

**PROCEEDINGS AT HEARING
OF
APRIL 22, 2021**

COMMISSIONER AUSTIN F. CULLEN

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April 22, 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, Ms. Latimer.

MS. LATIMER: Yes, Mr. Commissioner. Our next witness is Deputy Minister Lori Wanamaker, and I understand the witness prefers to be affirmed.

THE COMMISSIONER: Thank you.

**LORI WANAMAKER, a
witness called for the
commission, affirmed.**

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

THE WITNESS: Lori Margaret Wanamaker, L-o-r-i
W-a-n-a-m-a-k-e-r.

THE REGISTRAR: Thank you.

THE COMMISSIONER: Yes, Ms. Latimer.

EXAMINATION BY MS. LATIMER:

Q Thank you. Good morning, Ms. Wanamaker. Can you hear me okay?

A I can.

Q Great. I wanted to begin just by asking you

1 some questions about your professional
2 background, and I understand you've been a
3 member of the BC Public Service since 1990. Is
4 that right?

5 A That's correct.

6 Q And you were appointed Deputy Minister in 2005
7 and have held eight different Deputy Minister
8 portfolios since then; is that correct?

9 A That's correct.

10 Q You were a Deputy Minister in the Ministry of
11 Public Safety and Solicitor General from 2010 to
12 2016; correct?

13 A Correct.

14 Q And you are currently the Deputy Minister to the
15 Premier, Cabinet Secretary and Head of BC Public
16 Service; is that correct?

17 A That's correct.

18 Q Okay. I wanted to ask you some questions about
19 your experience with the gaming industry in
20 particular. As a Deputy Minister for Public
21 Safety and Solicitor General, beginning in 2010,
22 was that an area that you had responsibility
23 for?

24 A Yes, it was.

25 Q And did your responsibility for that -- the

1 gaming industry continue when gaming was shifted
2 to the Ministry of Energy, Mines and Natural Gas
3 in September 2012?

4 A It did continue for a period of time. I'm not
5 sure if the date was September of 2012, though.

6 Q Okay. But was it in or around 2012?

7 A Yeah, I believe it was earlier in the year than
8 September.

9 Q Okay. And did you have responsibility for
10 gaming up until 2013?

11 A No, I did not. I believe my responsibilities
12 for gaming ended when the gaming portfolio was
13 transferred to energy/mines. I continued
14 providing some administrative leadership to the
15 program until it was fully transferred to
16 energy/mines.

17 Q Okay. During the course of your tenure with the
18 public service, the gaming portfolio has been
19 reassigned to a number of different ministries
20 at different times. Do you know why those
21 shifts occurred?

22 A If you follow the way programs move around
23 government, you'll see that often programs are
24 moved around in order for government to achieve
25 specific objectives. So programs often shift

1 from ministry to ministry in order for that to
2 be accomplished.

3 Q Okay. The shift to the Ministry of Energy,
4 Mines and Natural Gas isn't a sort of obvious
5 one. Do you have any insight into why that
6 shift occurred?

7 A I can't speak specifically to why the decision
8 was made. The movement of programs between
9 ministries is the prerogative of the Premier,
10 but I -- my opinion is that Minister Coleman had
11 expressed a desire to continue to provide
12 leadership on that file and it was transferred
13 to him.

14 Q Okay. For a Deputy Minister, what, if any, are
15 the practical impacts of those kinds of shifts
16 of a piece of a portfolio between ministries?

17 A It's largely administrative, especially with a
18 file like gaming which was very much
19 self-contained, so it would involve moving the
20 administrative pieces, the finance, the human
21 resource support, the technology from one
22 ministry's support network into another.

23 Q When you took over responsibility for the gaming
24 piece of the portfolio in 2010, did you have any
25 prior experience with the gaming industry?

1 A I did not.

2 Q How were you initially briefed to get up to
3 speed on that industry?

4 A I can't speak specifically to what happened in
5 2010 because I don't recall the specifics of it,
6 but if it's helpful I can tell you what the
7 normal practice would be.

8 Q That would be helpful. Thank you.

9 A So with the shift of a program, there would
10 normally be verbal briefings between a deputy
11 and an Assistant Deputy Minister, perhaps some
12 of the senior staff in a file would also brief
13 the Deputy Minister and a transition binder
14 would be prepared. The binder would contain
15 details of the structure of the branch, the
16 budget, the human resources and details of any
17 significant issues or decisions that would be
18 required over a very short period of time.

19 Q Is your -- do I understand your evidence that
20 you don't have any specific recollection of the
21 briefing in respect of the gaming portfolio in
22 2010?

23 A That's correct.

24 Q Okay. In giving evidence before this
25 commission, Mr. Schalk described a meeting in

1 2008 where Mr. Vander Graaf got up and spoke
2 about how suspicious currency and the proceeds
3 of crime coming into casinos was a significant
4 issue that would wake him up at night. In
5 fairness to Mr. Schalk, he was unsure about who
6 was present at the meeting, but he said it was a
7 fairly new deputy minister and when your name
8 was suggested he adopted that suggestion. Given
9 that time frame I just wanted to give you an
10 opportunity to answer whether you were in fact
11 at that meeting in 2008.

12 A I was not.

13 Q Okay. Have you ever attended a meeting like
14 that, the one that I've just described?

15 A I have not.

16 Q Okay. Do you recall a meeting in 2010 with
17 Mr. Vander Graaf and Minister Coleman at GPEB's
18 Burnaby office?

19 A I do.

20 Q What do you recall about that meeting?

21 A I had attended an event earlier in the morning,
22 meetings with Minister Coleman. We arrived late
23 to the meeting at GPEB. We met with Larry
24 Vander Graaf in his office for a very short
25 period of time. My recollection is it would

1 probably have been 15 or 20 minutes at the most.

2 Q What topics were discussed at that meeting to
3 your recollection?

4 A I only recall one topic that was discussed, and
5 it was a topic related to Mr. Vander Graaf was
6 requesting Minister Coleman's permission and
7 authorization for the GPEB investigators to
8 carry sidearms.

9 Q Did he put forward a rationale for that request?

10 A To the best of my recollection his justification
11 was that there were bad people going into
12 casinos and that the GPEB investigators were
13 unarmed.

14 Q Okay. What was Minister Coleman's reaction to
15 that request?

16 A He declined the request and suggested that we
17 should be engaging with the police of
18 jurisdiction.

19 Q Okay. Do you recall Minister Coleman stating
20 during that conversation that -- asking
21 Mr. Vander Graaf, what's this about money
22 laundering, or words to that effect?

23 A I do not.

24 Q Do you recall Mr. Vander Graaf describing
25 patrons bringing cash into casinos in bundles of

1 \$10,000, largely made up of \$20 bills?

2 A I do not.

3 Q Do you recall Mr. Vander Graaf associating large
4 quantities of \$20 bills to drug dealers?

5 A No.

6 Q Do you recall whether the bad people that
7 Mr. Vander Graaf referred to were drug dealers
8 that he was concerned about?

9 A I do not.

10 Q Do you recall Mr. Vander Graaf identifying cash
11 transactions in casinos as a horrendous problem?

12 A No, I do not.

13 Q Do you recall him indicating that money
14 laundering was an integrity issue for gaming at
15 this time?

16 A I do not.

17 Q Do you recall him recommending that government
18 should restrict the number of \$20 bills that
19 should be accepted at casinos?

20 A I do not.

21 Q Were you aware of any of those issues at this
22 time?

23 A Not that I recall.

24 Q Okay. During the course of your tenure, you had
25 two general managers of GPEB reporting to you;

1 is that correct?

2 A That's correct.

3 Q The first was Derek Sturko and then Doug Scott;
4 correct?

5 A Yep.

6 Q Did you have similar reporting relationships
7 with those two gentlemen?

8 A I did.

9 Q Can you describe how that reporting relationship
10 was structured?

11 A Again, I can't describe specifically with
12 Mr. Sturko or Mr. Scott, but I am happy to
13 describe how I -- the general relationship that
14 I would have with an Assistant Deputy Minister.

15 Q That would be helpful.

16 A So my general practice is to meet with my direct
17 reports either every two weeks or each month to
18 discuss issues significant to the program area,
19 including projects underway, upcoming meetings,
20 staffing, budget. In the case of Mr. Scott, he
21 was new to the BC Public Service, and we did
22 spend a significant amount of time on
23 orientation to make sure that he was well
24 integrated into the public service. So this has
25 been my practice over the last 17 years and I

1 expect that I interacted with both Mr. Sturko
2 and Mr. Scott in the same way.

3 Q Okay. If a program that's sort of under your
4 purview is experiencing particular challenges
5 would the frequency of those meetings increase,
6 or does it stay sort of steady over time?

7 A It would definitely increase.

8 Q What were your early impressions of the gaming
9 industry?

10 A I don't recall having any significant
11 impressions.

12 Q Okay. At some point did you become aware of a
13 concern that there was a large volume of
14 suspicious cash coming through BC casinos?

15 A I did.

16 Q When and how was that concern brought to your
17 attention?

18 A I believe there were a number of media stories
19 at the beginning of January in 2011 and that's
20 when it came to my attention.

21 Q Prior to the media stories had either anyone
22 from GPEB or the General Manager or anyone at
23 BCLC raise that issue to your attention?

24 A Not that I recall.

25 Q What did you do in response to learning about

1 this issue from the media?

2 A Again, I cannot -- I can't describe specifically
3 what happened. I can describe generally what --
4 based on the subsequent Kroeker Report what I
5 believe would have happened based on my past
6 practice.

7 Q Okay.

8 A So I would have had a conversation with Minister
9 Coleman to discuss the stories. We would have
10 decided that we needed more information. I went
11 back to the ministry and selected the person on
12 my staff who was the best suited to do that
13 review. In this situation it was Mr. Kroeker.
14 He has both law enforcement and a legal
15 background as well as at the time he was the
16 executive director for the civil forfeiture
17 office.

18 We would have developed terms of reference
19 within the ministry. Those terms of reference
20 would have been informed by the media stories
21 and also by discussions with GPEB and presumably
22 BCLC. We would have met with Minister Coleman.
23 He would have approved the terms of reference
24 and Rob would have undertaken the review.

25 Q Okay. Prior to the Kroeker Report, which I'm

1 going to come to discuss with you in a moment,
2 did anyone ever suggest to you -- well, I guess
3 the issue just hadn't been raised to your
4 attention; is that correct?

5 A That is correct.

6 Q Okay. Then just before moving on to the Kroeker
7 Report, could you just describe the reporting
8 relationship you had, if any, with the BC lotto
9 corporation in this role?

10 A I had no -- there was no reporting relationship
11 between myself and BC Lottery Corporation. The
12 chair would have reported to the minister, and
13 the CEO and I were peers, but there was no
14 reporting relationship.

15 Q But did you receive briefings from the BC lotto
16 corporation from time to time?

17 A From time to time, that's correct.

18 Q And who would have done those briefings?

19 A The CEO, Michael Graydon.

20 Q Okay. And how regularly would that occur?

21 A To the best of my memory, quarterly at the most.

22 Q And I take it none of those briefings prior to
23 the Kroeker Report raised the issue of
24 suspicious cash in casinos. Is that right?

25 A That's correct. I should also add that I may

1 not have even met with BC lotteries before the
2 Kroeker review. I became the deputy right at
3 the end of October of 2010.

4 Q Okay.

5 A So it's possible I hadn't met them yet.

6 Q Okay. Do you have any recollection of your
7 discussion with Mr. Kroeker about the terms of
8 reference for this report or about engaging him
9 to undertake this review?

10 A I do not.

11 Q Okay. Did you understand at the time that the
12 minister was receiving contradictory information
13 from GPEB and the BC lotto corporation?

14 A I don't recall.

15 Q Okay. You don't recall any difference of
16 opinion between those two entities in respect of
17 suspicious cash in or around this time?

18 A I don't recall. Although it would not have been
19 unusual for there to be a certain amount of
20 tension between a regulator and the regulated.
21 That's not unusual in my experience.

22 Q Okay. Mr. Kroeker prepared his 2011 summary
23 review "Anti-Money Laundering Measures At BC
24 Gaming Facilities." Did you have any role in
25 the preparation of that report?

1 A The report was prepared by Mr. Kroeker. I would
2 have seen drafts, but I did not have input into
3 it.

4 Q Okay. You didn't provide feedback on any
5 drafts, for example?

6 A I would have provided feedback, my feedback.
7 I'm not a subject matter expert, so my feedback
8 would have been around the presentation of the
9 report as opposed to the content.

10 Q Okay. Did you review any substantive feedback
11 from other people or entities that was provided
12 to Mr. Kroeker?

13 A I did not.

14 Q What was your reaction to Mr. Kroeker's report?

15 A The report is concise. It provided a series of
16 recommendations that on the face appear to be
17 easily implemented, and he provided some
18 assurance in the report that the functioning of
19 GPEB and of the BC Lottery Corporation was
20 appropriate in the circumstances.

21 Q Okay. One recommendation in that report is for
22 a cross agency task force. That recommendation
23 was not implemented right away; is that right?

24 A That's correct.

25 Q And do you recall the rationale for not

1 implementing that recommendation right away?

2 A I don't recall specifically related to that
3 recommendation. Although when I read it today I
4 expect that it was -- there were a series of
5 recommendations that were easily implementable
6 and could be done with minimal delay. Cross
7 agency task forces are more complicated to set
8 up and much more expensive. My guess is that we
9 prioritized the recommendations, implemented the
10 ones that we thought would make the most
11 difference at the time.

12 Q And that recommendation never was adopted during
13 your tenure or responsibility over this piece of
14 the portfolio; is that correct?

15 A That's correct.

16 Q Was that a missed opportunity in hindsight?

17 A I can't speak to that. I don't know.

18 Q But what was developed was a cross-divisional
19 working group, and that was set up in or around
20 September 2011; is that correct?

21 A That's my understanding.

22 Q And were you briefed on an ongoing basis about
23 the activities of that group?

24 A I would have been.

25 Q Okay. Did Mr. -- would those briefings have

1 been done by Mr. Scott?

2 A That's correct.

3 Q Was he keeping you apprised of the -- sort of
4 the issue of suspicious cash transactions as it
5 developed during this period of time?

6 A He would have done so.

7 Q Did he tell you that there were hundreds of
8 thousands of dollars in suspicious cash
9 transactions occurring in BC casinos?

10 A Not that I recall.

11 Q Did he raise to your attention his belief that
12 the cash might be the proceeds of crime?

13 A Not that I recall.

14 Q Was that a concern that you had at the time?

15 A No, I don't believe I did.

16 Q Did he raise to your attention his belief that
17 money laundering was occurring in BC casinos?

18 A Not that I recall.

19 Q Okay. Was that a concern of yours at the time?

20 A No, I don't believe it was.

21 Q Did you have any view about where the suspicious
22 cash was coming from?

23 A I don't recall.

24 Q Okay. Did Mr. Scott advise you that although he
25 would implement the Kroeker Report he didn't

1 think the strategy would work and that it
2 wouldn't be enough to solve the problem?

3 A I don't recall.

4 Q Did he tell you that a different strategy was
5 needed in order to solve the problem?

6 A Not that I recall.

7 Q Do you recall telling Mr. Scott to go and build
8 a strategy?

9 A I don't recall, but that is language that I
10 would have used if he raised concerns with me.

11 Q Okay. Do you recall that eventually what was
12 developed was a three-phase strategy?

13 A No, I don't.

14 Q Did Mr. Scott tell you that both the quantum of
15 cash and of suspicious transactions was
16 increasing?

17 A Not that I recall.

18 Q Did he tell you that it was primarily made up of
19 \$20 bills?

20 A Not that I recall.

21 Q Okay. Did he provide any information to you
22 about suspicious loans occurring in or around
23 casinos?

24 A Not that I recall.

25 Q Okay. Do you recall discussion about cash

1 alternatives as one aspect of the three-phase
2 strategy?

3 A I do.

4 Q Do you recall any other features of that
5 strategy?

6 A Not specifically.

7 Q Okay. Did Mr. Scott ever communicate to you
8 that if the anti-money laundering strategy
9 didn't work, you would have to look at other
10 measures such as cash caps in casinos?

11 A Not that I recall, but it does strike me that if
12 the implementation of the Kroeker
13 recommendations wasn't effective that we would
14 have to look at a different strategy.

15 Q Okay. If a suggestion like that was made, what
16 would be required of someone in Mr. Scott's
17 position to pursue a change like that, either a
18 regulatory change or through a ministerial
19 directive or otherwise?

20 A So what you would have to do is gather data and
21 do the analysis of your proposed solution and
22 the options available to you. Depending on the
23 nature of it, you may be required to do a
24 cabinet submission or a treasury board
25 submission. You would need to seek the consent

1 of the minister to bring it forward, and it
2 would go either to cabinet or to a cabinet
3 committee.

4 Q When you say you'd need to collect the data, is
5 the data that you'd be looking at the impact on
6 revenue?

7 A It would be a variety of data. Impact on
8 revenue, likelihood that the measure would be
9 successful, the cost of implementing the
10 recommendation if there was costs attached to
11 it. So you capture a broad range of data.
12 Including the analysis of what the issue was
13 that you were trying to fix.

14 Q Okay. And no suggestion like that was ever
15 brought forward to your attention; is that
16 right?

17 A I don't believe so.

18 Q Okay. I want to shift now to discuss a
19 shareholder letters of expectations that are
20 given to the BC lotto corporation.

21 A Certainly.

22 Q First of all, how are those developed?

23 A Shareholder letters of expectation are developed
24 between the Crown corporation and the ministry
25 responsible. Usually takes -- depending on the

1 nature of the letters, it usually starts in the
2 fall as part of the budget process and the
3 letters are finalized towards the end of
4 November.

5 Q What's the purpose of those documents?

6 A To provide Crown corporations with the
7 direction, with the direction of the government,
8 including government priorities, generally
9 speaking, as well as specific priorities that
10 the government might have for the Crown
11 corporation.

12 MS. LATIMER: Okay. And, Madam Registrar, can I ask,
13 please, to have exhibit 501, appendix 7,
14 displayed for the witness, please. And if we
15 could just go to the next page.

16 Q Do you recognize this as the letter of
17 expectations to the BC Lottery Corporation for
18 the 2012, 2013 period?

19 A I recognize the format.

20 Q Okay.

21 A So yes.

22 MS. LATIMER: Okay. If we go to page 2, please, of
23 the document, Madam Registrar.

24 Q You'll see about a quarter of the way down the
25 page here, there's a heading "Specific

1 Corporation Accountabilities." Do you see that?

2 It's the second heading.

3 A Oh, yes, yes, I do.

4 Q And it says:

5 "To achieve this mandate, the corporation
6 is directed to take the following specific
7 actions."

8 And there's a number of bullet points and I'm
9 directing you to the fourth and fifth bullets,
10 which begin with the word "enhance" both of
11 them. It says:

12 "Enhance [its] compliance policies and
13 programs specific to anti-money laundering
14 measures and enforcing age restrictions at
15 gaming facilities."

16 And also:

17 "Enhance ... compliance and enforcement
18 programs specific to anti-money laundering
19 including implementing the action plan in
20 the Province's Anti-Money Laundering
21 Review."

22 So first of all, my first question is if I tell
23 you there is no similar language in the 2011,
24 2012 shareholder letter of expectations, would
25 that surprise you?

1 A No, it would not.

2 Q Okay. Does this change between the content of
3 the two letters, what accounts for that change?

4 A So this letter would have been developed between
5 September and the end of November of 2011 for
6 the 2012/13 fiscal year. So the Kroeker Report
7 was completed in February of 2011, which is why
8 you see these bullets reflected in this letter.
9 The previous letter would have been developed
10 September to November of 2010.

11 Q Okay. Does the incorporation of this, these
12 bullet points into this letter, does that
13 reflect an enhanced focus on anti-money
14 laundering on the part of government at this
15 time?

16 A Yes, it does.

17 Q The second bullet in the same list talks about
18 optimizing the corporation's financial
19 performance within the gaming framework, and I
20 was hoping you could tell the Commissioner about
21 what communications are made between government
22 and the lotto corporation in respect of this
23 expectation to optimize the corporation's
24 financial performance?

25 A Crown corporations, as a matter of course,

1 report into treasury board during the budget
2 process. They'll report on both their
3 anticipated expenditures for the upcoming year
4 but also on their anticipated revenue stream and
5 any large capital investments that they'll be
6 making. They seek treasury board approval of
7 those details.

8 Q Okay. Is there a tension between this direction
9 to optimize financial performance and this
10 requirement to enhance compliance or enforcement
11 program specific to anti-money laundering?

12 A There's a tension there between the two
13 deliverables, but it's not insurmountable. The
14 fact that the corporation is being asked to
15 improve or enhance its compliance and
16 enforcement specific to anti-money laundering
17 and that they're being asked to optimize the
18 revenue can coexist.

19 Q Okay. Do you have any role in helping the
20 corporation to balance those sort of competing
21 priorities?

22 A I would have discussed the deliverables with the
23 corporation, but I have no formal role in that.

24 MS. LATIMER: Okay. I don't need that displayed any
25 longer, Madam Registrar. Thank you.

1 Q Okay. Did you voice those concerns to anybody?

2 A I did.

3 Q Who?

4 A Don Wright.

5 Q And who is Don Wright?

6 A Don Wright was my predecessor in this job.

7 Q What was his reaction to you voicing those
8 concerns?

9 A I think Don shared my concerns, and to be clear,
10 my concerns were focused on the report, not on
11 the recommendations in the report.

12 Q Okay. What would you have expected to see in
13 terms of data or methodology for a report like
14 this?

15 A I would have expected to see that we would have
16 pulled on the data available through GPEB and
17 BCLC to show the report spanned a number of
18 years, more than 15 years. I would have
19 expected to see the data series over that time
20 to demonstrate where problems existed and to
21 support recommendations.

22 Q Okay. And you've made the point that your
23 concerns about the methodology didn't impact
24 your view about the recommendations. Can you
25 just help unpack that a little bit for us.

1 A Sure. The recommendations were put through a
2 rigorous process of analysis and data gathering
3 before they were implemented. So the subject
4 matter experts and staff supporting the deputy
5 minister's committee looked at each
6 recommendation individually and within the
7 context of the gaming system to make sure that
8 they made sense. Data was gathered. We drew on
9 a broad range of expertise before decisions were
10 made either to implement as written or to
11 implement with change.

12 Q Okay. Did this committee also consider a report
13 produced by Ernst & Young that looked at cheques
14 in casinos?

15 A Yes, we did.

16 Q And what do you recall about that report, or
17 what did you take from it?

18 A Yeah. What I recall from the report was that
19 the issue of cheques being -- people coming into
20 casinos and gaming for a small period of time
21 and then having a cheque -- having their cash
22 returned to them as a cheque was not as
23 significant of issue as it had been reported.

24 Q When you say it had been reported, who was
25 reporting that as a significant issue?

1 A I believe it was a media report.

2 Q Okay. You didn't understand, or did you, that
3 that was the focus of Dr. German's concerns?

4 A I did not.

5 Q Okay. Are you still a member of that committee?

6 A No, I am not.

7 MS. LATIMER: Thank you. Those are all my questions
8 for this witness, Mr. Commissioner.

9 THE COMMISSIONER: Thank you, Ms. Latimer.

10 I'll turn now to Mr. Smart on behalf of the
11 BC Lottery Corporation, who has been allocated
12 20 minutes.

13 MR. SMART: Thank you.

14 **EXAMINATION BY MR. SMART:**

15 Q Let me ask you, Ms. Wanamaker, about a
16 conversation with -- you were asked about by
17 Ms. Latimer with Mr. Vander Graaf and Minister
18 Coleman. You were asked whether you recall
19 Mr. Vander Graaf identifying cash transactions
20 in casinos as a horrendous problem. And your
21 evidence has been that you don't recall. Do you
22 think if that description had been given at the
23 meeting that's something you would likely
24 recall?

25 A I believe I would have recalled that.

1 Q Yes. You were also -- you weren't asked about
2 this, but it's referred to in your will-state.
3 Mr. Vander Graaf described patrons bringing cash
4 into casinos in bundles of \$10,000 in \$20 bills,
5 and Minister Coleman telling Mr. Vander Graaf he
6 knows lots of people who carry \$10,000 in cash
7 with them and Mr. Vander Graaf saying something
8 to the effect, then you better check out your
9 friends. Do you remember something like that
10 happening?

11 A I do not.

12 Q Is that something you think you would remember?

13 A I think I would have.

14 Q Yes. Do you recall Mr. Vander Graaf saying what
15 I asked you about, this horrendous problem, and
16 indicating large quantities of \$20 bills as
17 problems for drug dealers, and some further
18 conversation that you apparently said "Rich, we
19 have to do something about this." Do you recall
20 saying that in the presence of Minister Coleman
21 and Mr. Vander Graaf?

22 A I would never have referred to the minister by
23 his given name.

24 Q Okay. You were asked about conversations with
25 Doug Scott, and you've been in senior positions

1 of government for many years and you had many
2 conversations going back many years. And you
3 were asked whether you recall Mr. Scott telling
4 you that millions of dollars in suspicious
5 transactions were occurring in British Columbia
6 casinos and he thought that it was the proceeds
7 of crime and that money laundering was occurring
8 in British Columbia casinos. Again, you don't
9 recall that conversation. Do you think that's
10 something you would recall if that had been
11 stated in those what I'll call stark terms?

12 A I certainly hope so.

13 Q Yes. I'm going to show you a document. You
14 were involved in the decision to have
15 Mr. Kroeker do the review in 2011, and I think
16 that review is dated February of 2011, but do
17 you agree that it was a little bit later, I
18 think maybe August when it was released,
19 completed and released?

20 A Yes. I wouldn't have been able -- I know that
21 from the documents. I wouldn't have remembered
22 that without a review of the documents.

23 Q Yes. You believe Mr. Kroeker was someone who
24 was well suited to do this review?

25 A I do and I did.

1 Q Yes. And he had what you saw as the necessary
2 independence to be able to do an impartial
3 review of the issues that were concerning the
4 government?

5 A That's correct.

6 Q Can I show you, please, and ask to have
7 displayed on the screen BCLC document 15784,
8 please. Ms. Wanamaker, this is from
9 Mr. Graydon, the then CEO to you, in May of
10 2012, so some months after the release of the
11 Kroeker Report, and he writes:

12 "We currently have a great deal of
13 activity underway regarding AML but have
14 continued to run into challenges with
15 finding the solution to get funds
16 transferred into our facilities from
17 players' accounts offshore. Rob Kroeker
18 has started to do some work on this while
19 at BCLC, and I'm wondering if there would
20 be the possibility of gaining a day or two
21 a week from Rob for the next month to
22 assist us in bringing this important
23 project to conclusion."

24 He carries on. I'll just -- and you respond by
25 saying it sounds like a reasonable proposal.

1 Did that seem like a positive move by BCLC to
2 try to retain Mr. Kroeker for a period of time
3 to help implement at least this part of his
4 recommendations?

5 A It does.

6 Q Yes. You were asked questions by Ms. Latimer.
7 You were taken to one of the -- I think it's
8 mandate letters and the tension -- she described
9 the tension between trying to fulfill financial
10 objectives, goals from gaming and anti-money
11 laundering. We've heard some evidence -- the
12 commission has heard some evidence from BCLC
13 personnel that at no time was any expenditure
14 for anti-money laundering initiatives ever
15 refused because of concerns about revenue or
16 cutting costs. Does that surprise you?

17 A No. It would have been my expectation.

18 Q Yes. The E&Y report that you've asked about, is
19 that an example of the kind of hard data and
20 rigour that you would hope to find in an
21 analysis of money laundering issues?

22 A Yes.

23 Q Do you recall thinking when you saw that report
24 that perhaps money laundering concerns weren't
25 as significant as Dr. German has suggested?

1 A I don't recall having that thought, but I did --
2 it did highlight for me the importance of doing
3 appropriate analysis as we were implementing the
4 recommendations.

5 MR. SMART: Yes. Those are my questions. Thank you.

6 THE COMMISSIONER: Thank you, Mr. Smart.

7 I'll turn now to Mr. McFee on behalf of
8 James Lightbody, who has been allocated
9 15 minutes.

10 MR. McFEE: Thank you, Mr. Commissioner.

11 **EXAMINATION BY MR. McFEE:**

12 Q Ms. Wanamaker, I'd just like to focus for a
13 minute on the anti-money laundering deputy
14 minister's committee that you were a member of.

15 A Okay.

16 Q And as I understand it, that committee was
17 formed in September of 2018.

18 A That sounds about right.

19 Q And you were one of the initial members, I take
20 it. Correct?

21 A Yes.

22 Q And what I'd like to focus on, when the
23 committee was formed my client Jim Lightbody in
24 his capacity as the president and CEO of BCLC
25 was a non-voting member?

1 A That sounds right.

2 Q And from your observations was Mr. Lightbody an
3 active and participating member of the
4 committee?

5 A He was.

6 Q Do you recall Mr. Lightbody making presentations
7 to the committee respecting BCLC's ongoing
8 efforts to firstly implement Dr. German's
9 report?

10 A I do.

11 Q And do you recall in addition to the steps BCLC
12 was taking to implement Dr. German's report,
13 Mr. Lightbody brought forward other AML measures
14 for the committee's consideration that BCLC was
15 presenting?

16 A I believe so.

17 Q And do you recall that Mr. Lightbody also made
18 senior BCLC personnel available to the committee
19 to make presentations to and provide information
20 to the committee with respect to AML in general
21 and BCLC's efforts to structure a robust AML
22 regime?

23 A Yes.

24 Q And so during his tenure as a committee member,
25 was it your observation that Mr. Lightbody was

1 firstly at all times willing to contribute to
2 the work of the committee?

3 A Yes.

4 Q And did Mr. Lightbody from your observations
5 display a willingness to do what was required to
6 improve and enhance BCLC's AML regime?

7 A He did.

8 Q Put simply, did you find Mr. Lightbody to be
9 open-minded and ready to be collaborative?

10 A Yes, he was easy to work with. He was
11 responsive and he knew the business very well.

12 Q And in terms of the committee's role as you
13 described it to Ms. Latimer, it was initially to
14 review and develop strategies to implement the
15 recommendations from -- recommendations from
16 Dr. German's first report?

17 A That's correct.

18 Q But as you put it in terms of the analysis of
19 the recommendations of the report, options that
20 were considered were to implement a
21 recommendation or implement it with a change?

22 A That's correct.

23 Q So I take it, then, the committee, although its
24 mandate was in part to review and implement
25 Dr. German's recommendations, did the committee

1 take Dr. German's recommendations as a sound
2 starting part -- starting point, however the
3 committee in providing advice to government was
4 prepared to recommend options that may be more
5 efficient or a smarter way of doing things?

6 A That's correct.

7 Q So to boil it down, the committee didn't view
8 its role as slavishly following Dr. German's
9 recommendations; is that accurate?

10 A It did not.

11 MR. McFEE: Thank you. Those are my questions for
12 you.

13 THE WITNESS: Thank you.

14 MR. SMART: Mr. Commissioner, it's Mr. Smart. Before
15 we -- the next participant asks questions, I
16 failed to ask to have the document I showed to
17 Ms. Wanamaker marked as an exhibit. That was
18 BCLC15784, the email.

19 THE COMMISSIONER: Yes, that's fine, Mr. Smart.
20 We'll mark that, then, as the next exhibit,
21 which I think is 887.

22 MR. SMART: Thank you.

23 THE REGISTRAR: Exhibit 887.

24 **EXHIBIT 887: Email from Michael Graydon to Lori**
25 **Wanamaker - May 15, 2012**

1 THE COMMISSIONER: I'll turn now to Ms. Mainville on
2 behalf of Mr. Kroeker, who has been allocated
3 15 minutes.

4 MS. MAINVILLE: Thank you, Mr. Commissioner. I only
5 have one clarification, Ms. Wanamaker.

6 **EXAMINATION BY MS. MAINVILLE:**

7 Q And, I'm sorry, I didn't jot down precisely what
8 your answer was in respect of the subject matter
9 of the EY report. I believe you may have said
10 that it wasn't the focus of Dr. German's report.
11 I don't want to put words in your mouth, but
12 that's my recollection.

13 A Yes, I did not see that as the focus of
14 Dr. German's report.

15 Q Right. And so I just wanted to clarify that.
16 You didn't see it as a main focus, I take it,
17 but do you agree that there was mention in the
18 report of this cash for cheques issue?

19 A I'm not certain.

20 Q Not certain. Okay. So we'll go with the
21 content -- and frankly I've been trying to
22 quickly locate those passages, but I haven't had
23 that opportunity, so we'll leave it at it's
24 possible, and if it's there, it's there.

25 A Yes. Thank you.

1 MS. MAINVILLE: Okay. Thank you.

2 THE COMMISSIONER: Thank you, Ms. Mainville.

3 Now Ms. Magonet on behalf of the British
4 Columbia Civil Liberties Association, who has
5 been allocated five minutes.

6 MS. MAGONET: Thank you, Mr. Commissioner. Having
7 heard the evidence today, we have no questions.

8 THE COMMISSIONER: Thank you, Ms. Magonet.

9 And now Mr. Rauch-Davis for Transparency
10 International Coalition, who has been allocated
11 10 minutes.

12 MR. RAUCH-DAVIS: Thank you.

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

14 Q Ms. Wanamaker, you mentioned some concerns with
15 respect to Dr. German's first report, and
16 perhaps I didn't catch this evidence, but I take
17 it you don't share those concerns about
18 Dr. German's second report. Right?

19 A I had less involvement with Dr. German's second
20 report. It was a report of findings, not
21 recommendations.

22 Q Right. So those concerns you outlined in your
23 evidence this morning don't apply to the second
24 report?

25 A That's correct.

1 Q Thank you. On the topic of corporate
2 transparency registries, I take it you would
3 agree that the purpose of the corporate
4 transparency registry is to ensure that
5 corporate ownership in the province cannot be
6 kept hidden in an effort to improve BC's AML
7 regime.

8 A That's correct.

9 Q Yeah. And I don't think I need to take you to
10 the document, but there is a timeline that's
11 been released for the potential implementation
12 of a corporate beneficial ownership registry in
13 BC, and I note that there's phase 1, which was
14 the amendments to the *BC Corporations Act*,
15 that's been implemented. Do you agree with
16 that?

17 A I do.

18 Q Yeah. And then what's contemplated next is
19 phase 2, which is the ultimate implementation of
20 a registry, and I have a note from the document
21 that was scheduled to begin fall 2019 or winter
22 2020. Do you recall that being the anticipated
23 timeline?

24 A That sounds about right.

25 Q Yeah. Do you have any update on that timeline?

1 A I'm sorry, that's -- relates to the Ministry of
2 Finance, and I'm no longer in that position.

3 Q All right. I take it you would agree that it's
4 critical to BC's AML regime to get a corporate
5 beneficial ownership registry up and running as
6 soon as possible. Right?

7 A I would agree.

8 Q Yeah. These types of registries have been
9 highlighted as critical to successful AML
10 regimes?

11 A They have.

12 Q Yeah. And I take it that cost of the registry,
13 that's a concern. Right?

14 A It's always a concern.

15 Q Always a concern. Is there an expectation that
16 a corporate beneficial ownership registry will
17 be self-funding?

18 A You would need to ask that question of Ministry
19 of Finance.

20 Q You don't know?

21 A I don't know.

22 MR. RAUCH-DAVIS: Okay. Thank you. Those are my
23 questions.

24 THE WITNESS: Thank you.

25 THE COMMISSIONER: Thank you, Mr. Rauch-Davis.

1 Finally Ms. Rajotte on behalf of the Province,
2 who has been allocated 25 minutes.

3 MR. RAJOTTE: Thank you, Mr. Commissioner.

4 **EXAMINATION BY MS. RAJOTTE:**

5 Q Ms. Wanamaker, can you hear me okay?

6 A I can.

7 Q So, Ms. Wanamaker, you were a Deputy Minister
8 for Public Safety and Solicitor General from
9 2010 to 2016. Do I have that right?

10 A That's correct.

11 Q Can you just briefly explain the scope of your
12 responsibilities in that role.

13 A Certainly. I was responsible for policing,
14 corrections, crime prevention and community
15 safety, civil forfeiture office, road safety
16 British Columbia, gaming, housing and liquor
17 licensing and control.

18 Q And with respect to gaming, you had
19 responsibility from late October 2010 until
20 sometime in 2012 before September; is that
21 right?

22 A That's correct.

23 Q And during that period was gaming a significant
24 part of your portfolio?

25 A No. Gaming would have been a very modest part

1 of the portfolio. We were in the middle of --
2 well, we weren't in the middle. When I joined
3 the ministry in 2010, we had just started
4 negotiations for a new 20-year contract with the
5 RCMP, and that would have been the most
6 significant priority in the portfolio. The
7 gaming portfolio had about 130, maybe 150 people
8 in it. There were approximately 3,000 people in
9 the ministry, so it was a very small part of the
10 file.

11 Q And the next position that you held was Deputy
12 Minister of Finance. Do I have that right?

13 A No. I was the Deputy Minister of Children and
14 Families for a year.

15 Q Okay.

16 A In between.

17 Q In between. And then the Deputy Minister of
18 Finance after that?

19 A That's correct.

20 Q And how long did you hold that position?

21 A Three and a half years.

22 Q And just briefly for the Commissioner could you
23 explain the scope of responsibilities that you
24 had in that role.

25 A Certainly. I was responsible for provincial

1 treasury, the Office of the Comptroller General.
2 It was my last job. I should be able to
3 remember more than this. I was responsible for
4 tax policy for revenue collections for the
5 province, for the gender equity office, for
6 board resourcing and appointments.

7 Q And then in November of last year, 2020, you
8 transitioned into your current position as
9 Deputy Minister to the Premier, Cabinet
10 Secretary and Head of the BC Public Service; is
11 that right?

12 A That's correct.

13 Q Could you just briefly describe your current
14 responsibilities.

15 A Certainly. As the Head of the Public Service I
16 am responsible for the public service. All of
17 the deputy ministers in the province report to
18 me and I am responsible for making all of the
19 executive appointments. As the Cabinet
20 Secretary I am responsible for the operations of
21 cabinet and ensuring that cabinet materials are
22 received and decisions are recorded
23 appropriately. And as the Deputy Minister to
24 the Premier, I am responsible for support to the
25 Premier and for the operations of the office of

1 the Premier.

2 Q Thank you. And so to just briefly return
3 approximately 10 years ago when you did have
4 some responsibility for gaming, am I correct
5 that at that time as Deputy Minister you had
6 eight direct reports?

7 A That sounds about right.

8 Q And one of those direct reports was the
9 Assistant Deputy Minister and General Manager of
10 GPEB?

11 A That's correct.

12 Q And in response to the questions from
13 Ms. Latimer, you identified Derek Sturko and
14 Doug Scott as two individuals who held the post
15 of Assistant Deputy Minister during your period
16 of responsibility; is that right?

17 A That's correct.

18 Q And am I correct that in between those two
19 individuals there was a brief period where Sue
20 Birge held responsibility as Acting Assistant
21 Deputy Minister?

22 A Yeah. Derek moved to a new role before Doug
23 started, so Sue would have acted in the role for
24 a period of a few weeks, perhaps a couple of
25 months.

1 Q And as Deputy Minister, you spoke in response to
2 some questions from Ms. Latimer with respect to
3 your general practice in terms of the frequency
4 of briefings that you would have with your
5 direct reports. Do you recall that?

6 A I do.

7 Q And I believe your evidence was that you would
8 typically meet with a direct report every two
9 weeks or once per month; is that right?

10 A That's correct.

11 Q And in your experience in government, does a
12 direct report have an ability to request
13 briefings of their deputy minister that are
14 above and beyond the typical sort of regularly
15 scheduled briefings?

16 A Oh, absolutely. The regular briefings are to
17 make sure that regular business is dealt with,
18 but there would have been all -- any number of
19 ad hoc briefings in between.

20 Q And again, in response to some questions from
21 Ms. Latimer you testified that -- I believe you
22 testified that at some times in some instances
23 lower level staff would participate in a
24 briefing of the Deputy Minister? Is that right?

25 A Of course. Of course.

1 Q Could you just explain in your experience when
2 would that happen. In what circumstances would
3 staff participate in a briefing of a Deputy
4 Minister?

5 A Could be a variety of circumstances. It could
6 be that a certain staff member had worked on a
7 project and it was something that was where you
8 needed the subject matter expertise. It might
9 have been that the employee needed professional
10 development and it's viewed as a great
11 opportunity to brief either a deputy or a
12 minister on a file. But generally it would have
13 been related to subject matter expertise.

14 Q And typically who would make the decision to
15 include staff in a higher level briefing?

16 A Normally the ADM would make that decision.

17 Q Is there an ability for staff to request a
18 briefing higher up, for example within GPEB, an
19 executive director of a division within GPEB, do
20 they have an ability to request a briefing of
21 the Deputy Minister, or is there an expectation
22 that they follow strictly the reporting line
23 through the Assistant Deputy Minister?

24 A The normal process would be to follow the
25 reporting lines, but that doesn't mean that they

1 couldn't request a briefing on their own or a
2 meeting on their own.

3 Q And would the decision about whether a briefing
4 higher up is arranged, would that be the
5 decision of the Assistant Deputy Minister?

6 A No, it would have been the deputy's decision.

7 Q Thank you. Can you speak to the general process
8 for briefings with respect to a responsible
9 minister?

10 A Yeah. Briefing notes were prepared -- the
11 briefing could have been requested either by the
12 minister's office or by the program area or by
13 the deputy. The briefing request would have
14 gone from the deputy's office into the
15 minister's office, briefing would have been
16 scheduled, and staff would have attended. In
17 some situations it would have been a deputy and
18 an ADM. In other situations it might strictly
19 have been one or the other. Staff may or may
20 not have been invited, depending on the nature
21 of the discussion.

22 Q And so either based on your specific
23 recollection or if you don't have one general
24 practice, during the time when you had
25 responsibility for gaming, would you, both you

1 and the Assistant Deputy Minister of GPEB, have
2 been present for briefings of the responsible
3 minister?

4 A I suspect so in this situation particularly
5 because Derek was there for a very short period
6 of time while I was the deputy, but Doug would
7 have been new to the portfolio -- sorry,
8 Mr. Scott, and I would have accompanied him to
9 those briefings just to make sure that
10 everything went well.

11 Q In terms of who would have actually sort of
12 provided the substantive content of the briefing
13 to the minister, would that have been Mr. Sturko
14 or Mr. Scott or yourself?

15 A Mr. Sturko or Mr. Scott, they were the subject
16 matter experts.

17 Q Is a briefing of a minister usually initiated at
18 the request of the minister?

19 A Either way. Either from the ministry or from
20 the minister.

21 Q And then to the extent that you have information
22 or knowledge about this process, how does
23 information generally flow to the Premier?

24 A Generally minister -- ministry information going
25 to a Premier would come from a minister's

1 office.

2 Q Okay.

3 A It may be -- and I say generally because all
4 deputy ministers report to the deputy to the
5 Premier, so material might be provided to the
6 deputy to the Premier, who in turn would share
7 it with the Premier. But the general rule would
8 be ministry information flows to the Premier
9 from a minister.

10 Q From a minister. Thank you. Earlier today in
11 response to some questions from Ms. Latimer you
12 testified that BCLC did not have a direct
13 reporting relationship to you when you were
14 deputy minister responsible for gaming; is that
15 right?

16 A That's correct.

17 Q And I believe your evidence was that from time
18 to time you had briefings with the President and
19 CEO of BCL --

20 A That's correct.

21 Q -- BCLC?

22 A Yep.

23 Q As deputy minister responsible for gaming, do
24 you recall whether you attended BCLC board
25 meetings?

1 A I did not.

2 Q Do you recall if you were provided with copies
3 of BCLC board meeting minutes?

4 A I -- it would have been unusual for me to have
5 been provided with those minutes, so I don't
6 believe I was provided with minutes.

7 Q Do you recall if you were provided with BCLC
8 management reports to the board?

9 A Again, that would have been unusual. I don't
10 recall ever seeing management reports.

11 Q And if I understand your evidence correctly, you
12 were not responsible for providing direction to
13 BCLC; is that right?

14 A I was not.

15 Q And instead, government provided direction to
16 BCLC -- to BCLC through shareholders letters of
17 expectations?

18 A That's correct.

19 Q Is that the typical process for Crown
20 corporations?

21 A That is.

22 Q And is there a reporting process back from the
23 Crown corporation to the minister with respect
24 to the expectations that are set out in a
25 shareholder's letter of expectations or a

1 mandate letter?

2 A Their reporting flows through their service plan
3 and their annual service plan report.

4 Q In your experience is it typical for a minister
5 to attend board meetings of a Crown corporation?

6 A It would not be.

7 Q When you were deputy minister responsible for
8 gaming, do you recall whether you attended BCLC
9 briefings of the minister?

10 A I did.

11 Q And would that be as a matter of course you
12 would have attended all briefings, or would that
13 have been with respect to specific briefings?

14 A Would have been specific briefings.

15 Q So some but not all?

16 A Yes. It would have been at the invitation of
17 the minister.

18 MS. RAJOTTE: Thank you, Ms. Wanamaker. Those are my
19 questions.

20 THE WITNESS: Thank you.

21 THE COMMISSIONER: Thank you, Ms. Rajotte.

22 Anything arising, Mr. Rauch-Davis?

23 MR. RAUCH-DAVIS: No, thank you.

24 THE COMMISSIONER: Ms. Magonet? I think you --

25 MS. MAGONET: No, thank you. Yeah, I had no

1 questions.

2 THE COMMISSIONER: You had. That's true.

3 Ms. Mainville?

4 MS. MAINVILLE: No, thank you, Mr. Commissioner.

5 THE COMMISSIONER: Mr. McFee?

6 MR. McFEE: Nothing arising. Thank you,

7 Mr. Commissioner.

8 THE COMMISSIONER: Mr. Smart?

9 MR. SMART: No, thank you.

10 THE COMMISSIONER: Ms. Latimer?

11 MS. LATIMER: No, thank you.

12 THE COMMISSIONER: I'm sorry, did you say "no, thank
13 you"?

14 MS. LATIMER: I did. No, thank you.

15 THE COMMISSIONER: I heard "thank you." I didn't
16 hear whether it was yes or no. Thank you,
17 Ms. Latimer.

18 Thank you, Ms. Wanamaker. I'm very grateful
19 to you for taking time out of what is
20 undoubtedly a very busy schedule to come and
21 testify before the commission and to furnish us
22 with your recollections and insights into your
23 involvement with the subject matter of this
24 commission. You're now excused from further
25 testimony.

1 **(WITNESS EXCUSED)**

2 THE COMMISSIONER: Ms. Latimer, I think we need to
3 stand down in order to get the next witness
4 brought before us. Is that correct?

5 MS. LATIMER: That's right, yes.

6 THE COMMISSIONER: We'll take maybe 15 minutes at
7 this point.

8 THE REGISTRAR: This hearing is stood down for
9 15 minutes until 10:47 a.m.

10 **(PROCEEDINGS ADJOURNED AT 10:31 A.M.)**

11 **(PROCEEDINGS RECONVENED AT 10:46 A.M.)**

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

14 THE COMMISSIONER: Thank you, Madam Registrar.

15 Yes, Mr. McGowan.

16 MR. MCGOWAN: Mr. Commissioner, the next witness will
17 be Ms. Bond, who you should see on your screen.

18 Madam Registrar, if we could have the
19 witness sworn, please.

20 **SHIRLEY BOND, a witness**
21 **called for the**
22 **commission, sworn.**

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

25 THE WITNESS: My name is Shirley Bond, S-h-i-r-l-e-y

1 B-o-n-d.

2 THE REGISTRAR: Thank you.

3 THE COMMISSIONER: Yes, Mr. McGowan.

4 MR. MCGOWAN: Thank you.

5 **EXAMINATION BY MR. MCGOWAN:**

6 Q Ms. Bond, can you see and hear me okay?

7 A I can indeed.

8 Q Okay, great. If that changes at all, just let
9 us know.

10 A I will.

11 Q Ms. Bond, you've served this province as an MLA
12 for the past 20 years, approximately?

13 A That's correct.

14 Q And since November of 2020 you've served as the
15 interim leader of the official opposition?

16 A That is correct.

17 Q And during the time your party was in government
18 you held a wide variety of cabinet posts over
19 the years?

20 A That's true. I had 16 consecutive years in
21 cabinet.

22 Q One of those posts was as the Minister of Public
23 Safety and Solicitor General, a post you were
24 assigned in March of 2011?

25 A That's correct.

1 Q And with that post came the assignment of the
2 gaming portfolio?

3 A Yes. It did.

4 Q A portfolio which you held for just about a
5 year, until February of 2012?

6 A Yes, it was less than a year. I think it was
7 approximately 11 months or so.

8 Q Yes. Was there any discussion with the Premier
9 about that assignment, the assignment of that
10 portfolio to you prior to the assignment?

11 A It's typical for premiers to talk to their MLAs
12 about interests that they might have, so I would
13 have had a conversation with the Premier, first
14 of all obviously hopeful that I would be
15 selected to her cabinet and talking about a wide
16 range of interests that I may have had related
17 to cabinet positions.

18 Q Do you recall if you expressed a particular
19 interest in the gaming portfolio?

20 A Definitely not the gaming portfolio. I was
21 interested in the portfolio related to public
22 safety. That was important to me, but there
23 were a number of other portfolios that I
24 mentioned and of course the Premier gets to make
25 the decision.

1 Q Yes. Did you prior to coming to this assignment
2 have any previous experience with the gaming
3 industry or the gaming portfolio?

4 A I had none.

5 Q Were you briefed at the time or prior to taking
6 over the portfolio on the issues of priority or
7 the like by the previous minister?

8 A I was not.

9 Q Aside from the mandate letter you received from
10 the Premier, did you receive any directions
11 specific to the gaming portfolio from the
12 Premier?

13 A I did not receive specific direction. Obviously
14 the major direction is do your job and do it
15 well, and certainly that had been my history in
16 government, and I hope to continue that.

17 Q Thank you. I wonder if you might just take the
18 Commissioner through the extent to which and how
19 you were briefed on the portfolio to orient you
20 to it when it was assigned to you.

21 A Certainly. And I think I would describe it in
22 the way that I would as a minister receiving any
23 new appointment to a ministry. There's a fairly
24 consistent way that ministers are briefed, so it
25 would typically take place over the course of

1 weeks depending upon the size of the ministry.
2 The topics for briefing would be quarterbacked,
3 so to speak, by the Deputy Minister and it would
4 provide a broad overview of all of the component
5 parts of a ministry. So the briefings were not
6 necessarily in depth. It was a view of the
7 entire ministry's set of responsibilities, and
8 that is very likely the way that the briefings
9 would have taken place in the Ministry of the
10 Solicitor General. I don't have specific
11 recollection. It was over a decade ago and many
12 ministries, but the process is fairly similar in
13 all of the ministries that you're appointed to.

14 Q Okay. Do you recall who briefed you
15 specifically on the gaming portfolio?

16 A I do not.

17 Q Do you recall whether you were briefed on the
18 gaming portfolio?

19 A I don't specifically recall that, but I know
20 that certainly the issue of the Kroeker Report
21 was one that was imminently facing government,
22 so that component certainly would have been part
23 of a briefing. Again, I don't remember the
24 specific component parts. And the people that
25 do the briefing would have varied. The Deputy

1 Minister would likely have been there and other
2 people who knew the files would be part of that
3 briefing process. I have no specific
4 recollection about gaming in particular.

5 Q Okay. Aside from being advised that the Kroeker
6 Report had been commissioned and was expected
7 imminently, were you provided any information or
8 orientation or direction with respect to the
9 topic of money laundering or proceeds of crime
10 potentially entering casinos?

11 A I have no recollection of briefing that specific
12 in nature.

13 Q Were you provided any direction or briefing with
14 respect to expectations tied to revenue
15 generation from casinos?

16 A I received none.

17 Q I'd like to ask you a little bit about your
18 recollection of your interaction with executives
19 or members of the British Columbia Lottery
20 Corporation.

21 A Sure.

22 Q Do you recall being briefed by them either at
23 the outset of taking over the portfolio or
24 during your time as minister responsible for
25 gaming?

1 A I do not. And in fact my conversations with the
2 lottery corporation were certainly not regular,
3 and I certainly would not consider them
4 frequent.

5 Q Who did you have contact with from the British
6 Columbia Lottery Corporation during your time as
7 responsible minister?

8 A I remember having an introductory meeting with
9 the chair of the board, John McLernon, and that
10 would not at all have been unusual for a
11 minister to be introduced to the chair of the
12 board. Again, I only recall that initial
13 conversation with Mr. McLernon. It was very
14 much a meet-and-greet. He was not someone that
15 I had known well previously.

16 The other person I would have had contact
17 with was Michael Graydon, who was the CEO, and I
18 recall obviously very constructive
19 conversations, very collaborative approach,
20 again, not frequent conversations. I recall
21 Mr. Graydon also would have been present to
22 support me during the estimates process which
23 occurred a matter of, I think, two or three
24 months after being appointed to the position

25 Q If you could just tell the Commissioner what the

1 estimates process is.

2 A Certainly. Well, the estimates process -- I
3 guess depending upon which side of the house
4 you're sitting on -- I was sitting on the
5 government bench at that point. It is an
6 opportunity for the opposition to ask questions
7 and to literally go line by line through
8 budgets. So as the Solicitor General, I would
9 have been supported by a number of staff in that
10 process. The opposition has the opportunity to
11 ask wide-ranging questions and that's typically
12 what occurs. I would be supported by people who
13 had -- and this would be typical in any
14 ministry -- who would have expertise in those
15 areas. So Mr. Graydon would have been there to
16 provide support in the event that there were
17 questions asked about BCLC.

18 Q What, if anything, did the chair of the board or
19 Mr. Graydon tell you during your time as
20 minister responsible about the issue of
21 suspicious cash entering casinos or the
22 possibility of British Columbia casinos being
23 used to facilitate money laundering?

24 A Certainly did not have that discussion with
25 Mr. McLernon. As I said, it was very much part

1 of the process of meeting the board chair. The
2 conversations I recall with Mr. Graydon were
3 more focused about problem gaming than they
4 were -- and that of course relates to the issue
5 of addictions and people being able to manage
6 their gambling practices, so I do recall a
7 conversation about that with Mr. Graydon, but I
8 do not recall specific conversations about the
9 other topics that you listed.

10 Q Okay. Do you recall Mr. Graydon ever discussing
11 with you the issue of large or suspicious cash
12 transactions or money laundering in British
13 Columbia casinos?

14 A I have no recollection that occurred.

15 Q If you had -- if he had raised that topic with
16 you, is it something you think you would recall?

17 A It's hard to say. This is 10 years past, and I
18 have no specific recollection of Mr. Graydon
19 raising that issue. I do recall the discussion
20 about problem gaming. It was very important to
21 us. It was important to me and it certainly was
22 important to the government.

23 Q Where did problem gaming fall in the list of
24 priorities for the gaming ministry?

25 A I think it was an important priority. I think

1 making sure that people had the support they
2 required was important. I remember a discussion
3 had estimates about the funding that was
4 allocated. The opposition did ask about that
5 issue. So I think it was one of many
6 priorities.

7 Q Do you recall whether anti-money laundering
8 measures were an issue of priority for the
9 ministry at that time, or for that portfolio,
10 pardon me?

11 A They certainly were. And my number one priority
12 and responsibility on the gaming file. And
13 remembering, of course, that gaming is a piece
14 of a very large and complex ministry, yes, it
15 was. And it was related directly to the
16 impending report that had been commissioned by
17 government, the Kroeker Report.

18 Q Okay. Did you discuss with Mr. Graydon revenue
19 expectations?

20 A Not specifically, no.

21 Q Did you ever put pressure on either Mr. Graydon
22 or others at BCLC to meet revenue targets and
23 did you suggest that bonuses to executives might
24 not be paid if revenue targets were not met?

25 A I do not recall saying that.

1 Q Mr. Graydon, there's some evidence before the
2 Commissioner that he sent emails to his staff
3 suggesting that Victoria was not keen to pay
4 incentives if budgets are not met and that the
5 tone in government is not good these days and to
6 not achieve budgets and then pay out bonuses
7 will not fly. Did you ever make representations
8 to Mr. Graydon along those lines?

9 A I did not.

10 Q Is there anybody else that Mr. Graydon would
11 have been dealing with with respect to revenue
12 targets and expectations in that regard?

13 A Well, certainly there would have been
14 conversations between Mr. Graydon and ministry
15 staff. That is typically the relationship that
16 exists in government. Ministers, at least in my
17 practice, rarely continue regular and frequent
18 discussions with stakeholders. That is
19 typically a ministry relationship between most
20 likely a deputy or Assistant Deputy Minister.

21 Q Okay. Did you ever make representations to your
22 deputy or Assistant Deputy Minister along the
23 lines that incentives would not be paid if
24 revenue targets were not met?

25 A I have no recollection of doing that.

1 Q During your time as the minister responsible for
2 gaming, who, if anyone, did you have
3 communications with from the Gaming Policy and
4 Enforcement Branch?

5 A I don't have specific recollection. Again, they
6 may have been involved in briefings that were
7 provided to the minister. But again, at the
8 beginning of a minister's portfolio, taking on a
9 portfolio, briefings can take place with
10 literally dozens of people over a period of
11 weeks. So, again, members of GPEB may also have
12 been present to provide support during the
13 estimates process.

14 Q Do you ever recall during your time as minister
15 responsible for gaming anybody from GPEB raising
16 an issue or a concern about large or suspicious
17 cash transactions or money laundering in British
18 Columbia casinos?

19 A I do not.

20 Q When did you first -- I gather the Kroecker
21 Report was commissioned prior to you taking over
22 the portfolio.

23 A That's correct. My predecessor commissioned
24 that report.

25 Q And it was expected and actually delivered

1 either around the time or very shortly after you
2 taking over the portfolio?

3 A That's correct. I was appointed in March and we
4 received the Kroeker Report. It became the
5 priority of my work in the ministry related to
6 the gaming component.

7 Q Okay. And government had the report for a
8 period of months prior to it being made public?

9 A Certainly the -- I don't recall the exact date
10 of the receipt of the report, and I would not
11 necessarily even have been aware specifically of
12 that. When the report arrived, there would have
13 been a process that was consistent with other
14 reports that arrive in government, analysis and
15 then the preparation of advice around that
16 report.

17 Q Whose decision was it -- who made the decision
18 about what recommendations to accept from the
19 Kroeker Report and which recommendations to not
20 pursue?

21 A Well, ultimately the minister makes that
22 decision, and it's based on the advice and the
23 best advice given by what I consider to be a
24 very professional public service.

25 Q How closely were you involved in overseeing the

1 implementation of the recommendations in the
2 Kroeker Report?

3 A Well, obviously the timing of the change in
4 terms of the minister responsible has something
5 to do with that. I received the report,
6 received advice, made the decision to move
7 forward on the recommendations, and put --
8 ensured that there was a working group in place,
9 a cross-divisional working group, that would
10 monitor implementation and ensure that the
11 recommendations were actually delivered.

12 Q Okay. And I think we'll come to see that the
13 government made the decision to pursue all but
14 one of the Kroeker recommendations. Is that
15 your recollection?

16 A I think I would characterize it differently. I
17 think that from the beginning there was
18 agreement that all of the recommendation -- we
19 agreed to all of the recommendations. The
20 question was about the timing and
21 implementation. The advice that I received was
22 that the first nine recommendations could be
23 implemented in the short term and would make a
24 material difference to enhancing anti-money
25 laundering measures in British Columbia. So

1 those moved forward immediately. We agreed with
2 the tenth recommendation and it would be a
3 matter of looking at the impact of the first
4 nine before moving on to the tenth.

5 Q Okay. Thank you. What, if any, direction did
6 you provide to BCLC and GPEB with respect to the
7 implementation of the initial nine
8 recommendations?

9 A Well, in fact, that work had been done prior to
10 the advice that I received. When the report was
11 being analyzed obviously BCLC, GPEB, others who
12 had recommendations, including the ministry,
13 would have been consulted about the need to
14 implement them, the importance and priority of
15 getting the work done, so that work and that
16 discussion with BCLC and GPEB would have taken
17 place as the -- prior to the advice arriving on
18 my desk so that I knew we would be able to put
19 an action plan in place that was deliverable.

20 MR. MCGOWAN: Okay. Thank you. If we could please
21 pull up the Kroeker Report, Madam Registrar. I
22 believe it's the exhibit 141.

23 Q I'm just going to ask you, Ms. Bond, about a
24 couple of the specific recommendations and what
25 steps you or your staff took to ensure they were

1 implemented. If we could turn to page 3,
2 please. Just zoom in on number 2.

3 Are you able to see that document, ma'am?

4 A I am, sir.

5 Q Okay. I'm just going to ask you about -- this
6 is the section of the report dealing with
7 recommendations directed at BCLC.

8 Recommendation 2:

9 "BCLC should enhance training and
10 corporate policy to help ensure gaming
11 staff do not draw conclusions about the
12 ultimate origin of funds based solely on
13 the identification of a patron and his or
14 her pattern of play."

15 What did you understand this recommendation to
16 be suggesting?

17 A That there needed to be a specific focus on the
18 training process, that in fact there needed to
19 be scrutiny and that there shouldn't be
20 assumptions made.

21 Q Okay. And what did you or your staff do to
22 ensure that the training and corporate policy
23 were adjusted as suggested in recommendation 2?

24 A Well, first and foremost we agreed that the
25 recommendation should move forward. There

1 was -- as I noted earlier, BCLC would have been
2 engaged in a discussion about carrying that
3 work -- carrying on with that work, and that's
4 exactly what took place. BCLC agreed to that
5 recommendation and in fact they continued to see
6 enhancement of training as a result of the
7 Kroeker Report.

8 Q Okay. Recommendation 3 suggests that BCLC
9 should better align its corporate view and staff
10 training on what constitutes money laundering
11 with that of enforcement agencies and
12 specifically suggests that they should disabuse
13 themselves of the notion that gaming losses on
14 the part of a patron provide evidence the patron
15 is not involved in money laundering. Can you
16 point to any steps that you or your staff took
17 to ensure that -- to encourage or ensure that
18 BCLC did realign its corporate view?

19 A Well, certainly the implementation committee,
20 the group that was looking at monitoring would
21 have followed up on that. I should point out
22 that even before we made the action plan public,
23 GPEB worked with BCLC to ensure that they agreed
24 to that recommendation and were committed to
25 making sure that that happened. The point of

1 putting together the cross-divisional working
2 group or giving that task to them was to do the
3 followup. And I should point out that the
4 report was delivered and made public in August.
5 The responsibility for gaming that I had was
6 transferred in February, so this work was
7 underway. It was initiated, but followup would
8 have continued past my point of being
9 responsible for this report.

10 Q Thank you. If we could turn over to page 4 and
11 focus in on recommendation 3, please. Ms. Bond,
12 this is the section of the report setting out
13 recommendations directed towards the Gaming
14 Policy and Enforcement Branch and
15 recommendation 3 says, recommends that:

16 "Formally involving the police agencies of
17 jurisdiction, including those with
18 specific anti-money laundering and
19 organized crime mandates, in annual
20 enforcement objective and priority
21 planning."

22 Do you know whether this happened during your
23 time on the portfolio?

24 A Certainly what I do know is that I agreed that
25 this recommendation was important. We made an

1 action plan public that expected this would move
2 forward, and it was part of the ongoing work
3 when the ministry was transferred to another
4 minister.

5 Q Okay. Are you able to identify any police
6 agencies of jurisdiction or police agencies with
7 specific money laundering and organized crime
8 mandates that GPEB partnered with in priority
9 planning and enforcement objectives?

10 A I certainly can't name them specifically. As I
11 said, the action plan was made public in August
12 of 2011. The first meeting of the
13 cross-divisional working group took place in
14 September with the task of monitoring progress
15 on these recommendations, and after that point,
16 in February of 2012, the responsibility for
17 ensuring that the -- these recommendations were
18 carried out and fully implemented were passed to
19 a new minister.

20 MR. MCGOWAN: Thank you. If we could please, Madam
21 Registrar, pull up BCLC0015753.

22 Q Ms. Bond, this is a document titled "Advice to
23 Minister Confidential Issues Note." If you
24 could take a moment and explain to the
25 Commissioner what a Confidential Issues Note is.

1 A Certainly. And, again, the practice is common
2 across all ministries. The format might look
3 slightly different, but typically it is very
4 similar to this. This is exactly what it the
5 title says. It provides the minister with a
6 background for the issue that is being
7 considered, and it also provides potential
8 responses in the event that there are media
9 questions. It is really a backgrounder that
10 provides advice just as the title of the
11 document suggests.

12 Q Did you request this document be prepared, or
13 was it prepared at somebody else's instigation?

14 A I have no recall of requesting it. It is a
15 typical process that when an issue is emerging
16 there is advice provided to minister and it's
17 usually in this format.

18 Q The first line talks about media reports at the
19 beginning of the year raising questions about
20 the adequacy of measures that were in place to
21 combat money laundering in British Columbia
22 gaming facilities. Did you review that media
23 coverage?

24 A I don't recall specifically reviewing it. I
25 certainly was aware of it. I know that it was

1 one of the factors that created the
2 commissioning of the Kroeker Report. I didn't
3 specifically -- I certainly don't recall
4 specifically looking at the media reports.

5 Q Okay. Whether you looked at the reports would
6 you have been briefed on their contents?

7 A Not likely the content. Obviously the fact that
8 it occurred and that there was media interest in
9 the topic, that certainly would have been
10 brought to my attention.

11 Q Did you understand from the media reports that
12 it had been identified that substantial
13 quantities of cash were being received by Lower
14 Mainland casinos?

15 A What I understood from the media coverage was
16 that there was the potential that there were
17 issues with cash in casinos in British Columbia,
18 and I also understood that the government, our
19 government took -- responded to that by
20 commissioning the Kroeker Report.

21 Q Okay. Did you take any steps to determine
22 whether the media reports were accurate?

23 A I did not.

24 MR. MCGOWAN: The second bottom bullet point, Madam
25 Registrar, if we could scroll down to that.

1 Q It says:

2 "We are already acting on all but the last
3 of the recommendations."

4 This is as of August 24th. Am I correct that
5 the last of the recommendations was the cross
6 agency task force?

7 A That's correct.

8 MR. MCGOWAN: If we just flip over the page, Madam
9 Registrar, to the second bullet on the next
10 page.

11 Q The second bullet there says:

12 "Given that creating a cross-agency task
13 force, per recommendation 10, can be
14 complex and costly, we will consider this
15 recommendation only after GPEB has
16 evaluated the effectiveness of responses
17 to other recommendations."

18 And was that the decision and approach that was
19 adopted by your government with respect to the
20 tenth recommendation in the Kroeker Report?

21 A I think -- I think that what is critical is that
22 the first nine recommendations were the
23 immediate priority, knowing that they could make
24 a material difference in enhancing the
25 anti-money laundering measures that were in

1 place. We agreed with the tenth recommendation
2 and also recognized that by working on the first
3 nine, it may well deal with the issue of a
4 relationship that cross-agency work would
5 certainly be reflected in the need to deliver on
6 the nine recommendations.

7 Q Thank you. And does the language in bullet
8 point 2 set out the government's decision
9 approach and rationale with respect to
10 recommendation 10?

11 A It provides me with advice about the timing of
12 the recommendation. It's clear that we agree
13 that it may -- that it was -- we agreed with the
14 recommendation and that in fact the
15 concentration would be on the first nine and
16 that consideration would be given to the
17 implementation of the tenth recommendation when
18 the nine that could be dealt with in the short
19 term were actually activated.

20 Q Does the bullet point accurately set out that
21 the implementation of recommendation 10 was
22 delayed at least in part because of the
23 complexity and cost of that measure?

24 A Well, I can say that certainly those were
25 considerations. They weren't the only

1 considerations. The primary consideration for
2 me as minister was what could we do that would
3 make an immediate impact. And that was look at
4 the nine recommendations, move those forward,
5 and then in the course of what was a process of
6 improving anti-money laundering measures,
7 consider when we would look at a cross-agency
8 task force. It wasn't a matter of if; it was a
9 matter of when.

10 Q Okay. But given that it was a complex matter
11 that might take some time to set up, what was
12 the justification for not at least commencing
13 the process of creating a cross-agency task
14 force immediately upon receipt of the report?

15 A Well, the advice that I received from the
16 professional public service, people who were
17 engaged in this process for much longer than I
18 had been, was the advice said if you deal with
19 the nine recommendations, we can make an impact
20 in the short term; we recognize that Mr. Kroeker
21 had said that there were adequate and --
22 adequate measures in place, but you can enhance
23 them. The decision was based on the advice
24 provided to me as minister, and it was certainly
25 about when the recommendation would be -- begin.

1 It was not a question of not agreeing with the
2 recommendation. The advice was, we agree with
3 it; let's work on the first nine, and when those
4 are completed we will look at the timing of the
5 tenth.

6 MR. MCGOWAN: If we could turn to the fourth page of
7 the document, please. Zoom in on number 10 in
8 the text underneath, please.

9 Q Am I correct that this is advice to you from
10 your staff with respect to the recommendation
11 respecting the cross-agency task force?

12 A That is correct.

13 Q And the recommended response set out in this
14 document is as follows:

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

23 Did you accept and adopt this advice?

24 A I accepted the advice that said we needed to
25 concentrate on the first nine recommendations,

1 that they would make a material difference in
2 the short term. We agreed with the tenth
3 recommendation and the issue was the timing. It
4 was based on the success of the first nine,
5 knowing that that would make a difference. So
6 we took action, actions that would make an
7 impact in the short term and committed to the
8 tenth recommendation after an assessment of the
9 success of the first nine.

10 Q Yes, the document appears to suggest that the
11 tenth recommendation will only be considered
12 after the effectiveness of the first nine were
13 evaluated. Was that the approach that was
14 adopted?

15 A The approach that was adopted was made public in
16 our action plan, and it clearly stated when --
17 we were very public. We laid out a public
18 action plan to deal with integrity in casinos,
19 and in that public action plan, it said that we
20 would continue to work on those interagency
21 relationships. In fact that work continued to
22 be underway. And that the timing of the
23 implementation of a tenth recommendation would
24 be after assessment on the effectiveness of the
25 first nine.

1 Q Okay. Do you know if the cross-agency task
2 force was ever created?

3 A Well, I know that the Kroeker Report laid a
4 blueprint for improvement in casinos across
5 British Columbia. My monitoring of that process
6 and my responsibility for the ongoing
7 implementation of the Kroeker Report obviously
8 ended in February, just months after the action
9 plan was made public.

10 Q Okay. Did your role as Solicitor General
11 continue?

12 A My role continued as the Minister of Justice at
13 that point and the Attorney General. The
14 responsibility for the gaming component was
15 transferred to another minister, so while the
16 title of Solicitor General was no longer the
17 title that the Premier had selected, my role as
18 the Minister of Justice continued, but the
19 gaming portfolio was transferred to another
20 minister. The Kroeker Report and
21 responsibilities for implementation transferred
22 with that responsibility.

23 Q Okay. And as the Minister of Justice did you
24 ever come to learn whether a cross-agency task
25 force had been created?

1 facilitate money laundering?

2 A Not that I recall.

3 Q None of those topics ever came up to your
4 recollection during your time on the portfolio?

5 A The primary topic that was raised in briefings
6 with me was the Kroeker Report, looking at how
7 we manage those recommendations, and as I noted
8 earlier, the gaming part of the Solicitor
9 General's ministry would not have been a large
10 component. Obviously dealing with the Kroeker
11 Report, making sure that we had appropriate
12 anti-money laundering measures in place was a
13 priority.

14 Q Okay. Did you know during the time as the
15 minister responsible for gaming that some
16 high-limit players were buying in for hundreds
17 of thousands of dollars, predominantly in
18 \$20 bills?

19 A I was not -- that was not raised directly to my
20 attention.

21 Q Okay. Was it drawn to your attention or were
22 you advised that Lower Mainland casinos were
23 accepting millions of dollars in cash that they
24 were reporting as suspicious?

25 A That was not directly raised to my attention.

1 As I pointed out earlier, media reports in
2 the -- at the beginning of the year made that
3 commentary. The government responded at that
4 point by commissioning the Kroeker Report to
5 actually look at whether we had anti-money
6 laundering measures in place and the report said
7 that indeed we had.

8 Q Okay. Were you told that some personnel at GPEB
9 were concerned that these large cash buy-ins, or
10 at least some of them, might be proceeds of
11 crime?

12 A That was never raised with me directly as
13 minister.

14 Q Were you told that some at GPEB believe that
15 criminal organizations might be providing cash
16 loans to patrons that might be part of a money
17 laundering scheme?

18 A Again, to the best of my recollection that was
19 not raised directly with me as minister.

20 Q Did anyone raise with you the possibility of
21 placing a cap on cash or anything of the like?

22 A That was not raised directly to my attention.
23 The issues around cash in casinos and looking at
24 moving away from a cash system were of course
25 raised in the Kroeker Report. That was the

1 extent of the discussion around how do we deal
2 with cash in casinos related to the Kroeker
3 Report.

4 Q Were you aware that during your time as the
5 minister responsible, the British Columbia
6 Lottery Corporation or one of the British
7 Columbia Lottery Corporation's primary
8 approaches to combatting suspicious cash and
9 money laundering was the introduction of cash
10 alternatives such as the PGF account, player
11 gaming fund account?

12 A I was certainly aware that that was one of the
13 steps that would help to move the system away
14 from a complete reliance on cash, and in fact
15 the Kroeker Report talked about things like
16 moving to electronic transfer, making sure that
17 there were ways to create paper trails. For
18 example, the issuance of cheques. So, again,
19 directly related to the Kroeker Report, there
20 were issues discussed about cash in casinos and
21 exactly the kinds of measures that could be
22 taken to start to move the system away from a
23 reliance on cash only.

24 Q Okay. Did anyone ever suggest to you that some
25 were of the view that the uptake on PGF accounts

1 on the part of high limit game patrons was slow?

2 A I do believe I was -- again, after refreshing
3 myself in terms of this appearance, I do believe
4 that was contained potentially in a briefing
5 note. I don't have specific recollection, but I
6 do recall that that was -- that was something
7 that had been referenced.

8 Q Okay. Did you receive feedback with respect to
9 any analysis of whether the implementation of
10 the Kroeker recommendations was having the
11 desired effect during your time that you were
12 still on the portfolio?

13 A I did not. And I think it was because it was --
14 it was made public, which we made a commitment
15 to. We commissioned the report, said we'd make
16 it public. We did. Along with an action plan.
17 And the first meeting to look at the
18 implementation was in -- I think it was in
19 September of 2011. The responsibility for
20 gaming moved to a new minister in February of
21 2012. So my assumption is that work continued
22 with the expectations that the recommendations
23 would be implemented.

24 Q Okay. Did anyone ever raise with you the
25 possibility of issuing a ministerial directive

1 capping the amount of cash or the number of 20s
2 that could be used to buy in by a patron?

3 A That was not raised to me as minister.

4 Q Did you have any sense during your time as
5 minister responsible for gaming that millions of
6 dollars of cash, largely in 20s, which was
7 deemed suspicious enough to report was being
8 accepted by Lower Mainland casinos and gamed
9 with at those facilities?

10 A Well, as I noted, certainly in response to media
11 reports that made that very suggestion,
12 government took that very seriously,
13 commissioned a report and asked for an audit to
14 be done so that we had a sense of what measures
15 were in place to deal with money laundering in
16 British Columbia. Was I aware of it? Certainly
17 as a result of the media stories, government
18 took action. When I became minister, my
19 responsibility was to receive the report and
20 ensure that we had adequate anti-money
21 laundering measures in place, and that's exactly
22 what I did.

23 Q Thank you. You've told the Commissioner that to
24 your recollection neither GPEB or BCLC raised
25 the issue of suspicious cash entering British

1 Columbia casinos. Did you ever make inquiries
2 of them following on these media reports as to
3 whether that practice was continuing?

4 A What I did do was take the advice of the Kroeker
5 Report, which gave me a sense -- which was
6 important to me. What measures were in place in
7 casinos in British Columbia, the integrity of
8 casinos and the -- mattered to me. It mattered
9 to government. What I did do was take the
10 report very seriously and made sure that the
11 recommendations were followed up on. And I
12 would just point out that as minister I received
13 a report that said to me that in British
14 Columbia there are adequate and standard
15 anti-money laundering measures in place. It
16 also said you can take this opportunity to
17 enhance those measures, so that is exactly what
18 we did.

19 Q Okay. And did you -- following on the media
20 reports, did you ever make an inquiry of BCLC or
21 GPEB about whether the practice of accepting
22 large quantities of suspicious cash was
23 continuing in Lower Mainland casinos during your
24 time as minister responsible for gaming?

25 A I did not make that specific request because the

1 audit was important in terms of the -- which
2 ultimately resulted in the Kroeker Report. That
3 information came to me via the Kroeker Report
4 that in fact we had adequate money laundering --
5 anti-money laundering measures in place.
6 Recommendations for enhancement were provided,
7 and that is the work that I took action on. It
8 dealt with the issue of cash in casinos.

9 Q Thank you. Did you ever have a conversation
10 with the Premier during your time as the
11 minister responsible for gaming on the topic of
12 suspicious cash entering British Columbia
13 casinos?

14 A I do not remember having a specific conversation
15 with her about that.

16 Q Thank you. Aside from issues related to the
17 gaming industry, during your time in government
18 do you ever recall money laundering or
19 anti-money laundering measures being an issue
20 that was identified or addressed by your
21 government, or was it something that during that
22 time was simply not as a radar as a stand-alone
23 issue?

24 A Well, I certainly think that the government's
25 response to media reports which commissioned a

1 report meant that it was on government's radar
2 screen. We also -- you know, during my time as
3 Solicitor General we also dealt with the issue
4 of civil forfeiture. It was a way -- and in
5 fact I brought legislation and an amendment to
6 allow for civil forfeiture to deal with it from
7 an administrative perspective. So the issue of
8 money laundering certainly was -- it had
9 government's attention. My responsibility
10 during my months in the ministry was to deal
11 with the Kroeker Report, ensure that we
12 responded to it, that an action plan was put in
13 place. I also, as I noted, dealt with issues
14 like civil forfeiture, and so yes, there was
15 certainly -- it certainly had government's
16 attention.

17 Q Yes. Leaving aside the actions taken by your
18 government in respect of the gaming industry,
19 did you or your government during your time in
20 government identify money laundering as an issue
21 of concern in any other sector of the economy?

22 A That certainly was not part of my responsibility
23 during my time on the gaming file.

24 Q Leaving aside the time you were on the gaming
25 file, during the time you were in government, do

1 you ever recall this being an issue that was
2 raised at the level of cabinet or identified as
3 an issue of priority outside the gaming industry
4 by your government?

5 A I have no specific recollection of that.

6 MR. MCGOWAN: Okay. Mr. Commissioner, those are my
7 questions.

8 THE COMMISSIONER: Thank you, Mr. McGowan.

9 MR. MCGOWAN: Thank you for answering my questions,
10 Ms. Bond.

11 THE COMMISSIONER: I'll turn now to Mr. Stephens on
12 behalf of the BC Lottery Corporation, who has
13 been allocated 15 minutes.

14 MR. STEPHENS: Thank you, Mr. Commissioner. We have
15 no questions for Ms. Bond. Thank you.

16 THE COMMISSIONER: Thank you, Mr. Stephens.

17 Mr. Rauch-Davis for Transparency
18 International Coalition, who had been allocated
19 five minutes.

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

21 Having heard the evidence, I have no questions
22 for Ms. Bond.

23 THE COMMISSIONER: Thank you. And finally

24 Ms. Rajotte on behalf of the Province, who has
25 been allocated 10 minutes.

1 MS. RAJOTTE: Thank you, Mr. Commissioner.

2 **EXAMINATION BY MS. RAJOTTE:**

3 Q Ms. Bond, can you hear me okay?

4 A I can indeed.

5 Q Thank you. I just have a few questions for you.
6 Is it fair to say that during your time as
7 minister responsible for gaming the most
8 significant action that was taken by government
9 to address concerns around money laundering in
10 casinos was implementation of the Kroeker
11 Report?

12 A I think that's accurate.

13 Q And do I understand your evidence correctly that
14 during your tenure as responsible minister for
15 gaming some but not all of the recommendations
16 in that report were implemented?

17 A That's correct. The focus was on the nine
18 recommendations and certainly the tenth was
19 agreed to and would be considered as part of a
20 process to enhance anti-money laundering
21 measures. I think that's accurate.

22 Q And other than the Kroeker Report, was there
23 additional action taken by government to address
24 concerns about money laundering in casinos
25 during your tenure as minister responsible for

1 gaming?

2 A Well, I think obviously the issue of civil
3 forfeiture was an important process. We were
4 focusing also on guns and gangs in British
5 Columbia. We were looking at criminal activity
6 more broadly. Those were all important
7 priorities and I think did contribute to actions
8 taken to deal with potential money laundering.

9 Q Thank you. And just to clarify your evidence,
10 in response to some questions from Mr. McGowan
11 you mentioned also the priority of addressing
12 problem gaming?

13 A Yes.

14 Q And just so it's clear, problem gaming is not
15 the same as dealing with concerns around money
16 laundering; is that right?

17 A That's correct. Problem gaming is actually
18 about supporting people who have gaming --
19 issues with gaming such as gaming addictions,
20 wanting to ensure that there were proper
21 supports and avenues for help for those people.

22 Q Thank you. And during the time that you were
23 minister responsible for gaming, do I have it
24 correct that the chair of the BCLC board
25 reported directly to you?

1 MR. MCGOWAN: Mr. Commissioner, I've been passed a
2 note that Ms. Mainville has identified an issue
3 that has arisen that she would like to ask a few
4 questions about. I think she is planning to
5 seek leave to have a couple of minutes allocated
6 to her.

7 THE COMMISSIONER: Yes, all right, Ms. Mainville.

8 MS. MAINVILLE: Yes, Mr. Commissioner. I didn't
9 request any time, but I just need a minute or
10 so, if possible, just to clarify an issue
11 regarding the commissioning of Mr. Kroeker's
12 report.

13 THE COMMISSIONER: Yes, of course. Go ahead.

14 MS. MAINVILLE: Thank you.

15 **EXAMINATION BY MS. MAINVILLE:**

16 Q Ms. Bond, you've mentioned a few times that
17 Mr. Kroeker -- and I'm counsel for Mr. Kroeker,
18 just to be clear.

19 A Thank you.

20 Q That Mr. Kroeker's report was commissioned,
21 you've talked in that way, and you said that the
22 report was to be released. Just to perhaps
23 refresh your memory or verify your knowledge on
24 this, are you aware that initially Mr. Kroeker
25 was asked not to deliver a report but to -- was

1 commissioned to conduct a review and report back
2 his findings orally and subsequent to that he
3 was asked to put pen to paper and produce a
4 report? Does that refresh your memory?

5 A I was not aware of that. I was not the minister
6 at the time that that occurred. I was given the
7 task of receiving a report that had been
8 commissioned. So I am not privy to the details
9 that led up to that. My job was to receive the
10 report, to take action on the report and I did
11 that.

12 Q Right. And so am I right that it's Minister
13 Coleman who initially commissioned the review?

14 A Mr. Coleman was my predecessor in the ministry.
15 I certainly believe it was he that commissioned
16 the report.

17 Q Okay. So it's quite possible that Minister
18 Coleman initially commissioned a review and
19 later on a report was to be produced?

20 A I can't speculate on that. Obviously my job was
21 to receive a report called the Kroeker Report,
22 to take action on it.

23 MS. MAINVILLE: Fair enough. Okay. I just wanted to
24 clarify that. Thank you.

25 THE COMMISSIONER: Thank you. Anything arising,

1 Mr. McGowan?

2 MR. MCGOWAN: Nothing arising.

3 THE COMMISSIONER: Ms. Rajotte, is there anything
4 arising for you? I should have gone to you
5 first, I think.

6 MR. RAJOTTE: No, thank you.

7 THE COMMISSIONER: All right. Thank you.

8 Thank you very much, Ms. Bond, for your --
9 the time you've taken to testify as to your
10 recollections and insights during the currency
11 of your time when the gaming portfolio fell
12 under your jurisdiction. It has been helpful
13 and I am grateful to you for that. You're
14 excused now from any further testimony.

15 THE WITNESS: Thank you, Commissioner.

16 **(WITNESS EXCUSED)**

17 THE COMMISSIONER: Mr. McGowan, I take it we're done
18 for today and over until tomorrow at 9:30. Is
19 that correct?

20 MR. MCGOWAN: Yes, Mr. Commissioner.

21 THE COMMISSIONER: Thank you. We'll adjourn.

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

24 **(PROCEEDINGS ADJOURNED AT 11:35 A.M. TO APRIL 23, 2021)**

25