h-b-a-k-h-c-h-i-a-n.

1 THE REGISTRAR: Thank you. And Staff Sergeant
2 Bedford.

3 A (KB) Good morning. My name is Kurt Bedford,
4 first name is spelled K-u-r-t and last name
5 spelled B-e-d-f-o-r-d.

6 **TONY FARAHBAKHCHIAN, a**
7 **witness called for the**
8 **commission, sworn.**

9 **KURT BEDFORD, a witness**
10 **called for the**
11 **commission, sworn.**

12 THE REGISTRAR: Thank you.

13 THE COMMISSIONER: Yes, Mr. Davis.

14 MR. DAVIS: Thank you, Mr. Commissioner.

15 **EXAMINATION BY MR. DAVIS:**

16 Q Officers, I'm going to begin with an overview of
17 your backgrounds and education.

18 Inspector Farahbakhchian, I plan to start
19 with you. Are you able to see and hear me okay?

20 A (TF) I am.

21 MR. DAVIS: Madam Registrar, to start if I could ask
22 that you please pull up the document "CV Tony
23 Farahbakhchian" from the list of documents,
24 please.

25 Q Inspector Farahbakhchian, please let me know

1 when you see that on the screen in front of you.

2 A (TF) I do see it.

3 Q Do you recognize that as a copy of your CV?

4 A (TF) That is correct.

5 MR. DAVIS: Mr. Commissioner, if I could ask this

6 please be marked as exhibit number 854.

7 THE COMMISSIONER: Yes, very well. 854.

8 THE REGISTRAR: Exhibit 854.

9 **EXHIBIT 854: Curriculum vitae of Tony**

10 **Farahbakhchian**

11 MR. DAVIS:

12 Q Inspector Farahbakhchian, prior to accepting a
13 role with the Surrey Police Service earlier this
14 year, in 2021, you had been a member of the RCMP
15 since 1992; is that correct?

16 A (TF) 1991.

17 Q 1991. Thank you. And from May 2018 until about
18 March 2021 you were assigned to the "E" Division
19 financial integrity unit; is that correct?

20 A (TF) That is correct.

21 Q What was your role within the financial
22 integrity unit, Inspector Farahbakhchian?

23 A (TF) I was the operations officer dealing with
24 the money laundering, more specifically money
25 laundering. Now, when I first got there, I also

1 held the role of Officer in Charge, Acting
2 Officer in Charge for the whole financial crime
3 unit at Federal Serious and Organized Crime.

4 Q Is that a role currently held by Superintendent
5 Brent Taylor?

6 A (TF) That is correct.

7 Q Inspector Farahbakhchian, from 2017 to 2018, you
8 were the Watch Commander at the Ridge Meadows
9 RCMP detachment. Do I have that right?

10 A (TF) I was one of the Watch Commanders, yes.

11 Q One of the Watch Commanders. And from 2012 to
12 2017, so just before that, you were stationed at
13 the Coquitlam RCMP detachment on the Community
14 Policing and Prolific Target Team; is that
15 right?

16 A (TF) The Prolific Target Team was part of the
17 community policing program, so yes.

18 Q And I won't take you through all the rest of
19 your experience, Inspector, but is it fair to
20 say that you've held postings, investigative
21 postings in a number of other RCMP groups,
22 including in the areas of copyright and
23 trademark, in the area of fraud and in the areas
24 of commercial crime and counterfeiting? Is that
25 fair to say?

1 A (TF) That is fair to say.

2 Q And I noted, Inspector Farahbakhchian, that you
3 recently accepted a new role with the Surrey
4 Police Service. Is that correct?

5 A (TF) That is correct.

6 Q And for the Commissioner's benefit, what will be
7 your new role with the Surrey Police Service?

8 A (TF) I will be assisting with the transition of
9 the new police force taking over from the RCMP
10 detachment, so a multitude of roles for the time
11 being, but it's all hands on deck.

12 Q And in terms of your education, Inspector, you
13 hold a Bachelor of Arts degree in criminology
14 from Simon Fraser University?

15 A (TF) That is correct.

16 MR. DAVIS: Thank you, Madam Registrar. I won't need
17 that document displayed any longer.

18 Q Staff Sergeant Bedford, I have some similar
19 questions for you. I'll ask first if you're
20 able to see and hear me okay.

21 A (KB) I can, yes.

22 MR. DAVIS: Madam Registrar, if I could ask that you
23 pull up the document "CV Staff Sergeant Kurt
24 Bedford" from the list of documents, please.

25 Q And, Staff Sergeant, if you could please let me

1 know when you see this on the screen.

2 A (KB) Yes, I can see it.

3 Q Do you recognize it as a copy of your CV?

4 A I do.

5 MR. DAVIS: Mr. Commissioner, I'd ask that this

6 please be marked as exhibit number 855. I'm

7 sorry, Mr. Commissioner, you're muted.

8 THE COMMISSIONER: I apologize. 855.

9 THE REGISTRAR: Exhibit 855.

10 **EXHIBIT 855: Curriculum vitae of Kurt Bedford**

11 MR. DAVIS:

12 Q Staff Sergeant Bedford, you've been a member of
13 the RCMP since 1990. Do I have that right?

14 A (KB) That's correct.

15 Q And since March of 2018 you've been the Unit
16 Commander of the Integrated Market Enforcement
17 Team, that's IMET; is that correct?

18 A (KB) Yes, that's correct.

19 Q And what's your responsibility, Staff Sergeant,
20 as Unit Commander?

21 A (KB) I have oversight of the entire team. I
22 got, you know, about 15 that work below me. I
23 have oversight of the files. I have HR
24 oversight. So basically in that position I
25 really oversee sort of the day-to-day activities

1 of the entire team.

2 Q And prior to taking on that role as Unit
3 Commander, Staff Sergeant, from January 2015
4 until about March 2018 you were a member of the
5 financial integrity section of FSOC?

6 A (KB) That's right. And I was a Sergeant at the
7 time, so I was a member of FSOC financial
8 integrity, that's correct.

9 Q And what was your role there? Which group were
10 you in in financial integrity?

11 A (KB) It's moved around over the years, but it
12 was one of the project teams I was part of. And
13 then when I got my Staff Sergeant promotion, I
14 was in charge of the project development team.

15 Q Did you have any exposure to money laundering or
16 proceeds of crime files while you were with
17 FSOC?

18 A (KB) I did. So in 2015 I was part of the
19 E-Pirate investigation, so I did have some
20 exposure.

21 Q Sorry, I sort of misphrased there. While you
22 were a member of the financial integrity unit,
23 not just FSOC?

24 A (KB) That's right.

25 Q Yes, thank you. And throughout 2014 --

1 actually, I've got a question. You mentioned
2 the project development team, Staff Sergeant.
3 What was the mandate of that project development
4 team when you were a member, if you recall?

5 A (KB) So the initial -- and I was only there for
6 just a few months, but the initial mandate of
7 the project development team was just that.
8 They would develop a project. They would go
9 out, find investigations that would be
10 potentially investigated. They would work them
11 up. When I say "work them up," you know,
12 potentially do some interviews, do some
13 surveillance, get some more information and then
14 once they worked it up to a project status, it
15 would then be handed over to a project team.
16 That was sort of the mandate of the project
17 development team back in the day.

18 Q And, Staff Sergeant Bedford, if we continue on
19 with your experience here, throughout 2014, is
20 it accurate to say that you were seconded to the
21 British Columbia Securities Commission?

22 A (KB) Yes, that's correct.

23 Q And from 2012 to 2013 you were a member of the
24 RCMP commercial crime section?

25 A (KB) That's correct, yes.

1 Q And prior to that, Staff Sergeant, you were a
2 member, you were previously a member of IMET
3 from 2008 till 2012; is that correct?

4 A (KB) That sounds right, yep.

5 Q And a member of IPOC from 2005 to about 2008.
6 Would that sound right?

7 A (KB) That sounds right.

8 Q And in terms of your education, Staff Sergeant,
9 you hold a Bachelor of Business Administration
10 and Economics from St. Mary's College of
11 California; is that correct?

12 A (KB) That's correct.

13 MR. DAVIS: Thank you, Madam Registrar. I don't need
14 that document displayed for the time being.

15 Panelists, how I hope to begin today is some
16 general questions about FSOC and IMET and I hope
17 to use a document that's helpfully been prepared
18 by the RCMP as a reference point.

19 Madam Registrar, if I could ask that you
20 please bring up document CAN1801, 1801 from the
21 list of documents, please.

22 Q Inspector Farahbakhchian, let me know again when
23 you're able to see this on the screen, please.

24 A (TF) I can.

25 Q What is this document?

1 A (TF) Are you asking me?

2 Q Yes, please.

3 A (TF) Yes. It is a slide presentation that was
4 prepared to give an overview of the FSOC
5 financial integrity program, which entails group
6 1 and group 2, to give an overview of the
7 different sections, the mandate, the different
8 units within financial integrity and the type of
9 files we're working on and -- so basically an
10 overview to educate and provide some background
11 to our audience.

12 MR. DAVIS: Mr. Commissioner, if I could ask this be
13 marked as exhibit 856, please.

14 THE COMMISSIONER: Very well. 856.

15 THE REGISTRAR: Exhibit 856.

16 **EXHIBIT 856: Presentation - FSOC Financial**
17 **Integrity Program Group 1 - Undated**

18 MR. DAVIS:

19 Q Staff Sergeant Bedford, relying on this document
20 I'd like to start with some questions about
21 IMET.

22 MR. DAVIS: Madam Registrar, if you could turn to
23 page 4 of this PDF.

24 Q And, Staff Sergeant, I'm not asking you to
25 necessarily read off this slide, but to begin,

1 where is IMET located within FSOC, Staff
2 Sergeant Bedford?

3 A (KB) Where is it located, like, how is it
4 structured?

5 Q Yes, please.

6 A (KB) Yeah, so within FSOC there's different
7 groups and we're group 1. When I say we're
8 group 1 -- and this is group 1 and group 2 make
9 up the financial integrity unit for the
10 financial integrity team, and there's -- and
11 group 1, which is what I'm part of, includes the
12 Integrated Market Enforcement Team, which is
13 IMET, and the other group would be the sensitive
14 investigations unit.

15 So group 1, two teams, IMET being one of
16 those teams.

17 Q We see it described on the slide here, but
18 perhaps you can explain to the Commissioner the
19 mandate and role of the Integrated Market
20 Enforcement Team, please.

21 A (KB) Just want me to read it?

22 Q Sure, if you're able to elaborate on it. We can
23 see under the bullet point there, but if you're
24 able to elaborate or read it, it's whatever you
25 think is the best summary of the mandate,

1 please.

2 A (KB) I'll read it. I think it does outline it
3 pretty succinctly. And it's:

4 "To detect, deter and investigate *Criminal*
5 *Code* capital market fraud offences that
6 are of regional or national significance
7 that pose a threat to investor confidence,
8 economic stability in Canada and the
9 integrity of Canada's capital markets."

10 Q Thank you. And on that end portion, I wanted to
11 ask what you've interpreted that to mean, and
12 I'll read it again. It says:

13 "That of regional or national significance
14 that pose a threat to investor confidence,
15 economic stability in Canada and the
16 integrity of Canada's capital markets."

17 How have you interpreted that portion of your
18 mandate, Staff Sergeant?

19 A (KB) So the nice thing about this being
20 regional -- because it wasn't always regional.
21 Prior, it used to be of a national significance;
22 right? So now we're actually able to look
23 regional to see what is affecting the markets in
24 our area. And with that, then, you can
25 articulate how you want to best go about getting

1 some of the investigations that's going to have
2 an impact, you know, in your area. It's about
3 being strategic. It's about looking at what you
4 have. It's about looking -- talking to your
5 partners, and we've engaged quite a few of our
6 partners, what are the issues out there and what
7 do we need to tackle? And if it's not regional,
8 perhaps it's national or perhaps a hybrid model.
9 So it really gives my team and myself the
10 ability to really determine what the focus is,
11 what the concerns are and being able to tackle
12 that, and it gives me that flexibility to
13 investigate the types of capital market-related
14 files that's going to be -- that's really going
15 to make an impact to the regional part of our
16 mandate. And I think that's critical.

17 Q And do you know when that change was made to
18 include the regional focus on the mandate?

19 A (KB) I believe all this was made when IMET
20 became a national priority about three years
21 ago. It was the fall of 2017. I didn't become
22 part of IMET until earlier on in 2018. But it
23 was right around that time frame that that focus
24 changed.

25 Q Thank you, Staff Sergeant. I'm going to hold

1 off for just a moment.

2 MR. DAVIS: Mr. Commissioner, I've been advised by
3 the staff that my audio is at times not clear.
4 I'm going to ask if you or the witnesses are
5 having any trouble. If you are, I'm fine to
6 take a break and figure it out, but I'm not
7 experiencing any difficulties from my end.

8 A (KB) No, Mr. Davis -- go ahead, Tony.

9 (TF) I'm good. I can hear perfectly.

10 (KB) Same with me.

11 THE COMMISSIONER: I can as well, Mr. Davis. I
12 haven't -- there was one very brief portion of
13 your -- one of your earlier questions that was a
14 bit obscured, but I've noticed nothing since
15 then.

16 MR. DAVIS: Thank you very much, everyone.

17 Q Staff Sergeant Bedford, looking back at this
18 chart here can you explain to the Commissioner
19 the significance of the first bullet we see
20 here, which reads:

21 "Fenced Funded out of NHQ."

22 A (KB) Oh, okay. So IMET across Canada -- and
23 there's four IMET units in four different
24 divisions -- we are fence funded, which means we
25 have our own separate budget. We have money

1 that is strictly allocated for IMET, meaning the
2 RCMP senior managers can't take our money for
3 any other purpose, which happens. If it's not
4 fence-funded, right, money gets moved around
5 depending on shifting priorities and what have
6 you.

7 So when it says fence funded, it's money
8 strictly allocated for the IMET program in the
9 RCMP and basically can't be touched by other
10 reporting lines, units, teams and what have you.

11 Q And just for the record, NHQ on this slide, is
12 that RCMP national headquarters in Ottawa?

13 A (KB) Yeah. Sorry, yes.

14 Q No, that's okay. Thank you. And so what's the
15 significance of fenced-funding as described here
16 for a specialized unit like IMET?

17 A (KB) It's significant because you have -- you
18 know what you're going to have at the beginning
19 of the year and you know what you're going to
20 have at the end of the year. You can plan. You
21 can plan whether it's resources, assets,
22 training, travelling, budgets for investigations
23 that may require more money if it's an
24 investigation that's going to take extra money
25 for investigative techniques or whatever. It

1 just gives you the ability to budget throughout
2 the year as opposed to, you know, hoping you're
3 going to have enough money before the end of
4 fiscal year. So it just gives you that
5 certainty and that flexibility.

6 Q Thank you. Madam Registrar, if we could quickly
7 turn to page 6 of this PDF, please.

8 Staff Sergeant Bedford, I'm not going to
9 pay attention to the top portion which is SIU,
10 but I'll briefly clarify that that's the
11 sensitive investigations unit.

12 A (KB) That's right.

13 Q And if we look at the bottom half here we can
14 see that IMET currently has 27 total positions,
15 of which 15 are occupied. Am I reading that
16 correctly?

17 A (KB) That's correct.

18 Q And so who makes up those positions? Can you
19 explain to the Commissioner are those all
20 commissioned RCMP officers, sworn officers, or
21 are they from other forces like the VPD, are
22 they civilians?

23 A (KB) So I think you've named a good amount of
24 them. Yes, we do have VPD members on staff that
25 have been seconded to work in our unit and we

1 have civilian members and we have public
2 servants that are in -- on our team in IMET. So
3 plus the regular members, of course. So it's --
4 I don't think I've missed anybody, but it's a
5 good mix of resources, certainly.

6 Q And do you have a sense, you know, at the time
7 of this presentation -- I think it's March --
8 how many of these 15 occupied positions were
9 sworn police officers, whether that's VPD or
10 RCMP or whoever?

11 A (KB) Just thinking through my head here, I'd say
12 11, there's 10 or 11 are the sworn positions,
13 including VPD. I think I got three, maybe four
14 that are not sworn, but right around there.

15 Q And of those sworn officers, what degree of
16 experience with financial crime do most IMET
17 officers have? Are you able to give any insight
18 into that?

19 A (KB) It really varies. I don't want to get too
20 much into it. But it certainly varies. I've
21 got members with experience, masters, different
22 levels of education, different levels of
23 experience by working on other units or what
24 have you. We only started up about three, just
25 over three years ago, so you know, we drew upon

1 the resources we have. I got a great team and
2 really a varied background as far as experience
3 and education.

4 Q So with those officers on hand, how, Staff
5 Sergeant, do you train those officers to work in
6 a specialized area like the capital markets?

7 A (KB) So training's always something we're
8 striving for. We work with -- at HQ, Ottawa
9 there, because they now have a training and
10 development coordinator. I work with our
11 partners. We set up training with our partners.
12 We've engaged partners south of the border,
13 specifically the FBI and the SCC to put on
14 training. The securities course is a great
15 training which some of my members have taken.
16 So we really looked -- and, you know, we looked
17 to all the different options, including engaging
18 all of our partners and everybody who has any
19 sort of training. When there's training out
20 there -- because I think being part of this
21 training, engaging partners and really focusing
22 on different aspects of market enforcement is
23 critical. There's no specific course out there
24 that we take. It's based on background,
25 experience, training, courses and all that put

1 together. So it's really a plethora of
2 different things you could do to get this
3 training.

4 Q You mentioned that some IMET officers -- I mean,
5 this is not universal as I think your evidence
6 was clear, but some IMET officers do have
7 technical certifications like the Canadian
8 securities course; is that correct?

9 A (KB) That's correct, yes.

10 Q All right. Are you familiar if any of them are
11 into kind of the professional designation side
12 of things like chartered financial analysts or
13 chartered accountants? Are any of those
14 embedded within IMET yet?

15 A (KB) So we do have a chartered accountant
16 embedded into IMET. We do have special advisors
17 that don't fall within our direct reporting
18 line, but we do have special advisors in
19 financial integrity. One of those special
20 advisors is actually attached to -- sorry, to
21 IMET within financial integrity, and she is a
22 lawyer and she -- although not right on the
23 reporting line because she's contract, she is
24 part of our team that works part-time.

25 MR. DAVIS: Madam Registrar, maybe we can scroll to

1 the next page.

2 Q Staff Sergeant, that's a nice segue. You'll see
3 under "progress made" the third major bullet
4 there says:

5 "Addition of two special advisors, FI and
6 IMET."

7 Do you see that there?

8 A (KB) I do.

9 Q And that's what you're referring to?

10 A That's correct, yes.

11 Q And so what can you -- again maybe briefly
12 explain what's the role of a special advisor and
13 how does that assist IMET in building up and
14 investigating files?

15 A (KB) So, you know, we've decided certain types
16 of files we work on require a certain level of
17 skill set, a certain level of thinking. And
18 getting special advisors was critical to
19 ensuring we were getting the evidence we needed,
20 helping us navigate some of the legal issues,
21 case law, really putting a focus on our
22 investigations and being a conduit with working
23 with crown counsel to ensure that our files were
24 lean and focused. Disclosure issues. I mean,
25 there's all sorts of issues. And things we

1 really need to focus on our investigations;
2 right? And it was critical that we had
3 somebody, get people in with that background,
4 that legal background just to -- you know what,
5 at the end of the day we want to be successful;
6 right? We want to get results. And having
7 special advisors sort of assisting us in that
8 path to getting results has been critical. We
9 have, as we all know, whether it's *Stinchcombe*,
10 whether it's *Jordan*, case law, issues regarding
11 cross border sharing of information, whatever it
12 is. Having a special advisor has been critical
13 in this sense. So they have been -- they do
14 many different things, but they're there to
15 guide it us especially during the various
16 legal -- the legal landscape that we're often
17 faced with. The challenges of the legal
18 landscape that we're often faced with.

19 Q Inspector Farahbakhchian, I notice here that one
20 of the special advisors is an FI; is that
21 correct? Is that the financial integrity unit?

22 A (TF) Yes. I mean, you know, these specializes,
23 you know, in any types of issues that we have,
24 on the floor, you know, files that -- you know,
25 where we're looking at maybe a different avenue

1 or a different strategy and, you know, we'll
2 bring it up to our special advisor. So yes,
3 he's available for everyone to use.

4 Q I've asked Staff Sergeant Bedford but
5 considering, Inspector Farahbakhchian, that you
6 were once a member of IPOC, I'd like to ask your
7 views on the value of having these sorts of
8 special advisors, legal counsel embedded within
9 a unit.

10 A (TF) Who are you asking, Mr. Davis?

11 Q Inspector Farahbakhchian, I'm asking you,
12 please. Thank you.

13 A (TF) Oh, no, when I was in proceeds of crime
14 back in 2001 to 2003, we had embedded Crown
15 counsel and we found it -- I found it personally
16 very useful because with the complexities of our
17 investigations, having them on board at the
18 onset of an investigation I found very useful.
19 So that, you know, we can streamline the
20 investigation. You know, these proceeds of
21 crime money laundering investigations kind of
22 have many tangents and can become very large and
23 very complex very quickly. And so by remaining
24 focused, and especially now with *Stinchcombe* and
25 *Jordan*, you know, we have to keep focused on the

1 few charges that we believe are going to be
2 going forward. And, you know, we don't want to
3 have a million documents that we have to
4 disclose. We want to make sure that we're just
5 being focused on the strategy that we have at
6 hand. So having them on board at the get-go,
7 you know, really helps us staying focused.

8 Q Staff Sergeant Bedford, I'm going to redirect
9 your focus to the slide in front of you. The
10 first bullet at the top reads "intelligence" and
11 it's under a heading "Challenges." Can you
12 describe the challenges that are associated with
13 vacancies in the intelligence positions in IMET,
14 please.

15 A (KB) Yeah. I mean, to me intelligence is huge.
16 And there's a very small bullet point that talks
17 about tactical versus strategic, which has been
18 an issue. But getting proper intel analysts in
19 our unit has been a challenge, to get somebody
20 that can actually wade through all of the
21 information out there to make sense of it. You
22 talk about a strategic focus. Sort of that
23 wider horizon, you know, looking at criminal
24 networks, that is huge; right? That gives us
25 some idea of where we should -- who we should go

1 after, what networks we should go after.

2 I mean, I'm not in charge of the intel unit,
3 but I can tell you not having someone -- so
4 that's been our issue with IMET is getting
5 somebody in that intel unit that can really see
6 both the long term, specifically the long term,
7 I think strategic is critical here, but also the
8 short term. What do we do with that strategic
9 information to move something forward so we can
10 be focused in going in the right direction.

11 So we do have some vacancies, as you can
12 see, and -- but I do understand as well that
13 Ottawa is also working on that piece. When I
14 say Ottawa, IMET also is -- that's our national
15 headquarters, the IMET unit, the IMET branch out
16 of Ottawa -- is also looking at that piece to
17 try and get an intel program up and going.

18 So yeah, it's an issue and it's something
19 that, though, especially out of NHQ, is being
20 addressed, and I also know it's being addressed
21 too by intel managers in FSOC.

22 Q And just so I understand, Staff Sergeant, you --
23 where are these analysts located within -- like,
24 how do you access them? You mentioned they're
25 not a part of IMET. What group are they a part

1 of?

2 A (KB) So we do have investigative analysts in our
3 units. We do have investigative analysts. I'm
4 talking intel analysts. And we do have intel
5 analysts within FI but nothing specific to IMET.

6 Q And those sorts of analysts specific to IMET, I
7 take your evidence, would be of great value to
8 your team.

9 A (KB) Sure it would. You bet. Of course.

10 Q And there's a bullet below that also says
11 "recruiting/staffing" issues. Is there anything
12 you can elaborate on there for the Commissioner?

13 A (KB) Well, I mean, it's always been an issue for
14 us. You can see the vacancies on the previous
15 slides. Trying to get staffing. And it's not
16 just me; it's across the board. But to get
17 staffing that has some backgrounds -- we call it
18 the KSAs, the knowledge, skills and abilities --
19 to help us on our files. And they're becoming
20 increasingly complex, and not just the files
21 themselves but dealing with some of the legal
22 issues as well.

23 So we are dealing -- we're dealing -- we're
24 doing the best we can with what we have. I
25 mentioned before I've got a great team, but at

1 the end of the day there's only so many regular
2 members, civilian members to go around. And
3 it's not just us. We've got detachments out
4 there. Like, it's the bigger issue. So yeah,
5 it's an issue. We're working on it. But it's
6 an issue getting staffing and staffing that have
7 some background and skill sets.

8 Q And there seems to be a bit of a positive
9 mentioned here, Staff Sergeant, where it says
10 under "progress made" there's a sub-bullet that
11 says "up nine positions, increased focus on
12 strategic intel." Do you see that?

13 A (KB) I do.

14 Q And right under that it says:

15 "Resource levels steadily increasing."

16 Do you see that bullet there as well?

17 A (KB) I do.

18 Q And so what's happening there? You've got nine
19 additional units. How is that progress being
20 made?

21 A (KB) So I'm -- when it says up nine positions,
22 I'm guessing not having been part of this
23 presentation here, I'm guessing it includes the
24 VPD, CRA, those other units and specialized
25 sections there.

1 So that's where the growth is. We have --
2 I think now we're up to four VPD officers on our
3 file -- or, sorry, on my team. CRA, we've got
4 more CRA officers embedded into financial
5 integrity. You can see the two special
6 advisors. So that's where we're getting some
7 increased growth. It's also been really helpful
8 on some of our investigations.

9 Q How is the -- as you've seen these resources
10 from the CRA and VPD come in, what's been your
11 impression of how much training they're going to
12 need? What's their level of familiarity with
13 kind of the specific work that IMET's tasked
14 with doing?

15 A (KB) Well, I won't comment really on CRA.
16 They're separate. Their mandate's different.
17 But VPD, you know what? I'm going to just
18 comment that they've been extremely helpful. We
19 did get one that has a great financial
20 background. He worked in VPD. He's worked with
21 the -- their financial team there for many
22 years, and the other ones we have don't
23 necessarily have the background, but they've got
24 other skill sets that had been critical to
25 advancing our investigations and moving them

1 forward.

2 Q And maybe you could explain what sorts of skill
3 sets kind of beyond the typical financial skill
4 sets. Are those investigative skill sets, or
5 what sorts of skill sets are of value to your
6 team?

7 A (KB) I think you've said investigative skill
8 sets. The ability to interview, write
9 affidavits, go through the complexities of
10 investigations, being able to peel them apart
11 and understand them. Just very driven, very
12 focused, very motivated but a huge help to my
13 team.

14 Q And, Staff Sergeant, the last bullet here it's
15 highlighted in a red maroon colour under
16 "challenges" is "access to technology." Do you
17 see that bullet there?

18 A (KB) I do, m'mm-hmm.

19 Q Can you describe that challenge for the
20 Commissioner.

21 A (KB) I'm not exactly sure. Again, I didn't put
22 this together. So I'm not too sure what that
23 really -- and, you know, I may direct that to
24 Inspector Farahbakhchian. He may have some
25 ideas as well because -- but I can't -- yeah,

1 I'll think about it. My apologies. I didn't
2 put this together, so I'm not exactly sure what
3 that was relating to.

4 Q Right. And maybe I can just ask you before I
5 turn to Inspector Farahbakhchian to see his
6 views, what sorts of technology is available to
7 IMET now to track trading patterns or conduct
8 real time analysis?

9 A (KB) So it's really working with our partners.
10 It's working with NHQ. We have a Bloomberg
11 terminal that we can use. We have a great
12 relationship with IIROC, and they have real time
13 trading analysis there. We have a great
14 relationship with the BCSC. They have the same
15 sort of -- some of those abilities. So to me
16 it's working with our partners. They have --
17 some of them have those abilities that maybe we
18 don't have, have that technology perhaps that we
19 don't have, and so I think that's -- for me
20 that's been critical and that's been helpful.
21 And it's basically when we started up again
22 about three years ago that was one of my first
23 priorities was to reach out to our partners, let
24 them know that we were back, we were focused, we
25 were moving forward and leveraging them to

1 assist us in providing us some of this
2 information, like you said, sort of that real
3 time tracking of information.

4 Q And you mentioned IIROC. Is that the Investment
5 Industry Regulatory Organization of Canada?

6 A (KB) That's right.

7 Q And so is it fair to say, Staff Sergeant, then,
8 that a lot of the kind of real time tracking is
9 done by partners who then make referrals to IMET
10 and you benefit from their expertise? Is that a
11 fair summary?

12 A (KB) Not just referrals, but it's sharing intel,
13 having a conversation. We have a working group.
14 You know, by the time the referral might get to
15 us, you know, obviously there may be a time lag;
16 right? So it's not just the referrals. It's
17 just a sharing of information and having that
18 connection.

19 Q And you mentioned the BC Securities Commission.
20 What's the current relationship between the BC
21 Securities Commission and IMET? How would you
22 describe that?

23 A (KB) I think it's very good. I've worked hard
24 over the years. Like you mentioned in my CV, I
25 was with IMET back in the day when IMET was

1 downtown. We worked at the Securities
2 Commission back then. Even at CCS, I worked on
3 a team there that still had connections with the
4 Securities Commission. I know a lot of the
5 investigators. I know the Director of
6 Enforcement, the Deputy Director, many of the
7 managers, and I just think it's critical to have
8 that relationship. And so it's been a very good
9 relationship that -- my focus is to ensure we
10 keep moving that forward.

11 Q And were there, Staff Sergeant, to your
12 knowledge at one point IMET officers that were
13 physically located in BC Securities Commission
14 offices?

15 A (KB) Well, it's funny you say that. As you
16 speak, that's where I'm at.

17 Q You're in the BC security commission office?

18 A (KB) We actually have leased space at the BCSC,
19 so we have a leased space here that we've -- so
20 for me it was critical to have a presence
21 downtown. And, you know, I reached out to our
22 partners. I reached out to the RCMP about
23 leasing some -- not for the whole team, but
24 actually have some space downtown. In my mind,
25 to be credible we needed to be downtown or at

1 least have a presence downtown. Our partners
2 are downtown. The regulators are downtown. I
3 mean, a lot of our targets are downtown; right?
4 So based on -- because of my relationship with
5 the BCSC they were able to identify some space
6 in their building because they took over a
7 different floor of their building for one of
8 their teams for us to lease out. So we're
9 actually leasing out some space here for -- we
10 have -- in IMET we actually have a BCSC team.
11 It's a small team. We're hoping to grow and get
12 some more people down here. But right now it's
13 a small team that works here just temporarily.
14 Obviously because of the COVID even less than
15 that. But, I mean, to me it's all part of
16 building the relationship and, you know, sharing
17 information. Whether it's best practices,
18 whether it's intel, what have you; right? I
19 mean, we have to work together. We can't do it
20 on our own. We just can't; right? So to me
21 it's critical that we have that connection and
22 that relationship. And this is just one more
23 way that we can actually have that relationship.
24 And for our partners as well. You know,
25 pre-COVID, obviously, I would come down, we

1 Q I was going to ask -- that was my next question,
2 Staff Sergeant, is this isn't the first time
3 that IMET has been integrated with the
4 Securities Commission; is that correct? There
5 was a previous arrangement that you referred to?

6 A (KB) Well, but if you're -- are you talking
7 2014?

8 Q Honestly, Staff Sergeant, I don't have the
9 dates. What I hoped to ask you about is a
10 previous what we understand to be arrangement
11 where IMET was embedded physically in the BCSC
12 offices and something happened where they left.
13 IMET left the offices and I'm hoping you can
14 explain to the Commissioner what happened there.

15 A (KB) So all I can tell you is in 2014 IMET was
16 disbanded. But in that year I was seconded to
17 the BCSC, so I was part of financial integrity.
18 At the end of the day we still wanted to keep
19 that connection. I think it was critical. The
20 IMET program did exist to some extent out of
21 Ottawa. There was an expectation to continue to
22 service the program, but without an IMET team,
23 you can imagine it was difficult. There was
24 really nobody to do that. But the senior
25 managers wanted to continue, as well as myself,

1 to continue to have that relationship with the
2 BCSC. So there was a time where different
3 members were seconded at different times to the
4 BCSC and I was seconded in 2014.

5 Q Thank you. And, Staff Sergeant, I have some
6 questions about a recent initiative. What is,
7 to your knowledge, the IMET 2018 performance
8 improvement action plan? Are you familiar with
9 that?

10 A (KB) So I'm familiar with it. It's -- it was a
11 document crafted out of NHQ -- when I say NHQ
12 I'm really for the most part referring to the
13 IMET program based out of NHQ. It was drafted
14 again after IMET was created again after it was
15 made a national priority in 2017. So it's a
16 document that was drafted, yes, by -- at HQ by
17 IMET out of Ottawa there.

18 MR. DAVIS: Madam Registrar, if I could ask that you
19 pull up CAN1107 from the list of documents,
20 please.

21 Q Staff Sergeant, please let me know when you see
22 that in front of you.

23 A (KB) I do see it.

24 Q And is this a copy of that plan we just
25 discussed?

1 A (KB) That's correct.

2 MR. DAVIS: Mr. Commissioner, if I could ask that
3 this be marked as the next exhibit. I might
4 have lost the number. I think we're at 857,
5 please.

6 THE COMMISSIONER: That sounds right. I think we
7 are. So 857.

8 THE REGISTRAR: Yes, exhibit 857.

9 **EXHIBIT 857: Integrated Market Enforcement**
10 **Team - 2018 Performance Improvement Action Plan**
11 **RCMP - June 31, 2018**

12 MR. DAVIS:

13 Q Staff Sergeant, I don't -- particularly given
14 your evidence that you aren't intimately
15 familiar with it, I don't intend to go through
16 this in any great detail, but there are a couple
17 of portions that I'd like to ask you about.

18 MR. DAVIS: Madam Registrar, if you could please
19 scroll to page 7 of the PDF, please. And it's
20 right at the top there under "IMET mandate," the
21 first paragraph.

22 Q And I'll read this first paragraph to you, Staff
23 Sergeant. It says:

24 "The closure of the former RCMP Commercial
25 Crime Sections and a general lack of

1 expertise and knowledge of how to detect
2 and conduct serious capital market
3 criminal cases had caused a
4 mandate-creeping situation in relation to
5 the work being carried out by IMET.
6 Specifically, IMET has not been taking on
7 the types of serious capital market
8 investigations which fall within its
9 mandate."

10 Do you see that paragraph there?

11 A (KB) I do see it.

12 Q And appreciating this is from 2018, do you have
13 any insight, would you agree that that is an
14 accurate reflection of IMET at that time or do
15 you have any insight into that?

16 A (KB) I don't. You know, this might be a
17 better -- it might be a better question better
18 directed towards the Director of Financial
19 Crimes. I know he's going to be testifying.
20 There's been challenges, I can tell you,
21 obviously. But -- and all I can say is you know
22 what, that's why we're being strategic. That's
23 why we've engaged our partners. That's why, you
24 know what, we're looking at different focuses,
25 whether now it's disruption, it's regional,

1 whatever. So -- and engaging special advisors
2 that also have some background and engaging our
3 partners that have expertise in various sectors
4 of the capital markets; right? All this to say
5 is we can't do it on our own. So we've had some
6 challenges and we're trying to work through
7 those challenges and that's part of my focus
8 right now is to work through those challenges.

9 Q Do you have a view, Staff Sergeant, appreciating
10 your evidence there, on what this performance
11 improvement action plan seeks to accomplish? If
12 you're familiar with it.

13 A (KB) Well, I think it -- you know, this is just
14 my opinion. I think it's -- because I didn't
15 work with NHQ on this particular action plan,
16 but when IMET was made a national priority again
17 and was recreated, I guess, for lack of a better
18 term, they needed a road map to move forward.
19 And I think this was the beginning of that road
20 map to get some results. This has to be a fluid
21 document. It has to evolve. And part of the --
22 if we're going to rebrand IMET and move forward
23 was to have a focus -- and like I said, a road
24 map. And I think this is part of that -- that
25 priority to ensure that IMET was going to be

1 successful.

2 Q Do you have a view or sense of how far along the
3 implementation is, how it's been going from
4 IMET's perspective?

5 A (KB) Well, I'd have to go through the document.
6 I'd have to look at it. But all I can say from
7 my personal perspective, we are making great
8 strides. You know, we've got investigations now
9 that are with Crown counsel. We have one that's
10 going to court here. The work we've been doing
11 with our partners, both north of the line and
12 south of the line in the States. Some comments
13 I've heard from NHQ about our -- what we've
14 done, sort of our results, different results
15 there. So I think overall, I can -- I'm going
16 to personally comment. I mean, take it as you
17 will, but we are making advances. And since
18 we've only -- I've only been part of this for
19 three years. IMET has really only been around
20 since it got rebranded for just over that. I
21 think we've made some headway and we're going in
22 the right direction.

23 Q There's another document, Staff Sergeant, that
24 I'd like to -- I think it's related that I'd
25 like to ask you about.

1 Madam Registrar, if you could please pull
2 up CAN221 from the list of documents, please.
3 Sorry, Madam Registrar, I should confirm that
4 this CAN 1107, the previous document, was marked
5 as exhibit 857. Have I marked that?

6 THE REGISTRAR: Yes, you have.

7 MR. DAVIS: Thank you.

8 Q Staff Sergeant, are you able to see this chart
9 CAN221 on the screen before you?

10 A (KB) I am.

11 Q What does this chart show? Are you familiar
12 with it?

13 A (KB) Well, the first time I ever saw this is
14 when it was submitted for this hearing. So
15 prior to that I had not been familiar with it.
16 So this is really the first time I've looked at
17 it. I mean, I've looked at it prior to today,
18 obviously, but it never came across my desk.
19 And, again, this would be a document that would
20 have been created out of a NHQ memo.

21 Q Out of NHQ. Do you know what its relationship
22 is, if it has a relationship to the performance
23 improvement action plan?

24 A (KB) This particular document I can only just
25 read it and look at, you know, it's got the

1 different phases, phase 1 and phase 2.

2 Obviously it's going to be part of that road
3 map, the HR component part of that road map.

4 MR. DAVIS: Mr. Commissioner, if I could ask that
5 this be marked exhibit 858, please.

6 THE COMMISSIONER: Yes, very well.

7 THE REGISTRAR: Exhibit 858.

8 **EXHIBIT 858: IMET Performance Improvement**
9 **Action Plan - 2019 IMET HR Modernization**
10 **phase 1 - Undated**

11 MR. DAVIS: Thank you, Madam Registrar. I don't need
12 that displayed for the time being.

13 Q Inspector Farahbakhchian, I have some similar
14 questions for you now. I'm hoping you can start
15 in a similar way that Staff Sergeant Bedford did
16 by describing what is FSOC group to what makes
17 up that group.

18 A (TF) Which one are you referring to, the one
19 that I -- because I have it under in my mind
20 it's money laundering team, the money laundering
21 team and the previous prolific -- the project
22 development team, which are now two money
23 laundering teams. So which one are you
24 referring to?

25 Q Well, Inspector, it's my understanding that both

1 the money laundering teams are within group 2 of
2 that --

3 A (TF) That is correct. That is correct.

4 Q That's what I'm hoping you can explain, please.

5 A (TF) Yeah, so the two teams, one deals
6 specifically with any new files that come into
7 play, unregistered MSBs, assistance to other
8 agencies, assistance to other FSOC groups. So
9 we will -- you know, that is one of the -- so
10 it's more local. And then we have the other
11 money laundering team, which deals more at the
12 international basis. So if we're getting
13 unregistered MSBs but there's money coming from
14 China, let's say, or other parts of the world or
15 we're having the investigation that's been
16 initiated by the FBI, Homeland Security, DEA,
17 and there's targets here living in Vancouver or
18 assets that they'd like to forfeit down the
19 road, or there's money mules, and you know,
20 they're here in Vancouver. So this is we'll
21 offer assistance.

22 And then sometimes, you know, we have a
23 file and it's all hands on deck. Both teams
24 join, you know, and they will assist with
25 surveillance, with the production orders or

1 whatever may be. So I basically have control,
2 you know, over these two teams, and based on the
3 priorities that we have then we'll decide which
4 one we'll be focusing on.

5 Q Thank you. And so just to clarify, Inspector.
6 Team 1 deals with the regional domestic files
7 and team 2 generally, money laundering team 2
8 generally deals the more international
9 transnational files. Is that a fair summary?

10 A (TF) Yeah, that is the way. I mean, I had to
11 compartmentalize them, you know, and that was
12 the best way to do it. Because they had
13 projects at the time, you know, dealing with
14 local MSBs and we had some files dealing with
15 local agencies and so this is -- this is the way
16 we compartmentalize it. But, again, it's very
17 fluid, you know, because of our -- you know, we
18 have so many resources and based on that, you
19 know, we may go and then work on one big file or
20 three or four big files as opposed to all 28 or
21 30 files that we have on the go at any one time.

22 Q And previously you mentioned that team 1 was
23 involved -- was active previously as a project
24 development team; is that correct?

25 A (TF) That is correct.

1 Q And what is a project development team,
2 Inspector?

3 A (TF) Well, you know, this was initiated before I
4 arrived in FSOC in 2018. And it's basically the
5 way that Staff Sergeant Bedford described it as
6 new files coming into financial integrity and
7 really, you know, seeing where this file may end
8 up, whether it's a mass marketing fraud with a
9 money laundering component or it's a
10 cryptocurrency investigation with a money
11 laundering component and then evaluating the
12 investigation and then it would be passed on to
13 the proper unit afterwards. So that was --
14 that's the way it was designed in the beginning.

15 Q And so what's changed operationally in terms of
16 what team 1 does now that they're branded a
17 money laundering team?

18 A (TF) The money laundering team is, you know, the
19 focus -- the focus now is strictly with these
20 money laundering mandates, disrupting,
21 assisting, you know, and going ahead with
22 charges and also we have our civil forfeiture
23 unit within the money laundering teams.

24 So it's -- you know, it's more
25 encompassing, the mandate is clearer as to what

1 we actually tackle.

2 Q And how has the change impacted at all the
3 team's capacity, Inspector, to take on money
4 laundering files?

5 A (TF) I'd say it's basically doubled it. You
6 know, now we have two teams and, you know, more
7 of a capacity, more of an ability to work on the
8 priority files, priority investigations, so I
9 find that, you know, it worked really well for
10 us.

11 Q And is there anyone else assisting with project
12 development now that team 1 has this new role?

13 A (TF) Anyone else. Can you clarify that. Oh,
14 yeah, we have -- like, we've had secondments, so
15 we've had four VPD officers who were seconded to
16 our unit, which was very useful. We were able
17 to tap into experienced police officers who came
18 from various backgrounds and had the abilities
19 to write complex search warrants, production
20 orders, interview techniques. Some came with,
21 you know, strong financial crime background.

22 So -- and this is really good in a time when
23 some of the detachments did not release some of
24 their resources because of different staffing
25 issues and so forth. We're able to obtain these

1 resources and, you know, very -- and complement
2 our unit. So very useful.

3 Q And, sorry, who is doing the project development
4 work that the former team was doing, the now
5 money laundering team one? Are those the VPD
6 officers you described that are doing the
7 project development work?

8 A (TF) No, there's two. There's two with the
9 project development team and then there's two
10 with the money laundering team.

11 Q Okay. And I'd like to ask you -- well, sorry,
12 that's not entirely clear. So you've got -- you
13 have these two teams. There was a project
14 development team and a money laundering team.
15 When did that change become two money laundering
16 teams?

17 A (TF) It was -- I don't remember the exact date.
18 You know, it -- I don't remember the exact date,
19 and I would have to look through my notes or --

20 Q Would 2019 be a fair estimate of --

21 A (TF) Yeah, I would say, yeah, I would say that.
22 I would say.

23 Q Okay. And now you've got two teams that are
24 investigating money laundering, so respectively
25 doubling your capacity?

1 A (TF) That is correct.

2 Q Who has taken other all of the project
3 development work? Presumably a lot of those
4 officers, that doubling capacity has meant a
5 loss of capacity elsewhere?

6 A (TF) Yeah -- no, I wouldn't say that. I would
7 say that the mandate is, you know -- it's money
8 laundering, you know, it was called project
9 development team before, but it was just
10 rephrased, reframed as to money laundering. So
11 you know, it didn't have all of a sudden a
12 switch in the files we were working on. You
13 know, they were still working on money
14 laundering files that were coming in and
15 evaluating them, you know, and doing basically
16 the same type of things that the other money
17 laundering team was doing. And evaluating them,
18 you know, seeing whether the capacity for these
19 files, connecting with our special advisor and
20 prioritizing these investigations. So, again,
21 in essence, project development, it's still, you
22 know, you're still dealing with money laundering
23 investigations and evaluating them, assessing
24 them, identifying where the priorities may be,
25 you know, and then moving forward from there. I

1 hope that's clear for you, Mr. Davis.

2 Q It is, and I guess what I'm trying to
3 understand, Inspector, is that so this project
4 development team was effectively a project
5 development team in name only. They were still
6 conducting investigations. So this is more of a
7 rebranding than it is any operational shift; is
8 that fair to say?

9 A (TF) That is correct. That is correct.

10 Q That's very helpful. Thank you. I wanted to
11 ask you a bit about the staffing of the money
12 laundering teams, and when you joined in -- you
13 joined in 2018, FSOC, Inspector; is that
14 correct?

15 A (TF) That is correct. In May.

16 Q Do you recall the staffing numbers, how many
17 officers, civilians you had in the units when
18 you joined?

19 A (TF) I would have to look at the charts to
20 refresh my memory, you know, because I mean, all
21 these -- you know, these numbers are fluid, the
22 actual numbers of police officers who were
23 present as opposed to the ones who are off duty,
24 sick or on course or whatever may be the reason.
25 So at any given time, you know, like these

1 numbers fluctuate.

2 MR. DAVIS: Madam Registrar, maybe there's a document
3 that can assist. If you could please pull up
4 "RCMP Narrative Document - Business Cases and
5 Proposals for Provincially Funded ML Unit" from
6 the list of documents, please.

7 Q Inspector, do you see that on the screen there?

8 A (TF) Yes, I do.

9 Q Appreciating you're not the author of this
10 document, have you seen it before?

11 A (TF) Yeah, if it was part of the documents that
12 you -- that were provided to me, I recall seeing
13 a document like this. But anything that were
14 created before 2018, before I arrived, you know,
15 I mean, I don't think it would be fair for me to
16 comment on them because, you know, I didn't
17 draft any of these documents and, you know,
18 again, this is ...

19 Q And that's a fair point, Inspector. What I'm
20 hoping not to do is not for to comment on the
21 truth of the contents of this document itself
22 but use the document as a prompt. And I'll show
23 you what I mean. Maybe we can do this in real
24 time.

25 Madam Registrar, if you could go to page 2

1 of this document, please. Near the top there's
2 a paragraph that starts with "in 2018." It
3 should be the first full paragraph. And,
4 Inspector Farahbakhchian, I'll read this to you.
5 It says:

6 "In 2018 a strategic plan was developed to
7 enhance the FSOC FI capabilities and
8 capacity. Staffing efforts within the
9 FSOC FI were becoming more of a priority,
10 however, were only able to be actioned
11 upon issuance by RCMP NHQ of a staffing
12 credit to BC RCMP FSOC. A limited number
13 of credits was provided to the entire
14 federal policing program, but it remained
15 the FSOC was lacking resources to fulfill
16 its mandate."

17 So what I'm hoping to ask you, is that consistent
18 with your recollection of what was occurring in
19 2018 when you joined FSOC?

20 A (TF) Yeah, I would say that statement is
21 correct.

22 Q And what can you tell the Commissioner, are you
23 aware of the strategic plan that was developed
24 to enhance FSOC FI capabilities and capacity?

25 Do you know what happened to that?

1 A (TF) You know, I know that in discussion with
2 the other inspector, you know, we were trying to
3 increase our capacity in the unit for, you know,
4 for both our units by starting initiatives with
5 the Vancouver police, with CRA, you know,
6 getting an extra special advisor, also reaching
7 out to local detachments members, police
8 officers who we knew had previously worked in
9 proceeds of crime commercial crime with various,
10 you know, skills and abilities that would, you
11 know, better complement our unit. So there was
12 all these discussions, but again, we're
13 restricted, you know, with the -- with staffing
14 policies out of Ottawa with a number of credits
15 that we can actually action, so we may have, you
16 know, officers who are interested in coming but
17 then, you know, they may not be releasable by
18 their detachments because of, you know -- and
19 then most recently with COVID, not having as
20 many police officers going through the police
21 academy and restrictions and so forth, so not as
22 many police officers coming over to the province
23 to "E" Division and so these resources are quite
24 scarce. So it's a bit of a challenge, you know,
25 trying to get -- once you've identified proper

1 resources or capable officers to either, you
2 know, getting them released to come into the
3 unit, and secondly, it has to fit in within the
4 criteria from Ottawa with the credit system.
5 So, you know, and then what we did is we had
6 some vacancies and what we did is that we
7 thought outside the box and so we reached out
8 to -- we had an agreement with the Vancouver
9 police where they were able to provide us with
10 some additional resources and we were able to
11 fill in these vacancies, which was very, very
12 useful for us.

13 Q Thank you. And maybe if we can scroll down a
14 little bit, Madam Registrar. There's a
15 paragraph that starts "in March 2019 --"
16 actually looks like it's totally fine there. Do
17 you see that paragraph, Inspector, that says "in
18 March 2019 --"

19 A (TF) Yes.

20 Q "-- FSOC identified"?

21 A I see a March 5th, 2019. Is that the one you're
22 talking about?

23 Q The bottom paragraph. If you go two paragraphs
24 up it starts "in March 2019."

25 A (TF) "In March 2019," yes.

1 Q Yes. I'll read this to you here:

2 "In March 2019, FSOC identified that there
3 were 27 positions dedicated to ML/POC
4 investigation unit in group 2. However,
5 there was only 10 positions filled. At
6 any given time, due to leave, training and
7 other duties (fire/VIP) there was like
8 listen only three or four people in the
9 office to work on MLP/POC file between
10 2015 and 2018."

11 And, again, Inspector, appreciating the caveat
12 that you weren't part of FSOC until 2018, are
13 those numbers there consistent with what you saw
14 when you joined, that there were only about
15 10 positions filled and three to four people in
16 the officer at a time?

17 A (TF) I wouldn't say there was three or four
18 people in the office at any one time, and I'm
19 not sure where these stats came from. But, you
20 know, 27 positions, yes, there were positions
21 that were vacant in there, but I don't know
22 whether they were ever going to be filled. They
23 were there from previous terms. And so I don't
24 know how realistic it is to say that these were
25 27 actual positions that were, you know, ever

1 going to be filled. But to say that there was
2 10 positions, you know, 10 members, you know,
3 when I was working there, I never saw just three
4 or four people in the office. There was 10 or
5 around that numbers that were working, you know.
6 We were able to work on projects and not to the
7 full capacity that we would have wanted to, but
8 we were still able to make some headways on some
9 major investigations.

10 Q And maybe you can unpack that a little more how
11 that staffing level -- so we'll go with, you
12 know, you said that there were probably 10
13 people in the office. How does that number of
14 officers, you know, appreciating that -- and
15 we'll explore this, that there's more officers
16 now in FSOC, how does that impact your ability
17 to conduct these sorts of investigations?

18 A (TF) So the numbers are one thing. If you have
19 more police officers you can tackle on different
20 levels of investigations. As you prioritize
21 investigations you may be able to tackle more.
22 So it just increases your capacity. And I don't
23 like to put numbers on anything because, I mean,
24 you could have 300 police officers, you know,
25 and what happens is you would be able to do some

1 reactive stuff. You'd be able to do some
2 proactive investigations. You'd be able to
3 reach out to partners more. You would be
4 able to do -- you can always fill the time, and
5 you can always fill, you know, capacity. You
6 know, so -- you know, having more resources just
7 allows you to do a little bit more and be able
8 to extend your prioritization so that you can
9 tackle various levels of investigations and
10 satisfy partners and the citizens of the
11 province better.

12 Q Inspector, what can you tell the Commissioner
13 about the point that's raised in this
14 paragraph -- sorry, I've lost it myself. Oh,
15 halfway through the paragraph. It says:

16 "At any given time due to leave, training
17 and other duties (fires/VIP)..."

18 Can you explain to the Commissioner what those
19 other duties like fires and VIP, what that
20 means.

21 A (TF) So, you know, being that we're, you know,
22 in the unit part of the RCMP is that whenever we
23 had the fires that were happening throughout the
24 province, we had to -- you know, the supply
25 resources to help with evacuations and help

1 with, you know, to assist with the safety of the
2 population throughout the province, especially
3 in the interior. This was the -- it was a
4 national disaster, you know. It was something
5 that was never -- had never been seen before.
6 And so we had an obligation and we wanted to
7 help the best way we could. So this is where
8 these resources went and we were seconded for,
9 you know, weeks at a time in small remote areas,
10 you know, to assist, local communities and
11 communities with -- where they had fires and
12 people were losing their homes and so forth. So
13 that's, you know -- events like that take
14 priority. VIP is whenever there's visits from
15 ministerial people, important, significant
16 people coming from Ottawa or elsewhere or visits
17 from the US, you know, and we have to provide
18 the security for these individuals to make sure
19 that everyone is safe. So it has to do with
20 safety and the safety of the citizens, safety of
21 the visitors who come to meet with our
22 politicians and so forth. You know, all of
23 these things have a priority. Safety is always
24 number one. Safety of people is the number one
25 priority.

1 Q And so how, Inspector, does this, you know,
2 seconding officers for two, three weeks at a
3 time, does that have an impact on the ability of
4 FSOC to deal with major money laundering
5 investigations, or how do you navigate around
6 that?

7 A (TF) So yeah, that is -- I mean, that is a
8 reality of it. And I think all detachments
9 across the Lower Mainland were feeling the same
10 pressures. It was just not money laundering.
11 It was detachments like Surrey and Ridge Meadows
12 detachment, Coquitlam. All the detachments had
13 to supply officers to assist. This was a major
14 event and -- you know, and people were being
15 deployed. So yes, we worked around it, and you
16 know, we were able to streamline, you know, some
17 of our investigations. Again, it's all about
18 prioritizing and as an operations officer, you
19 know, on a weekly basis is these are the things
20 that I have to do. You know, I have to look at
21 all the files that we have and then, you know,
22 some of these files we may be waiting for charge
23 approval or we may be, you know, working on a
24 report to Crown counsel and some of these
25 things, you know, can be put on a back burner.

1 As long as nobody is dying, and nobody is in
2 immediate danger, you know, we have to
3 prioritize.

4 And, again, some of the files where, you
5 know, things need to be done right away. There
6 may be a carrier that's coming to YVR carrying
7 money and we need to follow that individual
8 because it's important to the investigation. We
9 will make sure we get the resources. What we
10 will do too is we will ask the other FSOC groups
11 to assist us. So as an inspector I will contact
12 another inspector and say listen, we're short,
13 but we need the surveillance on the go and I
14 need three members or four or five or whatever
15 it may be. And this is how we operate within
16 FSOC. That is the model that was created, it
17 was to create a system where if there is a major
18 investigation, major file, it's all hands on
19 deck, you know, and we can obtain the assistance
20 from the other FSOC groups to help out
21 regardless of how many members are sent to the
22 fires. So that's the way it was designed.

23 Q Staff Sergeant Bedford, is this, what we're
24 discussing here, leaving, being seconded for
25 weeks at a time for fires and VIP, is this what

1 fenced-funding protects against? Is this
2 something that could not happen to IMET members
3 because of fenced funding?

4 A (KB) Not necessarily. We have to -- I mean,
5 we're still in the federal section. We're still
6 in the RCMP. So there's still an expectation if
7 we have to go, like, Inspector Farahbakhchian
8 was saying, safety is paramount. If we have to
9 go, we'll go. So fenced funding more or less
10 just protects the money going into our program.
11 We may be able to have some say, but you know,
12 as a unit demander and now as the acting OPS
13 officer I would have a hard time saying sorry,
14 we're not seeing anybody because there's a major
15 crisis going on somewhere. So overall I would
16 not say so. You know what, we're a federal RCMP
17 federal organization, and we have to send our
18 people to where they need to be, you know, for
19 the safety of the public. And that's paramount.
20 And, you know, so not necessarily.

21 (TF) Sorry, Mr. Davis, I just want to add
22 something else to that. There is also a cost
23 recovery. So if it's federal resources that are
24 being asked to help out with a provincial, you
25 know, an emergency, there is elements of cost

1 recovery. And this is something that
2 Superintendent Taylor can discuss more in depth
3 because that is -- you know, that is something
4 that I don't deal with, you know, but I'm aware
5 of. I mean, we do the job, you know, and we go
6 out and help out and then the financial aspects
7 as to who pays for what is something that is
8 ironed out down the road. We don't get involved
9 with that. We're asked to do the job, we're
10 asked to help out; we do the best way we can and
11 then the rest is up to our financial managers,
12 you know, to figure out what moneys are owed,
13 what's the cost recovery on the specific
14 projects that we're tasked. If that clarifies
15 things for you, Mr. Davis and Mr. Commissioner.

16 Q Thank you. No, that is helpful, Inspector.

17 MR. DAVIS: Mr. Commissioner, I'm pausing for a
18 moment. This document, Inspector Farahbakhchian
19 was clear that he didn't author it and isn't
20 necessarily comfortable speaking to it. It's
21 authored by Superintendent Taylor, who is going
22 to be testifying tomorrow. I don't know if we
23 want to take the unusual step of marking this
24 for identification or just mark it as
25 exhibit 859.

1 THE COMMISSIONER: Well, I think if it's clear that
2 Superintendent Taylor can address it, we can
3 mark it as an exhibit in anticipation of that.

4 MR. DAVIS: Sure. That will be exhibit 859, then.

5 THE COMMISSIONER: All right. Thank you.

6 THE REGISTRAR: Exhibit 859.

7 **(SEE EXHIBIT 759)**

8 MR. DAVIS:

9 Q Thank you. And, Inspector Farahbakhchian, I'm
10 going to take us away from kind of that 2018
11 period and ask you more recently how the numbers
12 in group 2 have changed.

13 MR. DAVIS: Madam Registrar, if you could please turn
14 up CAN1801, which is already marked as an
15 exhibit, please. Oh, I'm sorry. Just one
16 moment, Mr. Commissioner. I've been advised by
17 my co-counsel that the narrative is already
18 marked as exhibit 759, so that we won't need to
19 have it remarked as exhibit 859. My apologies
20 for that.

21 THE COMMISSIONER: All right. Thank you.

22 MR. DAVIS: Madam Registrar, let me know if you need
23 me to repeat those numbers or if I can continue.

24 THE REGISTRAR: No, I'm good. Thank you.

25 MR. DAVIS: Thank you very much.

1 Q Inspector, do you see that presentation in front
2 of you again?

3 A (TF) I do.

4 MR. DAVIS: And, Madam Registrar, if you could please
5 turn to page 16 of the document.

6 Q And we can see here, Inspector, that money
7 laundering team 1 as of March 2021 had 19 total
8 positions, 17 of which were occupied. Am I
9 reading that correctly?

10 A (TF) That is correct.

11 Q Madam Registrar, if we could turn the page over
12 one to page 17. We see here, Inspector, that
13 money laundering team 2 as of March 2021 had 25
14 positions, of which 21 were occupied; is that
15 correct?

16 A (TF) That is correct.

17 Q So inspector, what's changed here? You've
18 described it a bit going from, you know,
19 10 positions described in Superintendent
20 Taylor's narrative to around 38 here. How does
21 that happen?

22 A (TF) Well, we were able to really promote, you
23 know, the unit and reach out to officers who we
24 believed, you know, were -- you know, would be a
25 good fit in the unit. And, again, that also

1 includes the VPD secondments. So, you know,
2 having all of that, we were able to -- and also
3 some promotions that were involved. So I took
4 part of that. So it was just having these
5 people, you know, released from their
6 detachments, from their respectable units and
7 bringing them over to FSOC, which was very -- it
8 was successful in that respect.

9 Q And what operationally difference does that make
10 going from, you know, 10 active officers in a
11 unit to almost 40? How does that impact your
12 ability to fulfill your mandate?

13 A (TF) So when we're dealing with the major
14 investigation, you know, we have to have, you
15 know, different police officers to maintain
16 different positions as file coordinator, team
17 commander, primary investigator. We need to
18 have an affiant. You know, we need to have
19 surveillance teams. We need to have all of
20 these parts. So what it allows us to do is that
21 it allows us to be a bit more proactive in our
22 investigations and to dig in a little bit more.
23 Again, you know, just disclosure alone on some
24 of these investigations, we've had a couple of
25 them and these are the Meng Wanzhou file, this

1 was a tremendous amount of disclosure documents
2 that had to be vetted and so forth. E-Pirate
3 was another one, a tremendous amount of
4 documents that have to be vetted.

5 So it takes experienced police officers to
6 do that. And while officers are dealing with
7 that, you know, other officers can deal, you
8 know, with incoming investigations that are
9 coming to the unit that have to be assessed.
10 And, you know, you see in their CROPS to CROPS,
11 which is from requests that are coming from
12 other divisions to help out on major
13 transnational or multi-jurisdiction
14 investigations dealing with parcels that are
15 coming in involving drugs and then money being
16 paid for that, identifying, you know, resources
17 of these suspects, helping out our US partners
18 with high-level investigations. So it just
19 allows us to do more. You know, when a file
20 comes onto my desk, I don't like to say no. So,
21 you know, when these files come in, I have to
22 make an operational decision as to do we take
23 this file right away or what we do is we put it
24 on our intelligence data bank. And I have, you
25 know, analysts, senior analysts that work in

1 your unit and they're very helpful. So any
2 information that comes in gets placed into our
3 database, you know, and at least is analyzed and
4 digested and then based on that, you know, we --
5 they are able to identify whether it's a worthy
6 investigation for us to focus our energy.

7 You know, so if there's a multitude of
8 targets, we will pick the top three or four that
9 we feel are going to be, you know, the best bang
10 for your buck, as you would say, and concentrate
11 on that. We like to, you know, do a variety of
12 investigations, so we may have some that deal
13 with our US partners, some that deal with the
14 other divisions in Canada, some with local. We
15 may deal with some local money service
16 businesses. It's just a variety becomes more --
17 we have more of a variety in the investigations
18 that we do. And which is also a strategy
19 because if we're tackling MSBs and we're
20 track -- and we're tracking, you know, these
21 money carriers and we're helping out with, you
22 know, these encrypted phone communication
23 systems, you know, with the FBI and European
24 counterparts, we're doing a lot of different
25 things, and so it's tridimensional, and this is

1 what I like. As opposed to just focusing on one
2 thing or one type of typology, we're dealing
3 with a multitude of them. And also with that,
4 you know, you add the complexities of
5 cryptocurrency, and you know, these other
6 aspects which require a certain amount of
7 technical expertise, you know, so some files
8 require more coordination. Some files require
9 more in-depth understanding and knowledge of
10 these -- like, cryptocurrency, for instance,
11 which is complex, and so it's -- we're tackling
12 a lot more things.

13 Q So is it fair to say, Inspector, that you're of
14 the view that when it comes to tackling
15 organized financial crime that diversification
16 on the part of police investigations is a good
17 thing?

18 A (TF) It is a good thing because it lets -- it
19 lets the targets, the people who are involved in
20 organized crime know that we are looking at
21 everything. We are looking at shell companies.
22 We're looking at, you know, people that are
23 facilitating these shell companies. We're
24 looking at MS Bs. We're looking at online, you
25 know, marijuana stores or we're looking at drug

1 trafficking. We're look at human smuggling.
2 We're looking at everything. And, again, you
3 know, when we're looking at money laundering --
4 and I've said it before -- is that every crime
5 that I can think of may have a money laundering
6 component to it. So, you know, to say we're
7 strictly money laundering, well, we're looking
8 at all crimes, whether you're dealing with, you
9 know, an IHIT investigation, you know, and there
10 may be a money laundering component there.
11 Somebody got paid off or somebody killed off
12 somebody and is making money out of that and
13 that money is being laundered. You're dealing
14 with human smuggling. There's payments that are
15 being made for this service and that money is
16 being laundered. And it's a multitude of
17 things. So it's -- we could be looking at
18 different things. The files that we have today
19 may be totally different in two years or --
20 well, I won't say about six months because they
21 do take time to progress. But it is -- it is
22 complex, and you can get involved as much as you
23 want to be or not involved. If that makes sense
24 to you.

25 MR. DAVIS: It does.

1 Madam Registrar, if you could please pull up
2 CAN 1796 from the list of documents, please.

3 Q Inspector, is this a chart of group 2, the team
4 that you lead within financial integrity?

5 A (TF) That is correct.

6 MR. DAVIS: Mr. Commissioner, if I could ask that
7 this be marked as exhibit 859, please.

8 THE COMMISSIONER: Yes. 859.

9 THE REGISTRAR: Exhibit 859.

10 **EXHIBIT 859: "E" Division Criminal Operations**

11 **Chart - March 15, 2021**

12 MR. DAVIS: Thank you, Madam Registrar. You can take
13 that down for the time being, please. Thank
14 you.

15 Q Inspector Farahbakhchian, I'd like to ask you
16 about the IMLIT unit and how you understand that
17 that unit is going to interact with group 2,
18 money laundering teams 1 and 2?

19 A (TF) Yeah -- no, it's a newly created unit and I
20 know that superintendent Brent Taylor will be
21 able to speak more about it, but my
22 understanding is that, you know, one sergeant,
23 two corporals and two constables, you know, to
24 complement our ability to investigate money
25 laundering investigations. So it is, you know,

1 a unit that can reach out to our partners. It
2 is a unit that can complement our
3 investigations. It is more bodies. And to the
4 specifics of IMLIT, I would leave it to
5 Superintendent Taylor to discuss the intricacies
6 of the new program.

7 Q Thank you. Well, maybe I can ask you, Inspector
8 Farahbakhchian, what would five additional
9 officers, which I understand is what's proposed
10 under the IMLIT unit, what would that do for
11 FSOC's ability to take on, you know, money
12 laundering files? Would that be of assistance
13 and how much?

14 A (TF) Of course it would be of assistance. It's
15 a matter of having, you know, more capability,
16 more assistance and I can just -- I just -- I
17 can just go to specifics. So if we had, let's
18 say we have, you know, an average investigation
19 and all of a sudden we need to put a
20 surveillance team together. Well, you know
21 what? This is something where now we have
22 members that can help out with that. We need to
23 reach out to our partners, you know, in the
24 province or meet with the FBI on an
25 investigation. We have more capacity to do that

1 now. Five members is five members, and to put a
2 number of how much capacity that would be, very
3 hard to summarize that. All I know is that, you
4 know, the more bodies we have, the more we can
5 handle and more capacity we have. As I said
6 before, if we have 300 more police officers, we
7 can just handle a lot more. We'd still
8 prioritize your top five or six investigations,
9 and then also the breadth of the investigation.
10 You know, if we're tackling one, do we look at
11 one target or do we look at three targets within
12 the same organization? You know, do we look at
13 50 bank accounts or do we look at four? And,
14 again, it's also something that has to be
15 discussed with Crown. We have to meet up at the
16 outset with PPSC or provincial Crown and find
17 out what the appetite is. You know, is this
18 something -- find out our perimeters, find out
19 what they're willing to tackle with us. Because
20 we can do all this work, but if Crown counsel is
21 not on board with us, you know, then it's
22 pointless. So we have to make sure we have
23 these discussions at the onset. When we have
24 these four or five files it is with a special
25 advisor. We have a meeting with a special

1 advisor to find out okay, which ones should we
2 be focusing on. Is this one where it's viable?
3 Is this where we're going to get a little
4 success. And then, you know, when we meet up
5 with Crown counsel, you know, we're prepared, we
6 have a business case or, you know, we have an
7 operational plan. And that is something, you
8 know, that I've asked for and I think it would
9 be very useful is that embedded Crown counsel
10 with us, where they're involved, they know
11 what's going on from the get-go. We can go to
12 their office and knock on their door and say,
13 what do you think about this? And because
14 they're so complex and there's so many different
15 web and so many tangents where we can go into
16 rabbit holes, you know, and so we want to be
17 really lean and focused based on the number of
18 positions that we have filled. And the best way
19 to do that is to be very strategic. And I count
20 a lot on my intelligence analyst. You know, I
21 go to these experts and I ask them, is this a
22 viable target; is this one who is linked, you
23 know, with the organized crime group that we're
24 trying to target? And then, you know, once I
25 have that confirmation from our analyst is then

1 when I meet with the special advisor and then,
2 you know, we put in an OPS plan business case
3 and we move forward and so when we meet with
4 Crown counsel we can answer all those questions.
5 And it's about being strategic and it's about
6 being focused. And that's the way we pick and
7 choose our investigations.

8 Q Inspector, this might be a bit dramatic of an
9 example, but you just mentioned resources.
10 Would FSOC have enough work for 300 additional
11 officers to do? Could you use 300 more officers
12 to assist in your work?

13 A (TF) Well, I mean, this is something that could
14 be used at a detachment level. If you have
15 300 police officers and you have presently a
16 strength of 100, now you're going to be involved
17 more with the community policing. You're going
18 to be doing proactive work. You're going to be
19 able to get more into the community. You're
20 going to be able to go hands-on with specific
21 people that need special attention, special
22 target teams, you know. I mean, you can do
23 anything. I mean, you know, but we have to
24 remain realistic with the amount of resources
25 that you have and the number of police officers

1 that you have. I think what's more important is
2 remaining focused and having a clear mandate as
3 to what your job and function is. So if you
4 know exactly what you need to tackle, you know,
5 that's where your focus is. Not on the number
6 of police officers you have. You can be very
7 strategic and get a lot of stuff done with
8 whatever amount of police officers you have.
9 It's just how organized and how you occupy these
10 resources and if -- it's all about mandate.
11 It's having a road map, a blueprint of what you
12 need to do. If you read the mandate of what our
13 job is, you know, then you understand the files,
14 you understand where you're going to be going
15 forward with it. And that is what's important.

16 So, again, you know, I'm trying to answer
17 your question to the best of my abilities there,
18 Mr. Davis and Mr. Commissioner.

19 Q You're very much doing so. Thank you,
20 Inspector.

21 Staff Sergeant, on this five additional
22 resources posed under the IMLIT unit, do you
23 have any perspective on how more officers, even
24 just five, might assist IMET in doing its work?

25 A (KB) Definitely. So if I had five more officers

1 in IMET, is that your question, Mr. Davis?

2 Q Yes, or more, or 300.

3 A (KB) Yeah. I mean, you know, I'll piggyback a
4 bit on what Inspector Farahbakhchian said. If I
5 had a bunch more officers we could be doing a
6 lot more things and more than just taking on oh,
7 I've got some more files. It's getting out
8 there, you know, talking to more of our
9 partners, talking to brokers, be more proactive.
10 We have all sorts of different, in my mind,
11 projects we could be doing. We could take on,
12 you know, maybe some bigger files because bigger
13 files as mentioned take a lot of resources when
14 you talk about command triangles and doing
15 affidavits and stuff.

16 I know it's being brought up lean and
17 focused. I think that always has to be our
18 case. And there's a reason we bring those terms
19 up, being strategic, lean and focused, is, you
20 know, I worked files in the past where you
21 haven't had that and they go off the -- you
22 know, they go off the deep end a bit; right?

23 So we're here. We're serving the public,
24 the Canadian public. We have a job to do, and
25 we want to do it. I mean, it's a challenge

1 dealing with, you know, the legal landscape,
2 whether it's disclosure, *Jordan*. You know, so
3 we can't just go out and just go hey, let's take
4 this huge global money laundering scheme and
5 let's get it, guys; let's make it happen. Well,
6 okay, we may have that, but what are we going to
7 focus on? And, you know, what if I had more
8 members? That's an ML example obviously, but I
9 could have an example in IMET, you know,
10 a money -- sorry, a stock market manipulation
11 file, whatever you want to call it, then we
12 could focus on different ones. We could have
13 our strategies.

14 You bet. I will take more members anytime.
15 I want to, you know, certainly caveat that that
16 I like to pick and choose members. You want to
17 get good members. You want to get the right
18 members. And they don't have to have a market
19 background. I need motivated members, members
20 who can interview, members who are proactive,
21 you know, a diverse group of members to get out
22 there and get the job done. There's a lot of
23 good stuff, there's a lot of stuff out there,
24 and the more I have, you know, the more we can
25 do and get accomplished; right? As long as it's

1 lean and focused, you've got a goal and you're
2 strategic, you bet. I'll take more members --
3 good members -- any time.

4 Q And both of you have referenced mandate and file
5 selection and decisions in that front. And I'd
6 like to ask you some questions -- I'm jumping
7 ahead a bit here about the types of money
8 laundering and proceeds of crime files that IMET
9 and FSOC FIU are seeing. The Commissioner has
10 heard some evidence about the complexities of
11 investigating money laundering, and, Staff
12 Sergeant Bedford, I'm curious if you have any
13 insights into that that you can speak to
14 generally about the complexities of these sorts
15 of investigations.

16 A (KB) So I mean, it's only been recent that we
17 really put a lens on money laundering POC on our
18 files. That was mandated by Ottawa to do that.
19 Prior to that we would just go down the road of
20 our designated offence, predicate offence and
21 see what we had.

22 You know, Inspector Farahbakhchian
23 mentioned there's money laundering in just about
24 everything out there; right? So how do you take
25 that concept and put it towards a file you're

1 working on that's going to get -- that you're
2 going to get the evidence you need for potential
3 prosecution; right? So do we have money
4 laundering POC on our investigations? You bet.
5 But it's getting that nexus, it's ensuring we
6 got something solid, and different types of
7 investigations may have more of that ML
8 component to it, depending on what we're working
9 on. But it's a new lens, and it's a new focus.
10 And the team is excited about that and we're
11 making some headway in some of those
12 investigations with ML/POC plus the designated
13 offence attached to it.

14 Q And you mentioned the change in -- I believe in
15 2020. Was that -- is that the directive on
16 money laundering that you're speaking about,
17 Staff Sergeant?

18 A (KB) Yes. And I think that's one of the
19 documents that was -- but exactly. I believe it
20 was February of last year.

21 Q Right. And, Inspector Farahbakhchian, I'm going
22 to turn to you for a moment first because I'd
23 like to ask you some questions about the
24 previous directive, the one that existed prior
25 to 2020. So maybe, Inspector, you can begin by

1 explaining to Commissioner how money laundering
2 teams 1 and 2 would decide whether or not to
3 pursue a money laundering investigation.

4 A (TF) So we are -- we have been advised, you
5 know, by Ottawa is that it has to follow the
6 tiering process. So the tiering process is a
7 process where we identify, you know, various
8 factors that would bring a specific
9 investigation to the level that it needs to be
10 focused at. So if it's multi-jurisdiction, if
11 it's transnational, if it involves terrorism,
12 anything to do with the safety of our citizens
13 in Canada, it reaches a level, you know, that
14 would satisfy the requirements from our NHQ.

15 And so for an investigation, when an
16 investigation comes onto our lap, we do have to
17 put in a business case, and then we have a
18 sheet, you know, with a whole bunch of
19 checkmarks to make sure that it fits in within
20 the criteria of a tiered investigation. Once
21 that go through -- once we have that report, it
22 goes through a committee at the local level here
23 with the chief, a couple other superintendents
24 and SMEs, and they decide whether this is a file
25 that is worthy to go to Ottawa for the final

1 verdict. And there may be some questions. You
2 know, maybe this file is too early in the
3 investigation. It has good potential. Is this
4 something that's intelligence led? Is this
5 something that fits in? Is this something we
6 would be able to do? And then once that is
7 decided, then we get the go from "E" Division,
8 it will be submitted to Ottawa and there, you
9 know, there is a number of officers, you know,
10 who will review the investigation and decide
11 whether it becomes a tier 2 or a tier 3 or
12 tier 1, and that is -- those are RCMP, you know,
13 lingo, to put it simply, to identify the level
14 of involvement or the priority that we will be
15 focusing on these investigations.

16 So anything that comes -- you know, so if
17 we have an investigation with a US element, you
18 know, because we do have the FBI, DEA, Homeland
19 Security -- and I'm just naming a few -- who
20 will be contacting us and say, for instance,
21 listen, we have a target and they live, you
22 know -- these targets live in Vancouver, but
23 yet, you know, they are procuring drugs in one
24 of our states, and there's money movement, you
25 know; can you assist us with this investigation?

1 So this would be a viable and worthy cause, an
2 investigation we would be focusing on. Not only
3 that, it satisfies our partners. And whether
4 the indictments happen in the US or Canada, for
5 us we look at the -- we look at a 30,000 foot
6 elevation and we look at the total good that it
7 will do. It's going to be hindering the
8 organized crime, the particular group that
9 they're targeting, and whether the indictments
10 happen in the US or Canada -- you know, it's
11 preferable when it happens over here, but it's
12 not a huge factor. And we've been very
13 successful with cases like that. So, again --
14 and it's just an example of the types of
15 investigations we're tackling on.

16 Q And you mentioned tiers. Is tier 1 is highest
17 priority or is tier 3 the highest priority?

18 A (TF) No, tier 1 is the highest priority.

19 MR. DAVIS: Okay. Madam Registrar, if I could ask
20 that you please pull up CAN216 from the list of
21 documents, please.

22 Q Inspector Farahbakhchian, do you see that
23 document in front of you?

24 A (TF) Yes. I do, Mr. Davis.

25 Q What is it?

1 A (TF) It is an -- and I remember reading it a
2 couple days ago. It's a definition of what the
3 federal policing priorities are.

4 MR. DAVIS: Mr. Commissioner --

5 THE WITNESS: (TF) And it just clarifies what these
6 priorities are. Sorry.

7 MR. DAVIS: Thank you. Mr. Commissioner, if this
8 would be marked as exhibit 860. That's okay.
9 Thank you, Inspector. Commissioner, could I
10 have this marked as exhibit 860, please.

11 THE COMMISSIONER: Yes, 860.

12 THE REGISTRAR: Exhibit 860.

13 **EXHIBIT 860: RCMP: Definition revision of the**
14 **Federal Policing Priorities - October 12, 2018**

15 MR. DAVIS:

16 Q The language -- Madam Registrar, in the middle
17 of the first page under the heading "Money
18 Laundering/Terrorist Financing," Inspector, I'm
19 going to read the English version to you on the
20 left. It reads:

21 "Money laundering occurs when an
22 individual or group uses, transfers,
23 sends, delivers, transports, transmits,
24 alters, disposes of, or otherwise deals
25 with any property, or proceeds from

1 interpreted that language in terms of selecting
2 files where it's only a priority where it's the
3 main focus of the investigation?

4 A (TF) You know, so, Mr. Commissioner and
5 Mr. Davis, you know, so this is kind of a loaded
6 question, but, I mean, I can answer it to the
7 best of my abilities.

8 When we're looking at money service business
9 and we have to -- it's very difficult to know
10 what the source of those funds may be. And it
11 requires a little bit more digging, and you
12 know, it may involve the assistance of our INSET
13 unit, national security. So if we can identify
14 specifically that this comes from terrorist
15 financing then it's a go. But you know,
16 sometime these files stay with INSET because of
17 sensitivities and so forth, but you know,
18 definitely, you may have individuals who are
19 professionals, you know, and -- with a legal
20 background, accounting background who would be
21 able to set up these accounts, shell companies,
22 to facilitate movements of money coming from
23 overseas, and that is something that is not
24 foreign to us or any police agency. This is
25 something that's happened and that happens, you

1 know, regularly from the literature that I've
2 read and from my experience as a police officer.
3 So to find out exactly what the predicate
4 offence behind these money service businesses or
5 these shell companying it requires a lot of
6 work. You know, and if it's -- you know, if we
7 have to prioritize investigations, you know,
8 we're not -- we're not going to go into a
9 fishing expedition when we have other files, you
10 know, where we have everything black and white
11 showing us that these people are involved in
12 organized crime and the predicate offence is
13 very clear. So it depends on the amount of --
14 the amount of resources that we have, and the
15 amount of information and the intelligence that
16 we're receiving. Again, my point here is that
17 I'm not going to go, we're not going to go into
18 a fishing expedition in the hope of finding out,
19 determining that it is a terrorist financing.
20 It would have to come from intelligence. It
21 would have to come from sources, you know, and
22 sometimes these types of investigations come
23 from overseas where, you know, the FB I has more
24 of an in on what's going on, and they may have
25 information that, you know, we don't have, and

1 we may have to create an MLAT to share that
2 information and move forward from there. It's
3 not as simple as that, as okay, we -- and I hope
4 I've made that point clear. If you need further
5 clarifications I can expand, but I don't know to
6 what extent.

7 Q No, I think that has been made clear. Thank
8 you, Inspector. And, Staff Sergeant Bedford, do
9 you have anything to add on, you know, IMET
10 operating with this applicable direction,
11 appreciating this is no longer the applicable
12 direction, but from 2018 through about 2020 how
13 did this -- what did this mean from an
14 operational standpoint for IMET in terms of
15 taking on money laundering files?

16 A (KB) It wasn't applicable to what we were
17 working on, so I'm going through this listening
18 to Inspector Farahbakhchian, but for the
19 purposes of our operations, it -- we weren't
20 focused on this at all, so it's not really
21 applicable of what we were working on.

22 Q Thank you. Staff Sergeant, I'll pick on you
23 here. We discussed in February 2020 there was a
24 directive sent to all of -- all CROPS officers
25 and federal policing on money laundering and

1 proceeds of crime; is that right? Are you
2 familiar with that?

3 A (KB) I am, yes.

4 Q Madam Registrar, if I could ask that you please
5 pull up CAN1278 from the list of documents,
6 please.

7 Is this a copy of that directive, Staff
8 Sergeant Bedford?

9 A (KB) Yes, it is.

10 MR. DAVIS: Mr. Commissioner, if I could ask that
11 this please be marked exhibit 860.

12 THE REGISTRAR: 861, Mr. Davis.

13 MR. DAVIS: Thank you.

14 THE COMMISSIONER: Yes, 861.

15 **EXHIBIT 861: Letter from Michael Duheme re**
16 **Directive on Proceeds of Crime and Money**
17 **Laundering in All Future Federal policing**
18 **Serious and Organized Crime Investigations -**
19 **February 4, 2020**

20 MR. DAVIS: And, Staff Sergeant Bedford, can you
21 explain to the Commissioner what is the new
22 prioritization for money laundering proceeds of
23 crime cases under this directive.

24 A (KB) So first and foremost, we don't follow the
25 same tiering process that Inspector

1 Farahbakhchian talked about. That was
2 changed -- I don't have the date, but it's been
3 maybe a couple years now where we do not -- we
4 no longer have to submit our OPS plan to Ottawa
5 for that tiering process. It stays within our
6 division, which gives us more latitude to really
7 investigate files that are maybe regional as we
8 talked about, not having to follow as you saw in
9 that previous document, certain criteria to --
10 if we're going to meet certain priority levels.
11 So what we do -- so for the purposes of the
12 money laundering, we do still do operational
13 plans. It's done after an assessment of the
14 evidence given to us in the first place. We do
15 a case assessment, whether it's some initial
16 interviews, maybe it's a quick production order.
17 Whatever it is we do an assessment, look at the
18 case, get some evidence and after that 30 day --
19 and the 30 days is soft, but do that assessment
20 period, if we do agree that we have a good case
21 here -- and that will include any potentially ML
22 or POC components to it, we then do an
23 operational plan. And within that operational
24 plan, we do talk about ML/POC as a potential
25 investigational avenue as well as a predicate

1 offence, in addition to all the other aspects of
2 an operational plan, theory of the
3 investigation, objectives, timelines and
4 whatever.

5 So it's because of this directive that we
6 are now focused and looking on -- at money
7 laundering and POC in all of our investigations,
8 but not to the critical level of that lens
9 that's put on, say, Inspector Farahbakhchian's
10 former team there.

11 Q So is it, Staff Sergeant, would that be a money
12 laundering charge in addition to a kind of a
13 capital markets fraud charge? Or how -- maybe
14 you can explain how that would work, that
15 different focus.

16 A (KB) So this is all new to us. When I say
17 "new," it's the focus of looking at money
18 laundering. So when we're doing the
19 investigation within the operational plan, we
20 will look at everything. Everything's on the
21 table. We made a decision at that point in that
22 operational plan that we're pushing forward in
23 this investigation, laying out how we're going
24 to get the evidence, laying out the charges
25 we're looking at. And with money laundering and

1 POC as being potential charges and those charges
2 would probably go in addition to the predicate
3 offence charges we're looking at. So it would
4 require creating that nexus and looking at, you
5 know, the various elements of both the POC and
6 ML charges in addition with our predicate
7 offence.

8 I mean, for us, again, because this is new,
9 we're still looking at that. I mentioned that
10 we do have a couple of Crown counsel right now
11 with both predicate offence as well as ML or --
12 and/or POC. So you know, this is an area that's
13 new to us as far as how we're going to get this
14 forward with both our special advisors, who are
15 also very much aware of this mandate and this
16 focus as well as the Crown counsel. So it's
17 putting it together. My point here it's just
18 not that level of scrutiny that the ML teams
19 have because of that tiering process that has to
20 be done out of Ottawa.

21 Q Is it fair to say, Staff Sergeant, that like
22 Inspector Farahbakhchian has described, nearly
23 all of IMET's files could have a money
24 laundering component? And I say that, you know,
25 as an example, fraud in the capital markets, any

1 further trading on funds derived from that fraud
2 might be seen by some as money laundering. Is
3 that fair from IMET's perspective?

4 A (KB) I think it's very fair. Whether it's fraud
5 or other potential charges, I definitely think
6 it's there. Wait to be seen, you know, how it's
7 going to play out in whether for charges in the
8 courts. But definitely. But it's -- we also
9 got to be, you know, certainly cognizant of the
10 fact that it may add that extra level for the
11 investigation, so you know, back to the lean and
12 focused discussion we had earlier. At the end
13 of the day, once we collect all our evidence and
14 we're putting together forwarding charges to
15 Crown, maybe we're going to go, you know what,
16 we're just going to focus on the predicate
17 offence because it's going to take six more
18 months to get the necessary evidence needed for
19 a money laundering charge. I mean, that's a
20 decision that I will be involved with as well as
21 my acting unit commander, because I'm now in the
22 acting OPS position there; right?

23 But these are decisions and these are
24 decisions with our special advisor. And that's
25 why it's so critical to have the special advisor

1 on board. Because we do want successes. And if
2 at the end of the day we can't make -- we can't
3 get past that hump for ML charges, then you know
4 what, we'll stick with a fraud charge or
5 whatever else to get successes. But it's case
6 by case. It's being strategic. It's that
7 overall awareness, though, that we are now going
8 to look at POC/ML charges during our
9 investigation.

10 Q Inspector Farahbakhchian, how about from the FIU
11 team's perspective? You know, what's been the
12 impact of this directive on the 2350, the
13 operational plan submitted?

14 A (TF) So the -- and I'd like to just go back in
15 time here under, you know, the previous IPOC, is
16 that, you know, my experience as a police
17 officer and working in that unit is that the
18 IPOC was a unit, an investigative body that
19 piggybacked on drug investigations. So once a
20 drug investigation was done the predicate had
21 been identified and charges were going forward,
22 you know, then we would start the proceeds of
23 crime investigation. And now with the *Jordan*
24 timelines, we don't have that luxury. So the
25 investigation, the money laundering

1 investigation has to start right at the get-go
2 and that is why, you know, this memo was
3 drafted, to circumvent that issue and be more
4 efficient in the way we do things so that we can
5 stick within the timelines and also, you know,
6 by engaging Crown and looking at the feasibility
7 of meeting those deadlines and having these
8 money laundering charges, you know, being put
9 forth simultaneously with the predicate charges.
10 And that is the ultimate goal.

11 MR. DAVIS: Thank you. Mr. Commissioner, I'm about
12 to turn to a new topic and considering it's been
13 almost two hours and there are people behind the
14 scenes, it might be time for a 10- or 15-minute
15 break.

16 THE COMMISSIONER: All right. Let's take 10 minutes.

17 THE REGISTRAR: This hearing is adjourned for a
18 10-minute recess until 11:30 a.m.

19 **(WITNESSES STOOD DOWN)**

20 **(PROCEEDINGS ADJOURNED AT 11:20 A.M.)**

21 **(PROCEEDINGS RECONVENED AT 11:29 A.M.)**

22 **TONY FARAHBAKHCHIAN, a**
23 **witness called for the**
24 **commission, recalled.**

25 **KURT BEDFORD, a witness**

1 **called for the**
2 **commission, recalled.**

3 THE REGISTRAR: Thank you for waiting. The hearing
4 is resumed. Mr. Commissioner.

5 THE COMMISSIONER: Thank you, Madam Registrar.

6 Yes, Mr. Davis.

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

8 **EXAMINATION BY MR. DAVIS (continuing):**

9 Q What we were just discussing was the
10 prioritization process in both IMET and the
11 financial integrity unit. And now I'd like to
12 get a more up to date sense of the different
13 types of cases that your units are taking on.

14 MR. DAVIS: To do that, Madam Registrar, if I could
15 ask that you pull up CAN1801 again. And I'm
16 sorry, I've lost the exhibit number for that.
17 It might be 856. And, Madam Registrar, if you
18 could please scroll to -- oh. Just back one
19 page, actually, please, Madam Registrar.

20 Q And, Inspector, are you able to see that
21 Inspector Farahbakhchian?

22 A (TF) Yep, yep.

23 Q So maybe we can start out -- there's a number of
24 different types of money laundering files that
25 the Commissioner has heard evidence about.

1 Perhaps you can explain to the Commissioner what
2 portion of the files we see on this list here
3 are files to support US authorities, things like
4 assist files and money pickups.

5 A (TF) Let's see.

6 Q And, Inspector, maybe I can rephrase because
7 that's not an easy thing to do on the fly.
8 Maybe I can ask your first why does FSOC assist
9 foreign authorities with those sorts of files,
10 assist files, money pickups?

11 A (TF) Because it falls in the with the
12 transnational organized crime. So these
13 investigations, you know, we're dealing with,
14 you know, money laundering, a fraud scheme, for
15 instance, you know, so it's -- it involves the
16 victims here in Canada, it involves victims in
17 the US. You know, there's a large amount of
18 money that is being syphoned from these people's
19 accounts. It has -- it fits in with maintaining
20 the economic integrity of both in North America.
21 You know this is something -- it's viable, we
22 have a viable target. So these are the type of
23 things. We look at the amount of money that is
24 being -- that is being frauded, the number of
25 victims. So each case is a case-by-case basis.

1 You know, to put a -- you know, like whether a
2 file is black or white, I mean, when you're
3 looking at the Huawei investigation, yes, I
4 mean, is that a money laundering investigation?
5 It's a complex investigation involving, you
6 know, there's intricacies, and because of its
7 sensitive nature, we have, you know, the
8 officers in our unit who have the skills and
9 abilities and the background to deal with the
10 request. And also because we're familiar with
11 the US partners, you know, we understand -- we
12 understand international issues that may arise.
13 And so this is a file that falls onto our lap.
14 With the cryptocurrency it's a complex
15 investigation. You're dealing with a converted
16 type of currency that is complex in nature. It
17 involves accounts. It involves that type of
18 meticulous understanding and sorting of accounts
19 and, you know, the different levels. And,
20 again, I'm not an expert in cryptocurrency, you
21 know, but I do have members within my unit who
22 are quite versed, you know, in these types of
23 investigations. But it involves large sums of
24 moneys that have to be tracked, you know, in
25 different parts of the world. And, you know, so

1 this is something, again, that would fall within
2 our mandate. And, you know, account
3 takeovers -- you know, every file is different.
4 And you know, every investigation may have a
5 different -- how you say -- a different flavour
6 to them. And there's no cookie-cut way. You
7 know, there are money laundering investigations
8 which may be similar, you know, but every one of
9 them are different, the nature and scope, and so
10 it's very hard -- very difficult to say. We may
11 have something different coming up in two months
12 or tomorrow, and then we have to, you know,
13 identify whether -- that something like these
14 encrypted phones of one of the projects that we
15 were assisting our international partners, you
16 know, these are types of investigations that
17 maybe, like, eight years ago we would have never
18 seen. Or they may be a new technical -- a new
19 type of investigation. Like cryptocurrency, who
20 had heard of this five years ago, you know, or
21 10 years ago? You know, so it's ever evolving.
22 There's new ways of moving money, new typologies
23 that are being developed and different ways
24 through trade-based money laundering, you know,
25 different commodities that are used to hide

1 funds. And so it's very complex and it's very
2 fluid. So -- and, again, I hope this has
3 answered your question, Mr. Davis and
4 Mr. Commissioner.

5 Q Inspector, looking at this page here, for
6 example, if we look at the -- it says "8 active
7 investigations/projects." The third and fourth
8 bullets under that, one of them reads:

9 "1 project assisting HSI/MMF/TBML and
10 Drugs."

11 And the other says:

12 "1 project assisting US Postal Service/ML
13 Fraud schemes."

14 Do you see those two bullets?

15 A (TF) Yes, I do, yeah.

16 Q Could those be in a completely artificial
17 cookie-cutter way described as the sorts of
18 assistance files that you've just been
19 describing?

20 A (TF) Yeah, I would say so. Yeah, I mean,
21 they're tiered investigations, and you know, it
22 involves mass market and fraud, it involves
23 drugs. The other one involves, you know, a
24 fraud scheme and, you know, with the assistance
25 of US Postal Services because there are letters

1 and there is communications that are being sent
2 over to the victims and victims are giving out
3 money to these suspects. You know, so there's
4 multiple elements in there. The more elements
5 you have in an investigation, you know, the more
6 it satisfies our tiering process because it's
7 hitting on all those pillars, all those check
8 marks. So I like -- I like to, you know, pick
9 on investigations where, you know, either we can
10 assist other partners. You know, there is a
11 high likelihood of conviction, and, again, as I
12 said to you before, if the -- if there's a high
13 likelihood of convictions in the US in doing
14 that, that's great too. Maybe the hurdles, you
15 know, are different than -- they have the RICO
16 legislation which we don't have here in Canada.
17 So that is a very powerful piece of legislation
18 that they can target high level organized crime
19 individuals and they're very successful with
20 that. So you know, I take that in mind as part
21 of the strategies that we use in FSOC.

22 Q Inspector, the Commissioner has heard evidence
23 from former superintendent Calvin Chrustie about
24 the challenges in Canada, for example, of going
25 up on wire versus the requirements that are in

1 place for, you know, for example, the US and
2 other international partners. Do you have a
3 view into that? Is that one of the rationales
4 behind these assistance files, or do you have
5 anything you can comment on that?

6 A (TF) Just one part of the many things. You
7 know, I'm not a lawyer, and you know, I wouldn't
8 venture into the legalities of whether it's
9 easier to do wire investigation in the US as
10 opposed to in Canada. I mean, I'm not going to
11 get into these intricacies. But I can say that
12 there are -- you know, from my personal
13 experience and as an officer, you know, with the
14 FSOC group, is that there's a number of elements
15 that have to be looked at and some aspects of an
16 investigation may be easier to follow overseas,
17 they have different tactics and strategies. And
18 as I said, I mentioned the RICO legislation, and
19 that's a big, powerful one. The way they deal
20 with the agents and confidential informers and
21 the way they do things is a little bit different
22 than we do it here.

23 And, you know, so, you know, they -- and
24 this is where I will end it with that because,
25 you know what, to venture further into that,

1 I -- I think I just want to make my point at a
2 30,000-foot altitude, you know, to explain that
3 there is differences in the way business is done
4 in the US or even more so in Europe, our Italian
5 counterparts or -- they deal with organized
6 crime a different way than we do, you know,
7 so ...

8 Q Thank you. And, Staff Sergeant Bedford, these
9 sorts of assistance files, are they part of
10 IMET's, you know, operations as well? And I'm
11 thinking more maybe not the same international
12 partners but, for example, the US securities and
13 exchange commission. Maybe you can comment on
14 these sorts of international assistance files
15 from IMET's perspective?

16 A (KB) Yeah -- no, definitely. So from our
17 perspective files like, you know, stock market
18 manipulation may be more commonly known as pump
19 and dump schemes. You know, these really are
20 also transnational in nature and that's where we
21 do communicate a lot with the SCC as well as the
22 FBI because they really go cross borders and you
23 can kind of understand if you sort of break it
24 down a bit. You know, you get your companies,
25 corporations and they can be in the states.

1 They could be in Europe. And so you've got
2 these companies, often have nominees. We've
3 even seen corporations owning corporations. So
4 we try to drill down to that -- to those levels.

5 Victims quite often are in the states. The
6 exchanges, if you think of the OTCBB and pink
7 sheets, that's in the United States. The
8 accounts, offshore accounts quite often --

9 Q Sorry, the OTCBB, is that -- I probably am going
10 to get this wrong. Is that the over the counter
11 bulletin board, the trading medium that's
12 offered by FINRA. Am I correct on that?

13 A (KB) That's right. So these are more loosely --
14 so good job. These are more loosely regulated
15 currency exchanges than, say, the New York Stock
16 Exchange or the NASDAQ; right? So a lot of
17 these pump-and-dump companies -- and I'm
18 thinking more like penny stock type companies --
19 will list on these exchanges because they are
20 loosely regulated, and they may cross-trade.
21 They may cross-trade up here on an exchange.
22 They may cross-trade in Europe. So you've got
23 the cross-trade component. And I was ready to
24 say bank accounts, trading accounts quite often
25 are in offshore accounts. The targets may be up

1 here.

2 So all this to say is that we now have this
3 transnational stock market manipulation scheme
4 going on, and so that is sort of where we will
5 work with the SCC, whether it be referrals or
6 whatever it is. These are part of our
7 conversations with them to try and figure out
8 who the network is, like who is who, who's
9 connected to who, the entities and what have
10 you. So that's -- when we're dealing with our
11 partners in the states, a little different
12 obviously than Inspector Farahbakhchian, but
13 certainly, you know, these are -- we don't stop
14 at the border. And because we don't stop at the
15 border, our targets don't stop at the border.
16 We need to be out there reaching out to our
17 partners; right?

18 So that would probably be the best example I
19 can think of dealing with cooperation and
20 reaching out to our partners and vice versa.

21 Q How do those -- yeah, that does, thank you,
22 Staff Sergeant. And how do those numbers of
23 referrals from the securities and exchange
24 commission and any other US partners, how do
25 those compare to the volume of referrals that

1 you've received from the BC Securities
2 Commission in your time at IMET. Are they
3 similar, or ...

4 A (KB) Yeah, they're similar. Exactly. We
5 probably get more from the BCSC because, you
6 know, we're dealing a lot with the same targets
7 or the certain -- the same networks up here.
8 And, you know, we have a very close relationship
9 to our partners in the states, but we work I
10 think more frequently with our domestic partners
11 such as the Securities Commission. So probably
12 a little more.

13 But at the end of the day, you know, not
14 counting down on my fingers, you know, how many
15 from here, how many from there. It's a fluid
16 thing and we -- this is why we have these
17 partnerships and working groups and whatever to
18 figure out what's happening there. We need to
19 work with our partners. We need to figure out
20 what is the crime that's occurring and who's --
21 you know, who are the entities and where are
22 they and trying to dissect it, and we can't do
23 that obviously on our own. That's where we have
24 to work with our partners.

25 MR. DAVIS: Madam Registrar, if you could scroll to

1 the next page of this PDF, please. That should
2 be page 17.

3 Q Inspector Farahbakhchian, this question is for
4 you: when Peter German asked the RCMP in 2018,
5 he reported that he was told that money
6 laundering team 2 was primarily conducting
7 referrals to the civil forfeiture office during
8 that period. When you joined in 2018, is that
9 true that team 2 was mostly performing referrals
10 to the civil forfeiture office?

11 A (TF) No, I do not agree with that statement.

12 Q Why not?

13 A (TF) Because it's not the way, you know, we've
14 done business. You know, I would have to go
15 back to the investigations that we had, but we
16 were doing referrals. We were doing -- we were
17 doing investigations. We were waiting for
18 information coming from China on investigations
19 that were active. We were working on the money
20 service businesses. We were doing different
21 types of investigations. We were active. I
22 mean, you know, the referrals to civil
23 forfeiture is once all avenues of investigation
24 being expired and there's no likelihood that
25 charges will be implemented or forwarded. You

1 know, and then that's the last resort after all
2 of that is done. I mean, you know, they don't
3 come in -- I have not seen that since I've been
4 the operations officer in financial integrity.
5 Nor would we -- you know, this is not something
6 that we would bypass all the charges through the
7 normal criminal process and then go straight to
8 CFO. That's not how we do business.

9 Q And so to what degree, then, Inspector, is that
10 a portion of team 2's work now, or team 1
11 considering that it's now a money laundering
12 team? Are they doing that, or is it like you've
13 just said it's a last resort consideration?

14 A (TF) Yeah, with our investigations, there are
15 referrals that are being made throughout the
16 province, you know, and these referrals still
17 have to go through the process of, you know, was
18 there a charge approval, there was no charges
19 made and this is going -- then it's going to
20 go through the process -- there's a process that
21 has to be made. Now, whether these referrals
22 are being made at the detachment level or within
23 our unit, they still have to follow the same
24 protocol and it doesn't go --

25 Q Do you want to explain that?

1 A (TF) You know, it would have -- you know, we
2 would have to, you know, look at the
3 investigation and look at, you know, if
4 there's -- go through the charge approval and if
5 Crown counsel says listen, there's no likelihood
6 that we will forward charges on that, then that
7 follows the next step and we'll go to the civil
8 forfeiture process.

9 Q And I wanted to ask you next about, Inspector --
10 Madam Registrar, if we could go back a page to
11 the money laundering team 1. Thank you. The
12 project, the money laundering team 1 description
13 here.

14 Inspector, can you point to any of these
15 cases on here that are projects where money
16 laundering is the primary focus of the
17 investigation, and I'm looking here for projects
18 that might be comparable to those like E-Pirate
19 where there's a professional or to use the words
20 of Sergeant Robinson, a third-party money
21 launderer who is involved.

22 A (TF) Yeah, I mean, you know, all of these -- I
23 mean, you have a predicate offence, and based on
24 the predicate offence, you know, here the first
25 file you have a theft. The second one you have

1 drugs. The other one you have a fraud. You
2 have another one there's another fraud. You
3 know, this is an account takeover, so it's
4 another fraud. And then the other one involves
5 drugs. So you have to have a criminal element
6 that you have to investigate and then you're
7 going to be, you know, looking at the money
8 laundering component to it. And as I had said
9 previously, is that, you know, most criminal
10 files, criminal investigations are going to have
11 a money laundering component. Now, to what
12 extent and what level of complexity, you know,
13 and if it's international in nature and it's
14 multi-jurisdiction, this is the type of
15 investigations, you know, we will be taking at
16 our level here at -- you know, and then there's
17 other ones that, you know, CFSEU will be taking
18 over because it follows closely with the casinos
19 and so forth. Their mandate is a little
20 different from ours and CFSEU can speak more in
21 depth on what their mandate is, you know, and
22 then some of the files, if it's at a local level
23 at the detachment level and the money laundering
24 component is smaller in magnitude, then we will
25 definitely offer that assistance and help them

1 draft their production order and, you know,
2 provide them with our contacts and, you know,
3 guide them through the investigation if the need
4 be. And, you know, so those are the things
5 that, you know, we will do.

6 We have the expertise on the floor, and we
7 like to share that expertise with our partners,
8 and that can be the municipal police forces, it
9 can be, you know, any type of agencies. We'll
10 do the best we can to help and assist.

11 Q Why is project -- on this page 16 here, the
12 money laundering team 1, if you look at the very
13 last bullet, it says:

14 "1 project into Asian organized
15 crime/money laundering/drugs."

16 Why is that in red?

17 A (TF) They're not in red on mine, but the way it
18 says project, because it's one that's a
19 priority, you know. I'd say, you know, a couple
20 of these ones are tiered investigations, so as a
21 result of that it goes into project status. As
22 soon as it becomes a tiered investigation, it
23 goes into project status.

24 Q And so are all of these one project, the first
25 bullet, two project, another bullet, those are

1 all projects that have gone through the tiering
2 process?

3 A (TF) No, not the Huawei one. The Huawei was
4 just a file of international significance, and
5 we just named it "project" because it was a
6 significant -- it was a significant
7 investigation that had international
8 repercussions and so it needed a special lens
9 into it.

10 Q Okay. And so maybe I can ask you again. Are
11 you able to identify if any of these bullets
12 here, if any of these are substantive
13 investigations into, you know, a third party
14 money launderer that might result in charges in
15 Canada? Are you able to comment on that?

16 A (TF) These -- yes, the ones, you know, when the
17 CRA scam, there was arrests and charges made in
18 Ontario, and on the money laundering fraud
19 scheme, there was charges being forwarded on our
20 US counterpart, and same with the other HSI, the
21 other project as well. And then the theft of
22 cryptocurrency, individuals have been charged.
23 There was arrests that were made over in Europe
24 in -- I won't specify the countries in Europe,
25 but there was arrests that were made. And

1 the -- on the Huawei, well, that's something
2 that's still -- you know, the proceedings are
3 still on the go. The other two, they're still
4 ongoing and I cannot comment on those at this
5 point.

6 Q So no money laundering charges in BC emanate
7 from any of these investigations or projects; is
8 that fair?

9 A (TF) No. You know, the -- let me look again
10 here. All those are still in discussion with
11 our Crown counsel. So it may be, but I don't
12 know at this point.

13 Q Inspector, do you have a sense of --
14 appreciating you're not -- you've left the RCMP
15 and you're moving on to the Surrey Police
16 Service, in your time in FSOC from 2018 till
17 2021 how many charges were recommended by your
18 units for money laundering charges to BC
19 prosecutors or the PPSC?

20 A (TF) To put an exact number to that, you know, I
21 can't put an exact number to that. But I know
22 that on every file, you know, the majority of
23 files that we have, we -- you know, we have that
24 goal in mind where we communicate with Crown
25 counsel and we're looking at -- you know, we

1 forward the chart, the RTCC, and then, you know,
2 the waiting on approval, whether, you know,
3 they're okay with that moving forward and so
4 forth. You know, but I would have to look into
5 that in more detail because I do have my -- my
6 investigative files, my synopsis and all my
7 investigative files, you know, but I would need
8 some time to go over that in details to provide
9 you with an exact number.

10 Q Another day, Inspector, perhaps. Maybe I'll ask
11 you, then, are money laundering teams 1 and
12 team 2, looking at the files described on these
13 two pages, are they at capacity right now?

14 A (TF) Well, what do you mean by capacity? Like,
15 the numbers of positions, you know, that were
16 identified. You know, like with COVID, you
17 know, and all of those things. I mean, we have,
18 you know, all these -- all these members are
19 doing their best, you know, to fulfill their
20 tasks and many of them, you know, coming to work
21 still doing surveillance and doing all of those
22 things. So even with COVID we're still able to
23 work and move our projects forward. You know,
24 so it's -- so I would say that the capacity has
25 remained -- has remained the same as what is

1 projected on these slides.

2 Q And that's likely due to a poorly phrased
3 question, Inspector. My question is looking at
4 all these files here --

5 A (TF) Yeah --

6 Q -- do members of your two money laundering
7 teams, they don't have a lot of excess capacity,
8 do they?

9 A (TF) No. And this is the thing, is that when
10 we're looking at these files on a weekly or
11 monthly basis, we may have, you know,
12 15 investigations on the go for any one of the
13 units, but you know, it may be that, you know,
14 four of them will go on a back burner while
15 we're waiting as one member is just dealing with
16 the disclosure part of it. Or we're just
17 waiting for the production order results, you
18 know, that we've submitted a couple weeks prior.
19 But now we have to do active surveillance on the
20 target or a money courier just arrived at YVR.
21 So, you know, these files kind of move in levels
22 of priority. And so we make sure that, you
23 know, whenever a file needs the attention it
24 deserves that they are properly staffed so that
25 we can move that part of the investigation

1 forward. So it's a juggling exercise to make
2 sure that none of the files are neglected.

3 Q Staff Sergeant Bedford, I have some similar
4 questions for you, although a bit more brief.

5 MR. DAVIS: Madam Registrar, if we could please go to
6 page 6 of this document, CAN1801, please.

7 Q Staff Sergeant, do you see those statistics I've
8 taken you to earlier at the bottom half of the
9 page here?

10 A (KB) Yes.

11 Q I asked Inspector Farahbakhchian about members
12 of team 2 making referrals to civil forfeiture.
13 To what degree does IMET, is that a part of
14 IMET's practice or work, referrals to civil
15 forfeiture?

16 A (KB) Yeah -- no, it is. So typically when we
17 get a file, we will do that assessment. We'll
18 look at it. Do we have, you know, the
19 reasonable probable grounds to move forward on
20 it? Will we get to the beyond a reasonable
21 doubt threshold; right? It may take some
22 interviews. It may take some potential
23 production orders to figure out what we have.
24 But at the end of the day, you know, we have to
25 make that decision, engaging with our special

1 advisors, can we move forward, do we have enough
2 to get enough -- do we have enough to move
3 forward to actually get some charges here.

4 And it could be -- again, it could be
5 disclosure; it could be the elements of the
6 offence we're looking for. And if we can't get
7 to that point beyond a reasonable doubt, we then
8 will look, okay, well, what other options do we
9 have here? And a good option is referrals,
10 including CFO. And it's one of the tools in our
11 toolbox. And you know what? It's nice to have
12 these extra tools to be able to work with
13 because at the end of the day, you know what?
14 Back in the day, you know, pre-CFO and some of
15 these other options you will just conclude it
16 and move onto the next one; right? So we have
17 these tools, but it requires us to look at these
18 investigations with a critical lens and do we
19 have enough to move forward to a criminal
20 investigation, yes or no, sit down; we do these
21 assessments, and if it's yay, we move forward,
22 and if it's no, then what other options do we
23 have.

24 And disruption, which is part of our
25 mandate, as you saw, is a viable tool. It is

1 part of our mandate and it's something that
2 works. And we talked -- you see those other
3 regulatory agencies as well, these regulatory
4 bodies also have -- under the regulatory regime
5 ways of dealing with their members; right? So
6 that's another option as well if need be. So,
7 you know, we look at our options. We look at
8 what we can do. And yeah, CFO, back to your
9 question there, is one of our options.

10 Q And what about the question I asked Inspector
11 Farahbakhchian, which is -- and, Staff Sergeant,
12 forgive me because the premise of this question
13 might itself be incorrect, but to what degree
14 does IMET deal with cases where money laundering
15 is the primary focus of the investigation? And
16 I make the comment about the premise
17 acknowledging that IMET, as you've described it,
18 is focused on capital markets and capital
19 markets related offences; is that correct?

20 A (KB) Right. Yes, that's correct.

21 Q And so what can you comment -- are there cases
22 where IMET focuses primarily on money laundering
23 as on offence, or will it always be an add-on?

24 A (KB) Again, you know, this is a new focus for
25 us, but moving forward we'll look at that

1 option, but certainly not. The predicate
2 offences will be, as we've seen up to now, is
3 going to be your frauds, your -- you know, your
4 false promotion of a press release. That kind
5 of stuff. So definitely not looking -- I mean,
6 we're looking at -- and we're looking very hard
7 at the money laundering POC as being part of
8 that investigational process we're taking here,
9 but as far as the main substantive offence of
10 money laundering on any of our investigations,
11 no. And, again, I think if we were to look at
12 that honestly -- and this is just my opinion
13 from what I've seen and my experience so far, if
14 we were to look at money laundering as being
15 that main substantive of offence it would have
16 to be probably a stock market manipulation type
17 of an investigation. And you heard of the
18 issues we have with the cross border functions
19 of what that sort of investigation would look
20 like; right? So that would add to that level of
21 complexity, the disclosure, all those things;
22 right? So at this point, no. But that doesn't
23 mean down the line something's not going to come
24 across our desk and we're going to go hey,
25 they're our substantive offence, let's move

1 forward on that. Again it's just been over a
2 year. We're still trying to wade through these
3 new ML/POC waters and trying to figure out what
4 we have there.

5 Q And you make that comment about the capital
6 market offences because is it fair to say that
7 it's unlikely that IMET would take on a money
8 laundering angle if the predicate was drug
9 trafficking? Or -- and I'm just trying to
10 understand that -- what you've described moving
11 forward.

12 A (KB) You know, these are circumstances you're
13 talking about that -- I mean, off the top of my
14 head, trying to determine -- moving forward on
15 that sort of predicate offence based on what we
16 have and what I've seen, that doesn't mean, you
17 know, engaging Crown and special advisors. If
18 that is the way to go on one of our files, if we
19 can work together on this -- and we have to work
20 together. At the end of the day I can have this
21 pie in the sky great idea, but if it's not
22 supported by special advisors or Crown, then
23 it's not going to go ahead.

24 But I think what's important is that it's
25 now on the table for us, and it hasn't been on

1 the table. So now that it's on the table, we
2 get a file, we go hey -- and you know, we don't
3 have -- most of my members don't really have a
4 background in ML. They're starting to get it.
5 They're starting to figure it out. Hopefully
6 get some courses up and going here, get this --
7 you know, dealing with obviously this pandemic
8 era that we're in and looking at this as
9 potentially an offence.

10 But as it stands now, though, Mr. Davis,
11 Mr. Commissioner, I don't see that being that
12 substantive offence unless sort of other
13 investigational avenues kind of fall into place.
14 And it would be interesting to see what that
15 would look like, but it's nice having our
16 special advisors and our communication with
17 Crown and we've got a very good seamless
18 communication with Crown and all of our files we
19 talk to them about -- anything we have, even
20 during the assessment phase and certainly beyond
21 that we have these communications, and this is
22 the kind of conversation that can easily be had
23 dealing with those that certainly would have
24 some background in that as well.

25 Q Thank you. And I'd like to ask you both some

1 conclusory questions.

2 Inspector Farahbakhchian, if I can start
3 with you. The Commissioner has heard evidence
4 from various witnesses, including Ms. Melanie
5 Paddon, Dr. Doug LePard about enforcement gaps
6 in policing, and one of those given as an
7 example is with respect to commercial crime.
8 Inspector Farahbakhchian, what gaps exist in
9 your view, if any, right now in policing
10 financial crime?

11 A (TF) So, I mean, I will caveat this by saying
12 that these are my views not the views of the
13 RCMP. My views as an RCMP -- as an officer
14 who's had experience working fraud
15 investigations and having worked in commercial
16 crime as a counterfeit coordinator for the
17 province and the Yukon. So what I've seen is
18 that, you know, the gap is that when I spoke
19 earlier and I said that all investigations have
20 a money laundering component, we must not forget
21 that major frauds are these types of
22 investigations. These major frauds have a
23 component that is intricate. And what I mean by
24 that is -- and I'll break it down to credit card
25 fraud, for instance. You may have a credit card

1 that is scanned in Japan and is being used in
2 Toronto or another one being used in LA and it
3 was scanned here in Vancouver. So if you're
4 asking a local detachment to deal with that,
5 normally is it complex, but there is -- you
6 would need all your partners and all the cities
7 to help you out. You would need international
8 partners to help you out with that. And that is
9 the type of investigations that our old
10 commercial crime unit used to do. Now with the
11 FSOC reconfiguration is that, you know, if such
12 a file came into play, you know, these units
13 would work on it together. You know, but the
14 thing is that these are generalists trying to
15 work on a specific type of fraud, and you know,
16 when we have a unit such as like the old
17 commercial crime is that you had the knowledge,
18 skills and abilities within that unit; you had
19 members who had expertise in dealing with fraud.
20 Not only that, but you also had an FBI agent
21 that was embedded and seconded to our unit. We
22 had -- we had all of these different partners
23 helping us out. But when you have an FBI agent
24 right in your unit who has contact with the --
25 with all our -- with all the other partners

1 internationally, it's really helpful. And for
2 us to tackle these investigations, whether it's
3 mass marketing fraud or CRA scams working with
4 India -- because that's where one of the
5 investigations transpired out of -- you know, it
6 makes it much easier. And so you have to have
7 the capacity, the knowledge, and having a team
8 such as that would bridge that gap.

9 So for the time being what we're doing is
10 that if a detachment or another agency, you
11 know, within BC here comes into contact with
12 such a complex investigation is that we'll do
13 our best to help them out. You know, we will
14 provide them with information that they need,
15 the contacts that we have who will guide them,
16 we'll try to keep that investigation simple.
17 Because, again, with any of these
18 investigations, you can make them as complex as
19 you want to be and, you know, if you have
20 15,000 credit cards are you going to go for
21 15,000 charges? No, you're going to go with 10
22 or 15 where the witnesses live here in
23 Vancouver. You're going to interview them and
24 go with 15 charges. I'm just trying to be,
25 again, tactical and being strategic in the way

1 we do things. I think that is one thing where
2 processes could be improved.

3 MR. DAVIS: And, Madam Registrar, thank you. I
4 realize that document is still up. I don't need
5 it displayed any longer.

6 Q Staff Sergeant Bedford, do you have anything to
7 add to what Inspector Farahbakhchian has just
8 commented on on the enforcement gaps that might
9 exist if policing right now?

10 A (KB) I do. You know, there is a gap. I might
11 even be a little more overt than Inspector
12 Farahbakhchian because it's been frustrating for
13 me that there's been this gap. We tried -- I
14 don't know if you're going to bring up that
15 business plan. There is a -- there was a
16 business plan for a provincial fraud unit that I
17 actually worked on because there was this
18 identified gap. Detachments who are -- they're
19 stressed right now. They're dealing with their
20 own resource issues, and I worked on detachment.
21 Much like Tony, my career has been focused on
22 fraud-related investigations in one form or
23 another. I've done detachment fraud, IPOC, CCS,
24 IMET, financial integrity, back to IMET. You
25 can see there's a bit of a theme there. I enjoy

1 frauds. I'm passionate about frauds. And it's
2 been difficult having to deal with our
3 detachment, our four detachment members that
4 just don't have what it takes to investigate.
5 And the frauds -- and quite often they
6 shouldn't. If they're multi-jurisdictional,
7 complex in nature, we need a unit to look after
8 these frauds. And these GD and these poor --
9 and depending on the detachment, they may be
10 called fraud units, economic crime units,
11 whatever. But quite often they're
12 under-resourced. They've got these young members
13 in there that get this massive fraud. They'll
14 reach out to us hoping there's somebody in our
15 headquarters that's going to be there that has
16 some background in fraud because we're
17 generalists right now. Looking more to getting
18 some specific experience as we move forward on
19 the IMET and now more ML, but because of the --
20 and you've heard it with the federal
21 reengineering in 2012, 2013, what happened to
22 these specialized sections.

23 So going back to that provincial fraud case.
24 We worked hard. I was one of the people that
25 put it together to try and get a provincial

1 fraud team. Because there is this gap. And
2 without CCS that gap is even bigger. And it's
3 painful to see people out there doing these
4 investments thinking, you know, that they're
5 going to get some sort of rate of return even
6 though it might be an outlandish rate of return,
7 but nobody really looking at this, and the poor
8 GD member -- when I say GD, I'm talking a patrol
9 person general duty is what it stands for, just
10 so we understand. Just kind of at their wit's
11 end because they don't know what to do with it.
12 And what happens at the end of the day, these
13 just becomes civil matters, right, and it goes a
14 different route.

15 So yes, I echo Inspector Farahbakhchian. I
16 hopefully bring it to another level that there
17 is this gap, and we really need to address it.
18 I don't know if this is the way to do it. But
19 you know, I was really hopeful with that
20 provincial fraud unit business case that I had
21 worked on, many people had worked on and
22 unfortunately -- you know what? It didn't
23 happen. And that's fine. That's way beyond my
24 rank and my level. I get it. But it would have
25 been nice to, you know, to do something in the

1 interim just to help out those people that are
2 dealing with frauds and helping out our general
3 duty members at their detachments trying to deal
4 with these frauds. So yes, is there a gap, yes.

5 Q And Staff Sergeant, has that gap in your view
6 existed since the disbandment of commercial
7 crime in 2012?

8 A (KB) Yes. You know, commercial crime was great
9 at filling in those gaps. I would even suggest
10 there might have been a bit of gap even when we
11 had commercial crime because they had a mandate
12 too of taking on only certain complex fraud type
13 of investigations. But regardless since the
14 disbandment of commercial crime, that gap has
15 only gotten bigger. I mean, fraud is not a
16 federal mandate. That's the unfortunate thing
17 right now. So I sound a little passionate
18 because I am. But you know what? We need
19 something, and yes, there is a big gap, and it's
20 unfortunate. But we do what we can.

21 You know, Inspector Farahbakhchian and
22 myself, we have a lot of people as a result of
23 the federal reengineering that went from
24 commercial crime, that went from IMET, IPOC, in
25 financial integrity and we do what we can. We

1 give these investigators in these detachments
2 recommendations. We provide assistance. We're
3 there for them. We do what we can. As much as
4 we can. But at the end of the day, you know
5 what? We're dealing with our own resource
6 pressures, our own mandates and as people like
7 Inspector Farahbakhchian move on, myself, who
8 knows, we start losing more and more of those
9 skill sets, right, and become more generalist
10 investigators, so we don't have those members in
11 financial integrity that maybe we did, a
12 sprinkle of them after the federal
13 re-engineering, but they're starting to go off
14 too; right? So we're losing a lot of those
15 skill sets. Much like we're losing a lot of the
16 skill sets for money laundering. We're getting
17 some back now, which is great, but you can't --
18 you know, and we talked -- you know, you talked
19 to Inspector Farahbakhchian about the integrated
20 proceeds of crime and how that was set up. But
21 that's the only way you do it. You have these
22 integrated sections, you bring in the right
23 people, you work together and you have a
24 specific focus and mandate and you work
25 together, you work to get your resources, your

1 training, your skills, to be effective at
2 investigating these complex files.

3 When Inspector Farahbakhchian and myself
4 were in IPOC back in the day, we didn't have the
5 *Jordan* and some of the disclosure issues. You
6 know, that's all new stuff and case law that has
7 added some further challenges and of course the
8 resource pressure. So we have all things now,
9 so it's even more important in my mind, you
10 know, to have these units, these integrated
11 units to be able to focus on the mandate at hand
12 and push forward on some of these
13 investigations.

14 So anyways, I hope that clarifies or at
15 least provides some understanding of where I've
16 come from. And I think it's important that
17 myself and people like Inspector Farahbakhchian
18 talk because we've been in it for a while and we
19 have the background. We've worked in proceeds
20 of crime. We've worked in these specialized
21 sections. And a lot of people, they just
22 haven't. So I think it's important that you get
23 some context of where we've been, what we did
24 and how we got to where we are today.

25 And don't get me wrong. We've got great

1 stuff happening today. We've got some great
2 investigators. It's just we're trying to do a
3 lot with what we have. And it's being strategic
4 and you know what? We're making the best --
5 we're doing the best we can with what we have.
6 We really are. And getting some great results.
7 Don't get me wrong. We're getting some really
8 good results and part of it, though, is being
9 strategic and thinking about partnerships,
10 working with our special advisors, working with
11 Crown, PPSC, having that because we can't do it
12 on our own, and we're not. We've got great
13 people. Inspector Farahbakhchian and myself, I
14 think we created these great partnerships
15 because we need to work together because that's
16 the only way we're going to be successful. So
17 anyways, sorry to go on a bit.

18 Q No, not at all. Thank you, Staff Sergeant. And
19 tying it back to the discussion today, these
20 commercial fraud cases that you suggest might go
21 uninvestigated or unprosecuted, as
22 profit-generating crimes those sorts of frauds
23 might also potentially present the opportunity
24 for money laundering charges. Would you agree
25 with that?

1 A (TF) I agree with that completely. When we're
2 talking about mortgage frauds, which ties in
3 with the real estate and, you know, the issues
4 that were brought up, you know, in the media,
5 they're still presently in the media. When
6 we're talking about these type of things these
7 are the type of files that we used to tackle
8 when we were commercial crime was the mortgage
9 frauds. And you know, the thing is too is that
10 when we're talking about partnerships as, you
11 know, very similar to IHIT and our forensic
12 ident with our dog -- with our dog squad PDS,
13 these integrated units work really well.

14 And this is, again -- this is my personal
15 opinion based on my experience and not the views
16 of the RCMP, but just my own, is that I think
17 that integrated units having officers, all the
18 different municipalities and detachments working
19 together as -- in a fraud team, you know, would
20 bridge a lot of that gap when we're talking
21 about money laundering. Because, you know,
22 these -- you know, these types of scams -- I
23 mean, I don't know how many times -- like, there
24 was a time when I was getting two of these of
25 these phone calls from CRA scams, and I would

1 identify myself as a police officer and, you
2 know, don't call again. And this was happening
3 with all people in my family, friends, you know,
4 and it's very frustrating when -- and, again, to
5 have the bodies to deal with these. Because
6 those are frauds. They're scamming people of
7 millions of dollars on a daily basis, you know,
8 worldwide. And these funds are used to
9 propagate and augment the capacity and the
10 ability for organized crime to perpetrate other
11 criminality. It's just another way for them to
12 make money and become bigger. And it's not that
13 difficult to do, you know, being a fraud artist.
14 There's so many different ways of committing a
15 fraud, and, you know, and the moneys you're
16 talking, like -- can you hear me? Because it
17 shows my internet connection is unstable here on
18 my --

19 Q I was just getting the same message, Inspector,
20 so it might --

21 A (TF) All right. Okay.

22 Q You're fine for me. Thank you.

23 A (TF) Yeah, so, you know, the ways -- and when I
24 was in general duty, I used to say that to the
25 members on my watch, I used to say, you know,

1 somebody who's going to commit an armed robbery
2 is not a very smart criminal because it's
3 high-risk, people are scared of bank robbers,
4 you're going to do a lot of time in jail, you
5 know, if you get caught. But if you're a fraud
6 artist, you can collect millions of dollars
7 through a very well thought out fraud in days or
8 weeks and you could have -- and you could do
9 that through a shell company overseas, you
10 living in Toronto, and be 20 years old and be
11 very tech savvy. I'm just giving you a very
12 simplified example of what that is. I mean, not
13 that it could be organized crime.

14 But organized crime from my readings and my
15 experience as a police officer, you know, they
16 look for these tech savvy individuals who are
17 university graduates and all that who can get
18 into a computer system, you know, and scam the
19 numbers of people for identity theft and that's
20 millions of dollars they can use to perpetrate
21 and advance whether it's terrorist financing or
22 whatever it may be. And that's where I feel the
23 real danger is.

24 And so -- anyways just to bring that point
25 when you're talking about bridging the gap. I

1 mean, this is something that needs to be
2 really -- really identified and thought of
3 because it is important and significant.

4 MR. DAVIS: Madam Registrar, if you have access to
5 it, could I ask that you please bring up exhibit
6 number 796, please.

7 And I do believe that this was provided,
8 Mr. Commissioner, to participants in the list of
9 documents and the summary. However, I didn't
10 identify that the document had already been
11 marked as an exhibit, which my co-counsel has
12 helpfully let me know. So this is exhibit 796.

13 Q Staff Sergeant Bedford, can you see that
14 document in front of you?

15 A (KB) Yes, I can.

16 Q Is that the proposal that you were discussing,
17 the fraud proposal?

18 A (KB) Yes. That looks familiar, yep.

19 Q Okay. And I wanted to ask if either of you is
20 aware -- the Commissioner heard evidence from a
21 Mr. Jay Chaudhary about his involvement in some
22 mortgage activities and we appreciate that at
23 one point that file was referred to the RCMP by
24 FICOM, which is now known as the BCFSA. Are
25 either of you aware of that?

1 A (TF) Yeah, I'm aware of that file, and it came
2 to our attention. And, again, you know, as I
3 said before, you know, all the files that come
4 on our desk, you know, we have to go through a
5 prioritization. You know, and based on our
6 resources, you know, we have to identify whether
7 we're going to go forward with this
8 investigation or place it on a back burner.

9 You know, at the very least it becomes part
10 of our intelligence and we can use that in the
11 future should there be other factors or it comes
12 out on our computer systems, PRIME system, you
13 know, that this person is involved in other
14 criminalities and then it will move up in our
15 priority process and we'll chose to target that
16 individual. But at the time we had -- you know,
17 we took careful consideration, we read -- we
18 read the items, you know, because when FICOM,
19 you know, brought it to our attention and it was
20 decided that we were not going to go forward
21 with that at the time.

22 So it's all about priorities. You know,
23 people knock on our door on a daily or at least
24 on a weekly basis with investigations and we
25 cannot technically take everything that comes

1 our way, but you know, in order to be strategic
2 and satisfy our partners, we do take that
3 information in. You know, and it gets entered
4 into, you know, at least our intelligence
5 analyst can cipher through it and digest the
6 information and [indiscernible] to see whether,
7 you know this individual, this target is one of
8 our PTEP individuals or the individuals that we
9 need to be focusing on. And that's all it is.
10 And this is done on a daily, weekly, monthly
11 basis. We have to.

12 Q So the unit still had all of the information
13 about Mr. Chaudhary on hand to connect to
14 further cases or other cases or other matters;
15 is that fair to say?

16 A (TF) That is fair to say, yes.

17 Q Would it be a fair suggestion that the Chaudhary
18 matter might be something that would fall
19 perfectly in line with a provincial fraud unit?
20 Would you agree with that, Inspector
21 Farahbakhchian?

22 A (TF) Yeah, it's possible, yeah, when you're
23 dealing with mortgage frauds and you're dealing
24 with -- you know, and I don't remember all the
25 intricacies of that exact case, but when you're

1 dealing with real estate frauds or you're
2 dealing with trade-based money laundering where
3 you're -- well, even trade-based money where
4 you're playing with invoices and
5 underestimating, overestimating them, and you
6 know, lying on documents as they're being
7 shipped overseas. You know, all of that falls
8 into frauds, and you're circumventing CRA
9 regulation and CBSA regulations. So there is a
10 lot of things and that's why that partnership is
11 equally important.

12 But yeah, you know, this is something that
13 the commercial crime, section would definitely
14 be looking at, you know, and then working
15 together. Hey, you know, we have a money
16 laundering component here, you know, that's
17 really good; do you mind helping us out? And
18 then vice versa. It's all about working
19 together. We cannot do this by ourselves; we
20 need the help of everybody, and that includes
21 all the regulatory agencies. We have excellent
22 partnerships with all of our partners, the Law
23 Society, CRA, CBSA, Vancouver police. You know,
24 we have excellent relationships with the FBI,
25 HSI, Homeland Security, DEA, or our liaison

1 officers overseas, you know, and it's working
2 together. Working with you guys. And I
3 always -- I said that before to DOJ counsel, I
4 say, we're all on the same team; you guys are
5 all on the same team as we are. We're all in
6 the business of trying to improve our service
7 delivery to the public and catching criminals
8 who are perpetrating these crimes and putting
9 everybody else's safety and jeopardizing the
10 integrity of our economic systems. So we're all
11 on the same team and I'm so happy that I was
12 given the opportunity to testify and give, you
13 know, my opinion, my views, my experience and
14 ways maybe we can improve the way we do
15 business.

16 Q Inspector, maybe I can ask you one final
17 question and, Staff Sergeant Bedford, I'll ask
18 you the same after. We've seen a number of
19 proposals for fraud units, financial crime
20 units. Inspector Farahbakhchian, what does your
21 ideal financial crime money laundering unit look
22 like? And I don't, again, ask for specifics on
23 funding or staffing or numbers, but are there
24 elements of a successful unit that you believe
25 are necessary?

1 A (TF) You know, again, these are my views with my
2 experience as a police officer for over 29 and a
3 half years, not the views of the RCMP, and I'll
4 put the caveat to that. But, you know, I think,
5 having a unit that's integrated where you have
6 embedded Crown counsel at the get-go, you know,
7 who can navigate us through these legislative
8 challenges, as you may call them, or things that
9 we have to look out for. Having, you know, our
10 partners embedded within our unit to facilitate
11 communication, facilitated training so we can
12 all be trained together and, you know, creating
13 and having -- so we have the money laundering,
14 you know, the way we have it at FSOC is having
15 the IMET and the money laundering in the sense
16 of investigations, but having, you know, that --
17 you know, this unit that bridges the gap for all
18 these major frauds where, you know, a mortgage
19 fraud may come into play and all of a sudden,
20 you know, it fits within their mandate, but then
21 we've got all the bases covered. But if there's
22 one thing -- one thing and it is having embedded
23 Crown counsel, you know, embedded within the
24 unit. I think that is -- that would be so good.
25 You know, and special advisors is one way, but

1 counsel. All of the required people, whether
2 it's forensic accountants, accountants, whatever
3 it's going to take to make these investigations
4 successful. The resources -- got to be properly
5 resourced. We can't just do it just a
6 sprinkling of people here. That's got to be the
7 right people. They've got to be there because
8 they deserve to be there whether it's because
9 they've got a background and a certain skill
10 set. It's got to be huge. We have to have
11 people with the ability to write judicial
12 authorizations, the ability to work on a major
13 case management command triangle structure.
14 Education. When I say education, I'm talking
15 training, having continuous training,
16 understanding the dynamics of the cases we're
17 working on, working groups, sharing information.
18 All these things. You just can't -- if you put
19 20 of us in a room today and said go, tackle a
20 bunch of frauds, it's got to be more than that.
21 It's got to be strategic. It's got to be
22 something that, you know, what is it going to
23 take to push this forward, getting everybody
24 engaged and, you know, certainly having those
25 skill sets to make it happen.

1 And I -- yeah, we have -- when I was in IPOC
2 in the day we had three PPSC there, and they
3 were busy. That's three PPSC for -- and I
4 forget how many were in IPOC back in the day,
5 but that was a huge part of it. So again, much
6 like we're talking about with the gap there,
7 this is from me. It's certainly not
8 representative of the RCMP. But based on my
9 experience and what I've seen that's worked in
10 the past, certainly having that integrated
11 approach with the right people, the right
12 resources, the right mandate. And those -- the
13 knowledge, skills and abilities. I think that's
14 huge as well. And you can't just bring
15 everybody in with the same skill set of oh,
16 you've all got financial crime background. It's
17 everything, right, to bring to the table; right?
18 It's a coordinated effort. And, you know,
19 bringing our partners to the table, you know,
20 who can we embed in from the partners. Maybe
21 it's a securities exchange because they do some
22 of those investigations as well. I don't know.
23 You know, different regulatory bodies have
24 something to offer. So maybe that's something
25 we think of as well. Certainly a higher level,

1 but it's got to be an integrated approach and
2 it's got to be something that's going to be
3 workable to make it happen, and yeah, I think
4 that's my end from that perspective.

5 MR. DAVIS: Well, thank you, Staff Sergeant Bedford
6 for answering my questions today as well as you,
7 Inspector Farahbakhchian. And Mr. Commissioner,
8 those are my questions for these witnesses. I
9 can advise that the original estimate of
10 participants examinations is now down to just
11 over 20 minutes, so I don't know if now would be
12 a good time maybe for a five-minute break before
13 we commence or if you would prefer to just keep
14 on.

15 THE COMMISSIONER: If we're down to 20 minutes, I
16 think we can -- unless either of the witnesses
17 would like a short adjournment, we can press on.

18 THE WITNESS: (KB) I'm fine, Mr. Commissioner.

19 (TF) I'm fine, Mr. Commissioner.

20 THE COMMISSIONER: All right. Thank you. Let's
21 press on, then, and we'll start with Ms. Friesen
22 for the province.

23 MS. FRIESEN: Thank you, Mr. Commissioner.

24 **EXAMINATION BY MS. FRIESEN:**

25 Q Firstly, can you hear me all right?

1 A (TF) Yes.

2 (KB) Yes, I can.

3 Q Great. Thank you. My first questions are for
4 Inspector Farahbakhchian. And you spoke about
5 the staffing increases in the money laundering
6 group 2. You recall giving that evidence in
7 answer to questions from Mr. Davis?

8 A (TF) Yes, I do recall, yes.

9 Q And you gave evidence that you were able to
10 reach out to other offices. So you were talking
11 about the recent increase in staffing that
12 occurred in 2000, I believe -- sorry, just
13 recently in 2021.

14 A (TF) Yes, that is correct.

15 Q I'm stuck in time.

16 A (TF) Yes. That's fine.

17 Q Thank you. So just to give you that context,
18 and so you said that you were able to reach out
19 to other offices that you would think would be a
20 good fit to fill those positions. And that
21 included VPD secondments. Do you recall giving
22 that evidence?

23 A (TF) Yes, I do.

24 Q Okay. So I was wondering how many of the
25 positions filled were with VPD secondments?

1 A (TF) We have four.

2 Q Currently?

3 A (TF) We have four in money laundering, yes.

4 Q Okay. And it wasn't -- and that was for both
5 groups that includes --

6 A (TF) Yeah, yeah. I divided them. You know, I
7 put two in one money laundering team and then
8 I --

9 (CONNECTION INTERRUPTED)

10 MS. FRIESEN: I'm sorry, Inspector Farahbakhchian,
11 you're frozen for me. I don't know if that's
12 happening for everyone.

13 THE COMMISSIONER: I think we've lost Inspector
14 Farahbakhchian.

15 MR. DAVIS: Yes, for me as well, Mr. Commissioner.
16 Maybe a brief adjournment of five minutes to
17 give our staff a chance to sort this.

18 THE COMMISSIONER: All right. We'll need to do that.
19 Thank you. We'll stand down until we can get
20 him back.

21 THE REGISTRAR: This hearing is stood down for a few
22 minutes.

23 **(WITNESSES STOOD DOWN)**

24 **(PROCEEDINGS ADJOURNED AT 12:30 P.M.)**

25 **(PROCEEDINGS RECONVENED AT 12:33 P.M.)**

1 **TONY FARAHBAKHCHIAN, a**
2 **witness for the**
3 **commission, recalled.**
4 **KURT BEDFORD, a witness**
5 **for the commission,**
6 **recalled.**

7 THE REGISTRAR: The hearing is resumed.

8 Mr. Commissioner.

9 THE COMMISSIONER: Thank you. Yes, Ms. Friesen. I
10 won't subtract that from your allotted time.

11 MS. FRIESEN: Thank you very much, Mr. Commissioner.
12 I hadn't gotten very far.

13 **EXAMINATION BY MS. FRIESEN (continuing):**

14 Q Inspector Farahbakhchian, I was asking you about
15 the VPD secondment, and you were in the process
16 of describing how -- you had provided evidence
17 saying there are four positions currently that
18 are seconded with your group, and you had been
19 explaining how they were divided between the two
20 teams.

21 A (TF) That is correct, ma'am.

22 Q Okay. And so -- as I understood you to say
23 before you were interrupted, you divided them
24 equally between the two teams?

25 A (TF) That is correct, ma'am.

1 Q Okay. And just in response to your questions
2 from Mr. Davis, it wasn't clear to me, something
3 wasn't clear to me. I just want to clarify this
4 with you. You said you have people who left
5 their units to join your team, and when you were
6 recruiting people, you described them --
7 something to the effect of having them leave
8 their units and I'm just wondering whether in
9 addition to the seconded positions there are
10 other people who are stationed within your unit
11 who are on temporary positions, a temporary
12 assignment?

13 A (TF) No, no. These are officers who are
14 releasable from their own detachments. So, you
15 know, they have to do two years or three years,
16 dependent upon whether they were promoted or it
17 was their first posting or whatever it may be.
18 So I contact them once they're releasable and I
19 check with staffing, and then I can call them
20 and say, you know, are you interested in coming
21 over; make sure you put it on our system, our
22 HRMIS system, which is our human relations
23 system where people can put their career choices
24 and so forth, and then I will have an interview
25 with them. I will invite them over to my unit

1 and discuss with them, and find out what their
2 level of interest, give a bit of a background
3 about the unit, what they'll be doing and so
4 forth and then we can get the ball rolling.

5 Q Okay. So those are not temporary the positions;
6 those are --

7 A (TF) No, no, no.

8 Q Okay. Thank you. And it sounds as though you
9 were primarily responsible for the recruitment
10 of these individuals? It sounds like you had
11 quite a role in that?

12 A (TF) Yeah, I have a role. As the OPS officer,
13 you know, I made sure that I get the best police
14 officers to fit in within our unit. So I make
15 sure that they are qualified, you know, and that
16 they have what we're looking for in the unit.
17 Somebody who -- not necessarily financial
18 crimes, but somebody who knows how to write, you
19 know, complex information to obtain, complex --
20 we call them ITOs, you know, complex report to
21 Crown counsel, are investigatively savvy, know
22 how to interview people. Those skills we can
23 work with. So if they're coming from major
24 crimes, they're coming from IHIT, I can work
25 with that. They're hardworking people who

1 understand complexities of an investigation.

2 Q Okay. Thank you. Mr. Bedford, I have some
3 questions for you. Just regarding some evidence
4 that you provided earlier. You may recall that
5 Mr. Davis asked you whether nearly all of IMET's
6 files have a money laundering component, and you
7 spoke about that and you -- as my notes
8 indicated you said because it will take six or
9 more months to get a money laundering charge, it
10 may, and if you can't get past that hump, as you
11 described it, on money laundering charges, we
12 will stick with fraud charges, for example. Do
13 you recall giving that evidence?

14 A (KB) I do. I mean, that would be one of the
15 considerations. I'm not saying necessarily if
16 it's going to take six months. You take, you
17 know, the totality of factors into consideration
18 as to whether or not it's in the best interest
19 of that particular file to move forward without
20 those charges or do you go another six months
21 and in six months you will then gauge it and see
22 where you're at. So I do recall that. I do
23 recall that comment. All this to say is that
24 it's all very fluid and every file has its own
25 dynamics and it's a case by case situation. So

1 that was just an example. Just to clarify when
2 you said all of my files have a money laundering
3 component, it's not necessarily all the files
4 we're working on. I think just to be clear, I
5 think -- and perhaps I didn't hear Mr. Davis
6 correctly either. All of the capital market
7 type of offences out there, capital market,
8 potentially investigations we may work on might
9 have a money laundering component. Not
10 necessarily the files we have right now that
11 we're working on.

12 Q Okay. That's fine. Thanks for clarifying that.
13 But with respect to the extra time that you
14 indicated for the money laundering component of
15 a particular investigation, is that sort of
16 extra time that it would take to kind of get to
17 the money laundering component of the
18 investigation or to conclude that, is that
19 because that fraud is the predicate offence, is
20 it fair to say it's because fraud is the
21 predicate offence and then to pursue the money
22 laundering investigation and recommend charges
23 on that, that's the extra step? Is that fair to
24 say?

25 A (KB) That's right. And when I say six months,

1 I'm just saying whatever extra time based on the
2 circumstances of that file. Yes, the extra time
3 it would take to collect the evidence needed to
4 also lay the money laundering charges which
5 could be production order, judicial
6 authorizations, whatever; right? It's that
7 further collection of evidence required to get
8 to that point of recommending money laundering
9 charges as well. Yes.

10 Q Okay. Great, thanks. So it's not -- six months
11 was just an example. It might be shorter, it
12 might be longer?

13 A (KB) It's case by case. Exactly. I just threw
14 a number of out. Certainly it will depend on
15 the file and the evidence needed to get sort of
16 over that hump.

17 Q Right. So at some point you want to make a
18 judgment call to the best of your ability to
19 determine whether or not you would even pursue
20 that component of it. It may be that you just
21 pursue the fraud?

22 A (KB) That's -- exactly. Case by case. What do
23 we have, what are our pressures, do we have
24 other files waiting? All these different
25 things. You bet. I take everything into

1 consideration when we meet these decisions. I
2 mean, you have to, and it's case by case.

3 Q Right. That makes sense. So fair to say that
4 if a unit does not have the additional mandate
5 of prioritizing money laundering, for example,
6 then that unit would be more likely to stick
7 with the fraud charge?

8 A (KB) Well, definitely. If their mandate -- if
9 their particular mandate does not include money
10 laundering -- and you know what? Maybe their
11 mandate doesn't have to include money
12 laundering. I mean, it's up to each individual
13 unit, each individual unit commander to make
14 that decision at the end of the day. There's
15 nothing that says we can't add those types of
16 charges. We had just never done that in the
17 past. It's never been something we've done.
18 And I think it's because, you know, honestly we
19 have enough on our plate as it is with the
20 predicate offence; right? So it had never come
21 across as something we needed to do or that
22 we -- you know, that was necessary in order to
23 get, you know, for the file to be successful at
24 the end of the day I think is what I'm getting
25 at, if that makes sense.

1 Q Yes. Thank you. And Inspector Farahbakhchian,
2 I just had a quick question for you. You were
3 asked about the proposal for the provincial
4 financial crime unit in the context of
5 Chaudhary, and counsel, Mr. Davis, referred you
6 to exhibit 796, which was a 2016 proposal. I
7 take it, Mr. Farahbakhchian, you had no hand in
8 drafting that proposal?

9 A (TF) No. Not in 2016.

10 Q No. Or submitting it or anything like that?

11 A (TF) No.

12 Q And, Mr. Bedford, with respect to that same
13 proposal, you said you had a hand in putting it
14 together, but you did not submit that proposal;
15 is that accurate?

16 A (KB) So no, I had a hand in it, but at the end
17 of the day it needed to go up to our management
18 within headquarters, so once we completed it in
19 financial integrity, we put together the
20 business case. Then it would just go up the
21 reporting lines and then -- I think it actually
22 went to the top, but don't quote me, but it had
23 to go to a certain level for approval obviously;
24 right? But once we did it, it then went off
25 to -- I believe it was our superintendent of the

1 day. It wouldn't have been Superintendent
2 Taylor, but the superintendent of the day, who
3 would have reviewed it, approved it and then he
4 would have moved it up his reporting line, is
5 sort of how that would have worked.

6 Q Right. And that was the end of your
7 involvement?

8 A (KB) That's correct.

9 MS. FRIESEN: Okay. Thank you. Those are my
10 questions.

11 THE COMMISSIONER: Thank you, Ms. Friesen.

12 I'll turn now to Ms. George for the Law
13 Society, who has been allocated five minutes.

14 MS. GEORGE: Thank you, Mr. Commissioner. Having
15 heard the direct examination, we have no
16 questions for these witnesses.

17 THE COMMISSIONER: Thank you, Ms. George.

18 Mr. Leung for the BC Lottery Corporation,
19 who has been allocated 10 minutes.

20 MR. LEUNG: I also have no questions for this panel.
21 Thank you.

22 THE COMMISSIONER: Thank you, Mr. Leung.

23 Mr. Rauch-Davis for Transparency
24 International Coalition, who has been allocated
25 15 minutes.

1 MR. RAUCH-DAVIS: Thank you, Mr. Commissioner.

2 **EXAMINATION BY MR. RAUCH-DAVIS:**

3 Q Staff Sergeant Bedford and Inspector
4 Farahbakhchian, can you hear me okay?

5 A (TF) I can.

6 Q The first batch of questions will be to you,
7 Staff Sergeant Bedford. I have a note from your
8 evidence this morning to the effect of if you
9 had more officers you could be more proactive in
10 talking to partners and brokers. And picking up
11 on that, I'm wondering do you consider there to
12 be an issue in detecting fraud and financial
13 crimes as contained within IMET's mandates?

14 A (KB) Oh, I think with our partners I think we
15 have a good hand in that. I just think getting
16 us out there, like anything, getting us out
17 there and letting our, you know -- whether it's
18 brokers or whatever, know that we're there;
19 right? We're just being proactive, you know,
20 pounding the pavement, call it what you want;
21 right? Even going to the detachments. We used
22 to -- back in the day we'd go to detachments
23 because quite often detachments are unaware that
24 we exist. Especially since we were disbanded in
25 2012.

1 So it's getting us out there to let people
2 know that we are here, we're back, we're pushing
3 forward on our mandate, we're investigating
4 files. Like, we don't have -- IMET -- you know,
5 it's not like some potentially -- like IHIT,
6 it's all over the news; right? You know, for
7 some reason IMET is not all over the news. I
8 don't know why. But, you know, all kidding
9 aside it's that proactive mandate and getting
10 out there and just letting people know all walks
11 of life, you know, the old adage of walking down
12 Howe Street, right, and letting people know that
13 we're here, and we're looking at, you know,
14 moving our mandate forward. So it's more of an
15 educational piece. That's all I was getting at
16 more than anything else.

17 Q I see. So I take it most of the referrals that
18 come to IMET they're coming as referrals from I
19 think you mentioned the BCSC and other partners
20 and stakeholders.

21 A (KB) As well as detachments.

22 Q As well as detachments.

23 A (KB) You bet. You know, often when people call
24 about, you know, a stock fraud or something
25 along those lines they reach out to their local

1 detachment or police department. It could be
2 Port Moody or whatever. And then from that, you
3 know, initial complaint, then they will
4 hopefully reach out to us if they can't -- if
5 they don't have the manpower or they don't have
6 the skill set, whatever, to investigate those
7 files. So yeah, it could be from a different
8 amount of sources, but certainly yeah, referrals
9 from our partners, that's a big source of
10 referrals as well.

11 Q Thank you. And, Inspector Farahbakhchian,
12 similar line of questions. I have a note from
13 your evidence that -- or actually it's from the
14 definition revision. When money laundering is
15 deemed -- money laundering is deemed a priority
16 only when it's the primary criminal activity or
17 main focus of the investigation, and then
18 there's a reference to professional money
19 launderers. So I guess my question for you is
20 how would your department or your team detect
21 and gain intelligence on these professional
22 money launderers?

23 A (TF) We -- I depend a lot on our analysts
24 because you know [indiscernible] our strategies
25 to the intelligence, so they would have, you

1 know, a lot of those details, you know, that we
2 would need to make that decision. And, you
3 know, they can create a chart as to who was
4 involved, what organized crime groups are active
5 in our jurisdiction or with [indiscernible].

6 MR. RAUCH-DAVIS: I'm not sure if we have lost the
7 Inspector again.

8 THE COMMISSIONER: We have. I think once again we'll
9 have to stand down just to retrieve him. We'll
10 stand down just to await his return.

11 MR. RAUCH-DAVIS: Thank you.

12 THE REGISTRAR: This hearing is stood down.

13 **(WITNESSES STOOD DOWN)**

14 **(PROCEEDINGS ADJOURNED AT 12:47 P.M.)**

15 **(PROCEEDINGS RECONVENED AT 12:48 P.M.)**

16 **TONY FARAHBAKHCHIAN, a**
17 **witness for the**
18 **commission, recalled.**
19 **KURT BEDFORD, a witness**
20 **for the commission,**
21 **recalled.**

22 THE REGISTRAR: The hearing is now resumed,
23 Mr. Commissioner.

24 THE COMMISSIONER: Thank you, Madam Registrar. I
25 think I pushed us ahead a little too quickly.

1 Go ahead, Mr. Rauch-Davis.

2 MR. RAUCH-DAVIS: Thank you.

3 **EXAMINATION BY MR. RAUCH-DAVIS (continuing):**

4 Q Inspector Farahbakhchian, I believe when you cut
5 off you were mentioning, you talking about, I
6 think, the intelligence-led aspect of your team.

7 A (TF) That is correct. And I forget your
8 original question now. But you know --

9 Q I can repeat it if you like.

10 A (TF) I think the basic of it, I forget your
11 question.

12 Q Okay. Sure. My question is just how does your
13 team detect and gain intelligence on the
14 professional money launderers referenced in the
15 definition revision that my friend Mr. Davis
16 took you to earlier today?

17 A (TF) Oh, it's through the data that we collect
18 from detachments. It is data that we collect
19 from our partner agencies that can share
20 information with us, from the FBI, from our US
21 partners, European counterparts, from our
22 liaison officers. It is a multitude of
23 information that is collected and analyzed.

24 Q I see. I would like to pick up on the
25 intelligence-led policing that you referenced.

1 My understanding is that the RCMP generally
2 operates on an intelligence-led policing model.

3 Do I have that right?

4 A (TF) That is correct, yes.

5 Q And that involves things like proactive
6 cultivation of intelligence through human
7 sources, other information gathering techniques
8 to better identify priorities and investigation
9 topics?

10 A (TF) Well, that's part of it. You know, a lot
11 of it is analytical stuff from looking at
12 FINTRAC disclosures, looking at information.
13 You know, some of it comes from confidential
14 informant information, but then a lot of just
15 good investigative police work. And there's a
16 multitude of different databases that we can
17 look into and, you know, and work from now, work
18 from that.

19 Q Does your team take any steps to cultivate human
20 sources, to further your efforts?

21 A (TF) Oh, yes. That's part of what we do. It's
22 an important facet of our organized crime
23 section.

24 Q All right. And, Staff Sergeant Bedford, same
25 question. Do you guys also -- does IMET also

1 operate on the intelligence-led policing model?

2 A (KB) Yeah, that's part of what we do. You bet.
3 That's part of it. I mean, taking everything
4 else into consideration, that's -- you bet. I
5 mean, we have to. That's critical.

6 Q And, Staff Sergeant, I have another note from
7 your evidence this morning kind of about bigger
8 files take a lot of resources and then some sort
9 of cost benefit analysis is done by your office.
10 Picking up on the fact that you have a lot of
11 discretion compared to Inspector Farahbakhchian,
12 I guess my question is what types of
13 considerations would go into the cost benefit
14 analysis, if I can put it that way, to pursue a
15 bigger file or not?

16 A (KB) Did I talk about that? I'm just trying to
17 recollect here.

18 Q Maybe my note is off. But my note is that when
19 bigger files come across your desk, that a
20 decision has to be made whether to pursue it.

21 A (KB) Okay. Well, regardless, I can speak to it.
22 And as far as the cost benefit analysis, for me,
23 you know, that would be -- that's part of it. I
24 think you have to understand, you know, for us
25 it's the integrity of the capital markets, you

1 know, looking at our mandate; right? There's
2 different parts to that mandate; right? Is
3 there a regional significance, national
4 significance, investor confidence. All these
5 things are critical. The cost benefit analysis
6 to me is not as critical as, you know, the
7 actual threats posed to investor confidence,
8 economic stability of Canada. At the end of the
9 day, you know, unless we're doing very expensive
10 police techniques, unless there's an extra, you
11 know, huge extra cost to these types of
12 investigations, that doesn't come into play as
13 it would on a huge, large project where maybe
14 you're doing, you know, a wiretap, you're having
15 to travel all across North America. I mean,
16 it's really those huge projects where you've
17 really got to take that into consideration as
18 opposed to the projects where most of it's done
19 on a regional or a local level sort of thing. I
20 mean, you take everything into consideration.
21 It's all about accountability. Accountability
22 is huge in my mind and that accountability
23 portion is of course the cost. You know, what's
24 the cost of this investigation and if it's
25 extremely expensive, what are the expected

1 outcomes? That's just part of the formula.

2 Q Right. And in terms of expected outcomes, I
3 think you may have alluded to it, but it's not
4 just a dollar in, dollar out analysis. It's
5 kind of a socioeconomic impact, disruption, all
6 of these types of considerations go into it?

7 A (KB) You bet. Exactly.

8 Q And I guess with the new directive that my
9 friend took you to directing your unit among
10 others to look at money laundering, if I could
11 put it briefly, do you expect the considerations
12 to change when you undertake that type of
13 analysis?

14 A (KB) Of our original mandate, like before the
15 money laundering component was added?

16 Q I mean now that it has been added. Do you
17 expect that there would be a change when you get
18 one of these bigger files with a money
19 laundering component with this new mandate that
20 would factor into your analysis now, I guess?

21 A (KB) You would factor in, but at the end of the
22 day, you know, what's the threat to the capital
23 markets, the integrity of capital markets,
24 investors, you know, how do we put all that
25 together. So, you know, looking at it from sort

1 of a higher level, I don't think it's going to
2 make a difference. Hopefully it's going to add
3 to everything. But it shouldn't detract away
4 from our primary focus of that particular
5 investigation, which is probably going to be
6 some sort of capital market fraud investigation.

7 Q Thank you. Inspector Farahbakhchian, my last
8 set of questions is for you. I think I have a
9 note that you mentioned the number of officers
10 at FSOC is not as important as having a clear
11 mandate. Do you recall giving that evidence
12 this morning?

13 A (TF) Yeah. I mean, you know, having a clear
14 mandate helps us focus. And so regardless of
15 the amount of officers you have at hand, it
16 helps you prioritize what is important. If you
17 don't know what's important then you're going to
18 have a shotgun approach. But if you know what
19 you're looking for, then you're going to be very
20 surgical in your analysis and focus.

21 Q All right. And so I take it -- would you agree
22 that at least historically there was an
23 ambiguous or unclear mandate on investigating
24 and chasing down these money laundering charges
25 or offences?

1 Staff Sergeant Bedford, for the time you've
2 taken to share your experience and insights with
3 the commission. It has been helpful. You are
4 now excused from further testimony.

5 **(WITNESSES EXCUSED)**

6 THE COMMISSIONER: And we will adjourn until tomorrow
7 morning at 9:30, Mr. Davis.

8 MR. DAVIS: Thank you very much, sir.

9 MR. FARAHBAKHCHIAN: Thank you.

10 MR. BEDFORD: Thank you.

11 THE REGISTRAR: The hearing is now adjourned until
12 April 16th, 2021, at 9:30 a.m. Thank you.

13 **(PROCEEDINGS ADJOURNED AT 12:58 P.M. TO APRIL 16, 2021)**

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