

**PROCEEDINGS AT HEARING  
OF  
APRIL 6, 2021**

**COMMISSIONER AUSTIN F. CULLEN**

**INDEX OF PROCEEDINGS**

<b>Witness</b>	<b>Description</b>	<b>Page</b>
	Proceedings commenced at 9:30 a.m.	1
	Discussion re procedural matters	1
<b>Clayton Pecknold (for the commission) Wayne Rideout (for the commission) Tom Steenvoorden (for the commission)</b>	Examination by Mr. Isaac	3
	Proceedings adjourned at 10:53 a.m.	63
	Proceedings reconvened at 11:06 a.m.	63
<b>Clayton Pecknold (for the commission) Wayne Rideout (for the commission) Tom Steenvoorden (for the commission)</b>	Examination by Mr. Isaac (continuing)	64
	Proceedings adjourned at 12:32 p.m.	126
	Proceedings reconvened at 12:42 p.m.	126
<b>Clayton Pecknold (for the commission) Wayne Rideout (for the commission) Tom Steenvoorden (for the commission)</b>	Examination by Mr. Usher	127
	Examination by Mr. McFee	131
	Examination by Ms. Tweedie	140
	Examination by Mr. Rauch-Davis	144
	Examination by Mr. Butcher	150
	Examination by Ms. Friesen	154
	Proceedings adjourned at 1:28 p.m. to April 7, 2021	160

## INDEX OF EXHIBITS FOR IDENTIFICATION

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

No exhibits for identification marked.

## INDEX OF EXHIBITS

No.	Description	Page
786	Curriculum vitae of Wayne Rideout	3
787	Biography of Tom Steenvoorden	6
788	Provincial Police Service Agreement, April 2012	12
789	Police Resources in BC 2019	15
790	Email from L. Wanamaker to C. Pecknold re fwd: German Money Laundering, December 15, 2018	63
791	Briefing Note to Minister Farnworth, Organized Crime Priorities, April 30, 2018	65
792	Letter from ADM Butterworth-Carr to Asst. Commissioner Stubbs, re Federal RCMP Reporting Requirements, May 23, 2019	79
793	RCMP, Financial Crime Resources in "E" Division, August 31, 2020	83
794	Appendix B – Response to Request 11 of Cullen Commission's May 4, 2020 Request	90
795	RCMP Narrative re Proposals, prepared by Supt. Taylor	98
796	RCMP Proposal for Financial Crime Unit, November 9, 2016	101
797	Business Case for Financial Crime Unit, Appendix D – Examples of Cases Affected by Federal Re-engineering, November 2016	102
798	Letter from ADM Pecknold to Deputy Commissioner Butterworth-Carr, November 22, 2017	103
799	Joint Briefing Note - Issue: Government has directed the PSSG, Ministry of Finance, and the Ministry of AG to examine options to combat money laundering in British Columbia, February 7, 2018	105
800	Ministry of Public Safety and Solicitor General Policing and Security Branch – Decision Note, June 7, 2019	118

801

Briefing Note - Current state of police response to money laundering  
in BC, February 10, 2020

125

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**April 6, 2021**  
**(Via Videoconference)**

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

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

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

MR. ISAAC: Thank you, Mr. Commissioner. The next three witnesses are Wayne Rideout, Clayton Pecknold and Tom Steenvoorden. Before we begin with the evidence today, Mr. Commissioner, I did want to ask we have two hours allocated for questioning by participants, and I hope to be as efficient as possible with my questions today and keep those in the range of just over two hours, but I wanted to ask at the outset the commission's availability to perhaps sit a little bit longer today.

THE COMMISSIONER: Yeah, that's fine, Mr. Isaac. I think I'm good until 2:30. I do have something at 3:30 that I need to travel to, so I would appreciate it if we could tidy everything up by 2:30, and if necessary I suppose we can always adjourn to another day to finish off if we're not completed by 2:30.

1 MR. ISAAC: Thank you, Mr. Commissioner. I hope that  
2 is not the case, and I will endeavour to be as  
3 efficient as possible with the questions today.  
4 Madam Registrar, if you would please administer  
5 the witness's oaths. All three witnesses will  
6 be swearing today.

7 THE REGISTRAR: Would each of you please state your  
8 full name and spell your first and last name for  
9 the record. I'll start with Mr. Pecknold,  
10 please.

11 THE WITNESS: (CP) My name is Clayton Pecknold.

12 THE REGISTRAR: And please spell your first name and  
13 last name for the record.

14 THE WITNESS: C-l-a-y-t-o-n, last name  
15 P-e-c-k-n-o-l-d.

16 THE REGISTRAR: Thank you. And Mr. Rideout.

17 THE WITNESS: (WR) Good morning. My name is Wayne  
18 Wayne Rideout, W-a-y-n-e, last name  
19 R-i-d-e-o-u-t.

20 THE REGISTRAR: Mr. Steenvoorden.

21 THE WITNESS: (TS) My name is Tom Steenvoorden.  
22 That's T-o-m, last name is spelled  
23 S-t-e-e-n-v-o-o-r-d-e-n.

24 **CLAYTON PECKNOLD, a**  
25 **witness for the**



1 MR. ISAAC: Thank you. We can bring that document  
2 down, please, Madam Registrar.

3 Q Mr. Rideout, you are the Assistant Deputy  
4 Minister or ADM and the Director of Police  
5 Services with the policing and security branch,  
6 or PSB, under the BC Ministry of Public Safety  
7 and Solicitor General; is that right?

8 A (WR) That's correct.

9 Q And you've been in that role since  
10 February 2021?

11 A (WR) That's correct.

12 Q Before becoming the ADM and Director of Police  
13 Services you were PSB's Deputy Director of  
14 Police Services. Serious and Organized Crime  
15 Initiatives between 2016 and 2021; is that  
16 right?

17 A (WR) No. I was -- up until 2019 and then I went  
18 into a consulting role between 2020 and 2021.  
19 So working with police services but not as the  
20 deputy director.

21 Q Thank you. And prior to you joining PSB you  
22 spent 34 years with the Royal Canadian Mounted  
23 Police in a number of positions, including  
24 Assistant Commissioner for Criminal Operations,  
25 Investigative Services and Organized Crime.

1                   That was January 2012 to September 2016; is that  
2                   right?

3           A       (WR) That's correct.

4           Q       And then prior to that you were the Chief  
5                   Superintendent for Contract Policing in charge  
6                   of the provincial police force from January 2011  
7                   to January 2012; is that right?

8           A       (WR) Yes, it is.

9           Q       Thank you. Mr. Pecknold, from March 2011 to  
10                   January 2019 you served in the same role that  
11                   Mr. Rideout presently holds as the ADM and  
12                   Director of Police Services of the PSB; is that  
13                   right?

14          A       (CP) That's correct.

15          Q       And prior to that you were Deputy Chief  
16                   Constable of the Saanich Police Service?

17          A       (CP) the Central Saanich Police Service.

18          Q       Thank you. You joined the RCMP in 1986 and over  
19                   the 11 years you were with the force served in a  
20                   variety of locations across Canada; is that  
21                   right?

22          A       (CP) That's correct.

23          Q       And you hold a law degree from Dalhousie  
24                   University, were called to the BC bar in 1996  
25                   and are a graduate of the FBI National Academy

1 in Quantico, Virginia; is that right?

2 A Yes, that's correct. I'm a non-practising  
3 member of the law society.

4 Q And you are presently the police complaint  
5 commissioner for British Columbia. That's an  
6 office you've held since February 2019; is that  
7 correct?

8 A (CP) That's correct.

9 Q Mr. Steenvoorden. Madam Registrar, if we could  
10 please bring up a copy of Mr. Steenvoorden's CV.  
11 I believe that's tab 2.

12 Mr. Steenvoorden, are we looking at a copy  
13 of your CV here?

14 A (TS) Yes, we are.

15 MR. ISAAC: If we could mark that please as the next  
16 exhibit, exhibit 787.

17 THE COMMISSIONER: Very well, 787.

18 THE REGISTRAR: Exhibit 787.

19 **EXHIBIT 787: Biography of Tom Steenvoorden**

20 MR. ISAAC: We can bring that down, please.

21 Q Mr. Steenvoorden, you spent nine years with PSB  
22 from 2011 to 2020; is that right?

23 A (TS) That's correct.

24 Q And working our way back in time most recently  
25 you were PSB's Acting Executive Director for

1                   Public Safety and Policing Operations Support  
2                   between 2018 and 2020; is that right?

3           A        (TS) That's correct.

4           Q        And in that role you were the provincial co-lead  
5                   of the BC federal ad hoc working group on the  
6                   real estate sector, and in particular work  
7                   stream 3, which was focused on improving  
8                   enforcement and prosecution; is that right?

9           A        (TS) Yes, that's correct.

10          Q        And you also led a project team in a concept  
11                   development of anti-money laundering criminal  
12                   and regulatory intelligence and investigation  
13                   models, and I think those are referred to as the  
14                   FIIU and the Fusion Centre; is that correct?

15          A        (TS) That's correct.

16          Q        Prior to that role you were the Director, Public  
17                   Safety Initiatives with the police services  
18                   division from 2014 to 2018?

19          A        (TS) That is correct.

20          Q        And in that role you led the creation of the  
21                   Joint Illegal Gaming Investigations Team, or  
22                   JIGIT, as well as the enhanced guns and gangs  
23                   strategy; is that correct?

24          A        (TS) That's correct.

25          Q        And prior to that you were Senior Portfolio

1                   Manager for the police services division in  
2                   British Columbia between 2011 and 2014?

3           A       (TS) That is correct.

4           Q       And prior to your arrival at PSB you worked at  
5                   the office of police complaint commissioner, the  
6                   Independent Inquiry Committee Into the United  
7                   Nations Iraq Oil For Food Program in Iraq as  
8                   well as the United Nations International  
9                   Criminal Tribunal for the former Yugoslavia as  
10                  well as prior to that the RCMP. Is that all  
11                  correct?

12          A       (TS) That's correct.

13          Q       So turning to the substance of today's evidence,  
14                   perhaps I'll begin with asking what may appear a  
15                   rather basic question. Mr. Rideout, what is the  
16                   policing and security branch and what is its  
17                   role in overseeing policing in the province?

18          A       (WR) The policing and security branch is a  
19                   branch within the Ministry of Public Safety and  
20                   Solicitor General, and the policing and security  
21                   branch, the assistant deputy minister and the  
22                   director of police services who leads that  
23                   branch is responsible to superintend policing in  
24                   the Province of British Columbia on behalf of  
25                   the minister of public safety, who is the

1 highest law enforcement official within the  
2 province. The powers are contained -- the  
3 powers of the director of police services in  
4 fulfilling the duties of the branch and of the  
5 role of Director of Police Services are found in  
6 the *Police Act* and there are a variety of  
7 functions and responsibilities that are  
8 contained in the *Police Act*.

9 The branch conducts oversight and  
10 superintendents policing both within the  
11 provincial force and the police boards that lead  
12 and govern the independent police agencies  
13 throughout the province of British Columbia.  
14 And there's a variety of means in which that  
15 superintending function is conducted by the  
16 Director of Police Services and of course  
17 through a variety of groups within the branch  
18 that fulfill that function.

19 Q Thank you. And would you explain, and I  
20 appreciate it can be complicated so there's  
21 different levels of detail we could go into at  
22 this point, but briefly how policing is  
23 structured in the province in terms of  
24 municipal, provincial and federal policing and  
25 generally what PSB's role is with respect to

1                   each of those levels of policing.

2           A       (WR) Certainly. There's three tiers of policing  
3                   that exist within British Columbia. The federal  
4                   police, federal police service, which is the  
5                   footprint in the provinces with the RCMP federal  
6                   policing service that operates in the province  
7                   and overlays across the whole country. It is  
8                   interconnected, but there's a footprint of RCMP  
9                   federal policing in the province.

10                               The provincial police force within the  
11                               Province of British Columbia is the Royal  
12                               Canadian Mounted Police. It is on a contract  
13                               service under the PPSA, or the provincial police  
14                               service agreement, in which the RCMP contracts  
15                               with the province to conduct provincial policing  
16                               services in the province. The remaining layer  
17                               of police services in the province is municipal  
18                               police service and that is fulfilled by  
19                               independent police agencies.

20                               At this time there are 11 agencies that  
21                               provide independent police service to  
22                               12 communities in the province, and the RCMP  
23                               provides the contract municipal police services  
24                               to numerous communities within the province and  
25                               that is also through a contractual relationship

1                   that operates through the province to Canada.  
2                   So the three agreements are between the province  
3                   and Canada, or they flow between the province  
4                   and Canada and the MPUA, or the municipal police  
5                   unit agreement, which is the contract that  
6                   connects municipal police agencies to the  
7                   province and then the province to Canada for  
8                   service with the RCMP. In places, for example,  
9                   like Burnaby or Coquitlam, things like that.

10                Q    I'd like to start by focusing on the provincial  
11                   police force and the PSB's role with respect to  
12                   that service. As you described when we're  
13                   referring to the provincial police force that's  
14                   the RCMP acting under contract. You made  
15                   reference to the PPSA.

16                                Madam Registrar, if we could please bring of  
17                   up the document at tab 4, please. And I'm  
18                   showing you a copy of the PPSA dated April 1st,  
19                   2012. I don't anticipate we'll go through this  
20                   in any painful detail, but if we could please,  
21                   do you recognize that, Mr. Rideout, as the PPSA?

22                A    (WR) Yes, I do.

23                MR. ISAAC: If we could please mark that as the next  
24                   exhibit, 788.

25                THE COMMISSIONER: Very well, 788.

1 THE REGISTRAR: Exhibit 788.

2 **EXHIBIT 788: Provincial Police Service**  
3 **Agreement, April 2012**

4 MR. ISAAC: If we could bring that document down,  
5 please.

6 Q I think you were describing, Mr. Rideout, that  
7 this is sort of the primary agreement that  
8 structures the relationship between the province  
9 and the RCMP acting as the provincial police  
10 force; is that correct?

11 A (WR) It's an agreement between Canada and the  
12 province, but it does, as you say, structure the  
13 relationship for the RCMP to provide a  
14 provincial police service with the province.

15 Q I think we saw that the agreement was dated in  
16 2012, and, Mr. Pecknold, I take it was this  
17 something that was negotiated under your tenure  
18 as the ADM?

19 A (CP) The negotiations for the 2012 agreement  
20 were finalized just as I assumed the role in  
21 2012. So I assumed the role in 2011. The  
22 negotiations were ongoing led by the Deputy  
23 Solicitor General at the time and then they were  
24 finalized in 2012.

25 Q Back to you, Mr. Rideout. Again, as I say,

1                   we're not going to go through the PPSA in any  
2                   great detail, but in terms of funding for the  
3                   provincial police force is it generally accurate  
4                   that there's a 70/30 cost structure where the  
5                   provincial government contributes 70 percent of  
6                   the cost of province policing with the federal  
7                   government paying the remaining 30 percent? Is  
8                   that generally accurate?

9                   A       (WR) Yes, that's generally accurate.

10                  Q       What is the total authorized strength of the  
11                   RCMP's provincial service currently?

12                  A       (WR) Approximately 2,600 personnel authorized  
13                   strength and that includes a variety of  
14                   different types of personnel.

15                  Q       Thank you. And I understand the total  
16                   authorized strength is a bit of a term of art.  
17                   Just to clarify what that means. Are those the  
18                   maximum number of positions that can be filled?  
19                   Is that correct?

20                  A       (WR) Yes, it is.

21                  Q       So that wouldn't take into account, for example,  
22                   officer that are on leave or otherwise unfilled  
23                   positions; is that accurate?

24                  A       (WR) That's correct. At any number of times  
25                   there's vacancies within that number and that

1 authorized strength does not represent the  
2 number of officers that are out on patrol or out  
3 doing investigations in the province.

4 Q Appreciating that the number will fluctuate I  
5 can imagine on a quite frequent basis, are you  
6 able to give the Commissioner a sense of how  
7 many vacancies they are province-wide just in  
8 terms of how many of the total authorized  
9 strength is currently filled?

10 A (WR) well, With respect to the officers when I  
11 last reviewed the material, and again it does  
12 flow fairly substantially up and down, but there  
13 was about 110 vacancies of police officers  
14 within the authorized strength in the provincial  
15 force.

16 Q I think rather than this being a memory test, if  
17 we could bring up the police resources in  
18 BC document, please. I believe that's at tab 3,  
19 Madam Registrar.

20 I'm showing you a Ministry of Public Safety  
21 and Solicitor General Police Services Division  
22 document entitled "Police Resources in  
23 British Columbia, 2019." It was prepared  
24 according to the document in November 2020. If  
25 we could go to page 17, please, of this

1 document. This is a table showing the  
2 authorized strength by responsibility between  
3 2010 and 2019. Is this a sort of document that  
4 you are familiar with and these numbers?

5 A (WR) Yes, I've had a chance to review this  
6 document.

7 MR. ISAAC: If we could please mark that as the next  
8 exhibit.

9 THE COMMISSIONER: Yes, very well. That will be 789.

10 THE REGISTRAR: Exhibit 789.

11 **EXHIBIT 789: Police Resources in BC 2019**

12 MR. ISAAC:

13 Q So you'll see that the date here under the RCMP  
14 provincial service, it ends in 2019. I take it  
15 from your evidence, Mr. Rideout, that that  
16 number remains at the 2,602 level currently in  
17 2021. Is that right?

18 A (WR) Yes, I believe it does.

19 Q Okay. And, Mr. Pecknold, I see we're looking  
20 back, it looks as though that number has been  
21 2,602 since 2012 at the beginning of your  
22 tenure. Is that accurate?

23 A (CP) That would appear to be correct, yes.

24 Q And there's other lines here in this document as  
25 well representing the other -- some of the other

1 elements of the police framework in  
2 British Columbia. You'll see above the RCMP  
3 provincial service there's a row referring to  
4 the RCMP federal service. You see that? And  
5 that looks as though it's been more or less the  
6 same since around 2010 as well. Is that  
7 accurate?

8 A (WR) Are you asking myself?

9 Q Sorry, yes, I appreciate with the panel of  
10 three. Yes, Mr. Rideout.

11 A (WR) Yeah, the strength indicated shows fairly  
12 consistent resourcing allocations around the  
13 federal police. However, the federal police  
14 numbers generally suffer from greater vacancy  
15 patterns than the provincial police force does.

16 Q Thank you. And you've anticipated my next  
17 question, which was you gave us a sense of the  
18 vacancy or sort of the delta between the total  
19 authorized strength in the provincial service.  
20 Do you know what that difference is in the  
21 federal service in British Columbia?

22 A (WR) Generally speaking over the last number  
23 of years the federal service has been with  
24 respect to police officers and there are  
25 multiple categories of employ within the federal

1 service as there are in the province service,  
2 but with police officers that number, vacancy  
3 has ranged anywhere between 140 to 200 depending  
4 on the year.

5 Q Thank you. And going back to the provincial  
6 business line. Am I reading that row correctly  
7 that the provincial contribution to specialized  
8 units like the combined forces special  
9 enforcement unit, CFSEU-BC, that that would come  
10 out of this same total authorized strength  
11 number of 2,602 in terms of the provincial  
12 contribution. Is that accurate?

13 A (WR) The funding supports the total contribution  
14 of officers but it also -- in integrated units  
15 it also funds municipal partnerships. So the  
16 total strength of the unit increases beyond the  
17 RCMP authorized strength because agencies like  
18 Vancouver and New Westminster and others  
19 participate in those units, so you tend to force  
20 multiply within those integrated units through  
21 the funding.

22 Q Okay. And you're speaking there of sort of  
23 drawing in some of the other levels of policing  
24 into those integrated units, but when we're  
25 looking at RCMP provincial service members in

1                   those units, is that something that is within  
2                   that sort of total authorized strength ceiling?

3           A       (WR) Yes, it is.

4           Q       So just following from that unless additional  
5                   police are added to that total authorized  
6                   strength ceiling is it a matter of shifting  
7                   existing resources from within the authorized  
8                   strength to potentially address different  
9                   priorities like specialized units to address  
10                  money laundering? Does that perhaps come at the  
11                  risk or at least present a risk of hollowing out  
12                  core policing?

13          A       (WR) Well, you're correct. It always represents  
14                  a risk of placing pressure on core policing. So  
15                  frontline resources in provincial agencies is  
16                  always an underlying consideration and is a  
17                  constant pressure around the provincial force.  
18                  With respect to some initiatives over the last  
19                  number of years additional funding was secured  
20                  and additional resources, but they were  
21                  specialized units that were designed to enhance  
22                  capacity in certain areas and that did not  
23                  detract from the provincial force. But if you  
24                  are to re-prioritize or re-task resources  
25                  without additional funding, then it's got to be

1                   found somewhere and that is always a risk of  
2                   putting the pressure on things like highway  
3                   patrol or small detachments.

4           Q        I have used the term already, but I think it  
5                   might be helpful to define what core policing,  
6                   what does that refer to, Mr. Rideout?

7           A        (WR) Core policing is generally frontline  
8                   policing servicing rural communities, the  
9                   vastness of British Columbia. It manages things  
10                  like highway patrol, but it also provides  
11                  infrastructure for policing in general in the  
12                  province. So there's a myriad of services that  
13                  the province funds and pays for that are part of  
14                  the provincial service. For example, provincial  
15                  major crime provides serious and organized crime  
16                  investigative capacity throughout the province,  
17                  so there's missing women's investigation, the  
18                  missing person's centre, and so the province  
19                  contributes, either manages, fully funds or  
20                  participates in a considerable amount of  
21                  infrastructure that provides services to all of  
22                  British Columbia, including independents.

23          Q        I understand you were speaking to contributions  
24                   in terms of funding and resourcing. Is there a  
25                   sort of a distinction there between the ability

1                   to contribute resources to fund other positions  
2                   possibly from other police departments and but  
3                   still needing to work within the total  
4                   authorized strength in terms of actual sort of  
5                   investigative bodies into these units?

6           A       (WR) I apologize. Maybe -- I wonder if you  
7                   could repeat your question for me.

8           Q       Sorry. It was a bad question, Mr. Rideout. Let  
9                   me be a little bit clearer. You were speaking  
10                  of resources, committing resources into  
11                  different units and different initiatives, and  
12                  my question was is there a distinction between  
13                  the ability to contribute resources like funding  
14                  versus the ability to contribute investigative  
15                  bodies, if you will, which needs to remain  
16                  within that total authorized strength at least  
17                  when it comes to the provincial contribution?

18          A       (WR) I think it's important also to maybe be  
19                  distinct about the police themselves are  
20                  independent and organize themselves to conduct  
21                  investigations in the manner they feel is most  
22                  appropriate. When it comes to prioritizing  
23                  public safety initiatives or priorities or areas  
24                  that are constantly evolving, for example, our  
25                  pressures over the last number of years with

1                   harm reduction relative to the opioid crisis,  
2                   those are initiatives that the province looks to  
3                   work with the provincial force and independents  
4                   to establish initiatives and sometimes capacity  
5                   in the form of units or specialized units. So  
6                   it's a little of both. There's the actual  
7                   number of resources and the RCMP will seek  
8                   additional resources generally on an annual  
9                   basis for things that they believe they need and  
10                  the province has the ability sometimes to fund  
11                  some of it, all of it, sometimes none of it  
12                  depending on the circumstances.

13                Q     Is an increase to the total authorized strength  
14                  of the provincial service something that  
15                  requires ministerial and treasury board  
16                  approval?

17                A     (WR) Yes. So it's a process where you need to  
18                  seek funding and then it's a multiyear financial  
19                  plan that we work very closely with the RCMP  
20                  both provincially and nationally with. We look  
21                  to secure funding and when that funding is  
22                  secure we seek to then work with the RCMP and  
23                  the Government of Canada to secure that  
24                  30 percent contribution that you spoke of  
25                  through a fairly complex process at the national

1 level. And then when both of those approvals  
2 are met, the treasury board approval and funding  
3 from the province of British Columbia and then  
4 federal contribution of 30 percent, then there's  
5 an ability to increase the force.

6 Q So if I understand correctly, Mr. Rideout, you  
7 are saying that it requires both provincial  
8 approval as well as federal approval to increase  
9 the RCMP provincial service? Do I have that  
10 right?

11 A (WR) You have it right. That's the order of  
12 things. I think it's fair to say that the  
13 provincial approval and the funding contribution  
14 is the more significant component of that.

15 Q Have the demands on policing in  
16 British Columbia, have they remained more or  
17 less constant over the past ten-year period or  
18 are there additional demands and pressures on  
19 the same resources, and if so where are those  
20 pressures most acutely felt?

21 A (WR) I would say the pressures have increased  
22 fairly dramatically in the last number of years.  
23 The complexity of policing and the expectations  
24 of police has changed; societal expectation of  
25 police, police oversight has increased

1                   dramatically. The complexity of criminal  
2                   investigation, the requirements that come from  
3                   decisions such as *Stinchcombe* and *Jordan* have  
4                   added significant challenges to policing. The  
5                   sophistication of crime and the sophistication  
6                   of criminals in this province and elsewhere in  
7                   Canada has added to the complexity of policing  
8                   and we are calling upon our police both at all  
9                   levels and have as a result of convergence of  
10                  things like the opioid crisis, mental health,  
11                  mental health and addictions, homelessness. All  
12                  of those things have added significant pressure  
13                  to policing. In frontline policing, officers  
14                  are doing work that is often very much outside  
15                  of really their core function and they are  
16                  providing services to communities that affect  
17                  public safety but not in a way that is sort in  
18                  the space of criminal investigation. It is more  
19                  social in nature and trying to keep people safe  
20                  and doing their part. And I think all of those  
21                  together have added significant pressures on  
22                  police.

23                  Q     Is there currently excess capacity in core  
24                  policing in light of those increased pressures?

25                  A     (WR) No.

1           Q     I'd like to turn to some questions. You'll have  
2                   to bear with me. I'm going to refer to a couple  
3                   of different provisions just as context for some  
4                   questions about the role of PSB and then ask  
5                   some questions arising from that. Madam  
6                   Registrar, we can bring down the document that  
7                   is currently displayed, please.

8                                 So section 2 you reference the *Police Act*  
9                                 earlier. Section 2 of the act says that the  
10                                minister must ensure that an adequate and  
11                                effective level of policing and law enforcement  
12                                is maintained throughout the province. I  
13                                understand, Mr. Rideout, you indicate that  
14                                that's a duty that's being delegated to the  
15                                Director of Police Services; is that right?

16           A     (WR) Well, I wouldn't say it's been delegated as  
17                   much as the director conducts that function on  
18                   behalf of the minister. I suppose technically  
19                   your wording is correct as well, but ...

20           Q     And article D of the PPSA that we looked at  
21                   earlier states that the province has the  
22                   constitutional jurisdiction over the  
23                   administrative justice which includes the  
24                   responsibility for policing. Article 6 says  
25                   that the provincial minister will set out the

1 objectives, priorities and goals of the  
2 provincial police service, and article 6.3 says  
3 that the provincial minister will determine in  
4 consultation with the Commissioner the level of  
5 policing services provided by the provincial  
6 police service. I appreciate I said quite a lot  
7 in that last sentence, but just unpacking some  
8 of that, appreciating that there are areas of  
9 concurrent responsibility, capacity and funding,  
10 money laundering being one example, but am I  
11 reading those sections correctly, that the  
12 province ultimately has a responsibility and an  
13 authority to provide police services across the  
14 board? Is that your understanding?

15 MS. FRIESEN: Sorry. It's Cherisse Friesen for the  
16 province. I don't necessarily understand my  
17 friend's question to elicit a legal  
18 interpretation of the contract and the  
19 legislation, but to the extent that it does I  
20 would object to that, but I don't necessarily  
21 understand him to be framing it that way but I  
22 just wanted to clarify that. Thank you.

23 THE COMMISSIONER: All right. Mr. Isaac, maybe you  
24 could clarify your question in light of what  
25 Ms. Friesen has raised.

1           MR. ISAAC: Yes, I'm not asking, Mr. Commissioner,  
2                   for an interpretation of the legislation but  
3                   just whether or not Mr. Rideout, if the other  
4                   panelists have a different understanding, but as  
5                   the Director of Police Services whether or not  
6                   his understanding is that there's an authority  
7                   for PSB and the province to provide police  
8                   services across the board. So not asking for a  
9                   legal interpretation of either the PPSA but  
10                  rather Mr. Rideout's understanding.

11          THE COMMISSIONER: All right. Thank you.

12          THE WITNESS: (WR) I guess what I would say,  
13                  Mr. Commissioner, is that it's the term "across  
14                  the board" that I think I'm struggling a little  
15                  bit with. I fundamentally agree with your  
16                  statement that there's a responsibility in the  
17                  province to fulfill the sections that you have  
18                  spoken of, but with respect to federal policing  
19                  in particular that is a responsibility that is  
20                  shared with the federal government and  
21                  responsibility of the federal government, but  
22                  they are conducting policing in the province and  
23                  the oversight of the Director of Police Services  
24                  is to police boards and superintending police in  
25                  the province generally. So there's sort of

1                   varying degrees of oversight, so I hope that  
2                   sort of clarifies. There's no question there's  
3                   a responsibility that is contained there.

4                   MR. ISAAC:

5                   Q     Thank you. I expect, you know, as the evidence  
6                   proceeds we'll understand exactly how that works  
7                   and how those various business lines and lines  
8                   of responsibility and authority work. I suppose  
9                   as a related question, if a policing need isn't  
10                  being met by existing resources, whether that's  
11                  at the federal/provincial or municipal level, is  
12                  it your understanding, is there anything  
13                  precluding to your understanding PSB, the  
14                  province from addressing policing in those  
15                  sectors?

16                  A     (WR) There is nothing precluding addressing  
17                  those issues. Those issues are complicated  
18                  given the three tiers of policing that we spoke  
19                  of and sometimes understanding the in-depth  
20                  nature of those issues is complicated. But  
21                  there is nothing that precludes either  
22                  addressing it directly or communicating with  
23                  federal partners.

24                  Q     Just pausing there. Mr. Pecknold, is that  
25                  consistent with your understanding as well? Do

1                   you have anything to add to that?

2           A       (CP) Again not getting into legal  
3                   interpretations but the *Police Act* also provides  
4                   obligations on municipalities and they have  
5                   legal obligations with respect to provision of  
6                   policing services. So if there's a failure to  
7                   police in those municipalities there is a  
8                   process through the *Police Act* to notify the  
9                   community of that failure to police, and then  
10                  there are mechanisms that would be available to  
11                  address that.

12          Q       Thank you. So the other -- one of the other  
13                  references we saw -- and, Mr. Rideout, if you  
14                  could take the first lead at answering this --  
15                  was a reference to PSB determining the  
16                  priorities and expectations for provincial  
17                  policing and also the corresponding level of  
18                  police services necessary to address them. Is  
19                  there a formal exercise that PSB undertakes with  
20                  certain metrics to do that, to monitor and  
21                  assess crime threats and determine what the  
22                  level of policing capacity is that's required to  
23                  address them?

24          A       (WR) There's a multitude of processes,  
25                  committees, data collection and efforts that go

1                   on in different areas. We have a number of  
2                   committees, for example the policy and finance  
3                   committee that we work very closely with the  
4                   RCMP on to determine their resource pressures  
5                   and their requirements. These meetings take  
6                   place throughout the year, and it is a formal  
7                   process that's been agreed upon by the RCMP and  
8                   PSB to come to some determination about the  
9                   needs and requirements of the provincial force.  
10                  We also work very closely with the senior levels  
11                  of the RCMP on a literally weekly basis to  
12                  assess the evolving nature of crime and  
13                  pressures that are facing the RCMP. And we also  
14                  keep track of what is happening on our  
15                  independent or municipal agencies. I should  
16                  point that out. So with our connections with  
17                  the RCMP and our ongoing relations we both  
18                  capture the provincial force and to a large  
19                  degree the municipal detachments that are  
20                  serviced underneath that sort of one single  
21                  command structure.

22                                We rely on the provisions and the  
23                                foundational provisions of both the *Police Act*,  
24                                the contract itself and then the government  
25                                priorities to look at the evolving pressures,

1 community expectations, what we're seeing  
2 generally through the metrics, what the RCMP are  
3 telling us. We have very robust performance  
4 metric collection for our organized crime and  
5 CFSEU agencies that they are required to report  
6 out on performance with each annual financial  
7 delegation and those are assessed and measured.  
8 So we really collect a lot of this information  
9 through multiple streams. We look at what is  
10 facing society. For example, I refer back to  
11 things like the opioid crisis and look at what  
12 the police are seeing, but we're also seeing  
13 what is emerging through other streams and those  
14 tend to all come together to inform what the  
15 minister's priorities may look like on an annual  
16 basis.

17 Q And how frequently does this threat and needs  
18 assessment occur? Is it something that's  
19 ongoing or is it on a sort of a set timeline? I  
20 think you referred to annual? How does that  
21 process actually work in terms of whether or not  
22 it's something that's ongoing and all the time  
23 or if it's on some sort of set schedule?

24 A (WR) I think I can speak to the way it is at  
25 this current moment of time. And as you'd

1                   pointed out, I've been in this particular  
2                   position for a little more than two months at  
3                   this point, but the processes are ongoing and  
4                   they are constantly informing and I think we're  
5                   very much aware of what those pressures are and  
6                   it's my understanding that similar processes  
7                   have been ongoing for quite a number of years.

8           Q       Thank you. Mr. Pecknold, for the historical  
9                   perspective is that consistent? Can you comment  
10                  on how this needs and threat assessment occurred  
11                  during your tenure and also what sorts of  
12                  metrics informed that process.

13          A       (CP) Yes. I would generally agree with  
14                  Mr. Rideout that there was a number of -- which  
15                  I assume may still be in place, a number of  
16                  formal and informal mechanisms, formal committee  
17                  structures, formal reporting through our  
18                  contract policing group and through other  
19                  mechanisms in the branch and then informal  
20                  processes with the senior leadership of the  
21                  RCMP, usually the commanding officer and the two  
22                  criminal operations officers, and a number of  
23                  mechanisms and metrics that would be used, both  
24                  financial, crime rates, crime trends. And then  
25                  on top of that there would be emerging

1 priorities and emerging issues, whether it's  
2 wildfires or emerging gang conflicts, and the  
3 cycles of gang conflicts or the opioid crisis  
4 that would demand our attention at any given  
5 time.

6 If I might just add for the sake of the  
7 Commissioner in context that during my tenure  
8 police services and/or policing and security  
9 branch had a mandate well beyond policing. It  
10 had a broad mandate, for example regulating the  
11 private security industry, and a number of  
12 programs simply beyond policing. So it was a  
13 branch that had a broad mandate beyond policing.

14 Q Thank you. How does the province once it's  
15 developed its priorities and expectations, how  
16 are those communicated to the RCMP for  
17 provincial policing? Mr. Rideout?

18 A (WR) Thank you. A letter is issued to the  
19 commanding officer with those priorities. It is  
20 followed up with delegation letters for the  
21 associated funding and for different streams.  
22 And in some of those, as I mentioned, there are  
23 performance metrics that are attached. Those  
24 priorities are followed up through our ongoing  
25 relationship with RCMP and the senior leadership

1                   and the different committees that exist so that  
2                   we track the progress of those priorities over  
3                   the course of a year.

4           Q       In terms of potentially requesting additional  
5                   resources or units within the world of  
6                   provincial policing, is that something where PSB  
7                   largely relies on the provincial police to  
8                   identify gaps and propose additional resources  
9                   for the PSB to sort of agree with and sign off  
10                  on, or is that something that PSB can and does  
11                  initiate on its own as well?

12          A       (WR) Well, I would defer to Mr. Pecknold given  
13                   his experience for the longer history, but in  
14                   recent times generally speaking the RCMP will  
15                   identify resource needs. In recent years that  
16                   has been primarily focused on core policing  
17                   needs. But it is possible and we have  
18                   suggested, at times invited them to provide  
19                   proposals for areas that we thought might be in  
20                   alignment with emerging provincial priorities  
21                   and public safety issues that we were dealing  
22                   with. So it can work both ways.

23          Q       And, Mr. Pecknold, can you give perhaps to  
24                   unpack that second way that Mr. Rideout referred  
25                   to, is there sort of an example of a policing

1                   unit or resource that was an expression of sort  
2                   of a PSB initiative first as opposed to  
3                   something identified by "E" Division?

4           A       (CP) Yes, there would be examples of that. The  
5                   multiyear planning process or the formal process  
6                   under the contract would identify new resources  
7                   that required an additional request to the  
8                   federal government for the 30 percent that they  
9                   contributed and there's a process I've alluded  
10                  to in the act. And then there's the overall cap  
11                  or authorized strength and that if there are  
12                  vacancies within that authorized strength those  
13                  positions could be filled and all that was  
14                  required was provincial funding to do it because  
15                  the federal funding had already been secured.  
16                  So there were examples where initiatives either  
17                  in response to the opioid crisis, guns and gangs  
18                  announcements or, for example, the JIGIT were  
19                  requested of the RCMP by the province using  
20                  those existing vacancies to bring on the funding  
21                  and to bring on the programs.

22           Q       Staying with you, Mr. Pecknold, appreciating  
23                   that this is a commission of inquiry into money  
24                   laundering and that many of the questions today  
25                   will obviously focus on that, but what can you



1           A       (CP) So money laundering in the larger sense  
2                    from my estimation and from my understanding had  
3                    always been an existing concern within an  
4                    overall organized crime strategy. And that at  
5                    least at the beginning of my tenure there was  
6                    from what I witnessed very good coordination at  
7                    the national level and the provincial level with  
8                    respect to organized crime files that took on  
9                    national, transnational significance. And that  
10                  through the course of those investigations it  
11                  was understood that the various avenues of  
12                  investigation if they included any violations of  
13                  the *Criminal Code* or potentially economic crime  
14                  would be pursued if the evidence was there and  
15                  according to the independent investigative  
16                  strategies of the police who were conducting  
17                  those. With respect to more specific issues  
18                  about the time that the JIGIT was developed or  
19                  the request for the JIGIT was when the branch  
20                  became more aware, I think, of the specific  
21                  concerns with respect to money laundering,  
22                  although clearly I think all senior police  
23                  leaders would understand that it was an inherent  
24                  risk across the board and an ongoing risk.  
25                  Q       Mr. Rideout, we spoke about how the province

1 sets its priorities for provincial policing.

2 How does the RCMP communicate back to the  
3 province on how it is delivering on those  
4 priorities and services to the province?

5 A (WR) Happens in a number of ways with respect to  
6 the CFSEU and OCABC in the last number of years  
7 we receive -- we have our own compliance and  
8 evaluation group that does a report for us. We  
9 also participate with the CFSEU board of  
10 governance and are aware on an ongoing basis as  
11 to where that particular agency is performing  
12 and we receive reports relative to that  
13 performance. The broader provincial force  
14 provides an annual report pursuant to the  
15 contract and pursuant to the request and the  
16 priority letter and reports back on how it is  
17 doing with respect to the more broader issues.

18 Q Thank you. And, sorry, go ahead, Mr. Rideout.

19 A (WR) So that is inclusive of the provincial  
20 force. That does not include the RCMP municipal  
21 agencies and it does not include the RCMP  
22 federal force.

23 Q Well, that's where I'd like to turn to in terms  
24 of the degree of input and visibility that PSB  
25 has with respect to federal policing lines in

1                   the province. And perhaps I'll begin just by  
2                   asking when we look at an area of concurrent  
3                   responsibility like money laundering would it be  
4                   fair to say that the assessing the overall  
5                   adequacy and effectiveness of policing is a  
6                   function of the collective impact and  
7                   interaction the resources, priorities and  
8                   capacities in all of the federal municipal and  
9                   provincial policing lines in the province?

10            A       (WR) I think an effective strategy to combat  
11                   organized crime requires all three levels of  
12                   policing, functioning and coordination. I think  
13                   they need to do so at different levels with  
14                   different complexity and I think an  
15                   understanding of what the federal force is doing  
16                   and how effective it is is important to  
17                   understand the organized crime impacts on public  
18                   safety in British Columbia.

19            Q       And how does PSB do that? How does it take into  
20                   account the resources priorities and mandates  
21                   across the board in both federal/provincial and  
22                   municipal files character?

23            A       (WR) Largely because of the structure of  
24                   policing in the RCMP in this province we have  
25                   the two, what we call criminal operations

1                   officers. One is dedicated to a position that I  
2                   formerly held that has sort of the oversight and  
3                   supervises both the federal resources in the  
4                   province as well as a lot of the provincial  
5                   investigative capacity. So because of the  
6                   ongoing nature of our relationships we have  
7                   interaction with those senior officers who in  
8                   general terms keep us informed as to what they  
9                   are working on, but I think it's very important  
10                  that we do not have the ability, nor do we have  
11                  the depth that we do within resources that are  
12                  attributed to the provincial force like at CFSEU  
13                  OCABC. Federal policing reports up through the  
14                  command structure within the RCMP in  
15                  British Columbia, but it also and primarily  
16                  reports to and is accountable to the federal  
17                  RCMP at the national level and the targeting the  
18                  intelligence stream that focuses prioritization  
19                  the way operational files are prioritized and  
20                  ultimately approved comes from national  
21                  headquarters. So we don't get into and  
22                  understand the depth of files, the investigative  
23                  strategies, the productivity what went right,  
24                  what went wrong. We do not have that  
25                  visibility. We have a little more on those

1 issues when it comes to provincial files, but  
2 again I want to emphasize the police officer's  
3 branch job is not to do investigating. It's  
4 sort of to a superintendent as a fairly high  
5 level, so we're always careful not to interfere  
6 with the independence of the police.

7 Q And just to clarify that, are you speaking about  
8 sort of tactical priority setting, that's  
9 something that PSB doesn't get into that level,  
10 that's something that's left to the police force  
11 themselves; is that accurate?

12 A (WR) With respect to the provincial force for  
13 issues that Mr. Pecknold has spoken of over  
14 the years the evolving and complex nature of  
15 gang and gang violence, we have created and  
16 supported a model in this province of which we  
17 call the Provincial Tactical Enforcement  
18 Priority. That is a targeting model and not  
19 only do we support it, we fund it and we have  
20 made it a standard in this province and all  
21 police agencies in the province contribute to it  
22 and participate because we see the benefit of  
23 the coordination and the benefits of force  
24 multiplying against a high-risk group of  
25 individuals. That said we are not a participant

1 in the federal targeting models that go on.

2 Q Thank you. And perhaps you could expand a  
3 little bit further in terms of I think you  
4 indicated in terms of the input that PSB has  
5 into federal policing, rather limited level of  
6 input, but in terms of the visibility into  
7 resources and priorities in the federal policing  
8 lines can you expand on that a little bit  
9 further, Mr. Rideout.

10 A (WR) Well, we get a report that speaks to like  
11 the report that you have referred to previously,  
12 we are advised of the numbers of resources in  
13 this province that are within federal policing.  
14 Again we have a very positive relationship with  
15 the RCMP senior leadership and we're aware of  
16 what they are working on and perhaps sometimes  
17 what their challenges are at a very high level.  
18 But there is no formal structure or system that  
19 provides that oversight directly.

20 Q And has there historically been or is there a  
21 mechanism now to ensure that policing in areas  
22 that fall primarily into the federal business  
23 lines are responsive to provincial priorities  
24 and needs? Is that something that PSB is  
25 involved in or does that occur at the sort of

1                   FPT ministerial level?

2           A       (WR) Well, you're correct, sir, that the FPT  
3                   meetings do generate that type of information  
4                   and that type of communication.  Nationally  
5                   there's a number of those types of meetings and  
6                   processes that take place.  But I feel confident  
7                   as well that the ongoing communication because  
8                   of the way the RCMP is structured in this  
9                   province with a commanding officer that both  
10                  oversees the provincial force and is accountable  
11                  to Ottawa and national headquarters, as well as  
12                  the two CROPS officers that the priority letter  
13                  that we establish and our ongoing communication  
14                  about the priorities, pressures, public safety  
15                  concerns of the province that are understood by  
16                  police services branch and the minister are  
17                  communicated through those channels.  So they  
18                  are aware, albeit not through any formal  
19                  process, any form of delegation letters or  
20                  priority letters.

21          Q       Thank you.  Mr. Pecknold, I'm not sure.  Do you  
22                  have anything to add to what Mr. Rideout has  
23                  said?

24          A       (CP) Probably just to expand a little bit that  
25                  the FPT process would be where we would identify

1           strategic federal priorities and the attempt to  
2           align strategic federal priorities. And that's  
3           a fairly structured process under the provincial  
4           policing agreements with committee structures,  
5           and so at the very strategic level that's where  
6           we identify those gaps and discuss those gaps.

7           Q     Mr. Rideout, one of the topics that this  
8                 commission has heard some evidence about was the  
9                 impact of the 2012, 2013 re-engineering of  
10                federal policing on the investigation of  
11                financial crime in British Columbia. Perhaps  
12                I'll begin, Mr. Pecknold, to your knowledge was  
13                the province PSB involved in or consulted by the  
14                federal government about the re-engineering  
15                prior to that occurring in 2012, 2013?

16          A     I have no recollection of there being prior  
17                 consultation with respect to federal  
18                 engineering. I did become aware of it through  
19                 our relationship with the criminal operations  
20                 officer at the time. And there was likely some  
21                 post-decision communication through that FPT  
22                 structure that I spoke to. I don't have a  
23                 specific recollection of it, but I would expect  
24                 it would have occurred through that very  
25                 structured process between Canada and

1                   British Columbia. The timing of that in  
2                   relation to when it was implemented I'm not  
3                   sure.

4           Q       Did it arise at all in the context, I think we  
5                   referred to the negotiation of the PPSA which I  
6                   think you were, you came in sort of at the very  
7                   tail end of that. Is the topic of federal  
8                   re-engineering something that arose or was  
9                   discussed at all in that context to your  
10                  knowledge?

11          A       (CP) Not to my knowledge, but I was not  
12                  intimately involved in the negotiations.

13          Q       Mr. Rideout, in Dr. German's second report he  
14                  describes the impact of the federal  
15                  re-engineering as leading to a "dramatic  
16                  decrease in commercial crime and proceeds of  
17                  crime enforcement within BC." I won't take you  
18                  to the passage, but that's at page 302 of the  
19                  second "Dirty Money 2 Report." Is that an  
20                  assessment that you agree with?

21          A       (WR) I think I'm unable to comment. It's clear  
22                  that post -- I think it's important to say  
23                  federal engineering and deficit reduction action  
24                  plan are sort of concurrent issues that had  
25                  significant impact on federal policing in and

1                   around 2012 or 2015. They are symbiotic in the  
2                   effect they had it seems would be my opinion.  
3                   However, I think that, you know, my awareness  
4                   around proceeds of crime and money laundering  
5                   investigations, commercial crime investigations,  
6                   prior to 2012 when those investigations exist as  
7                   sort of standalone units, I don't have the  
8                   benefit of knowing the success rate or the  
9                   number of charges that were actually advanced  
10                  with those models. It's always been my  
11                  understanding that prosecuting those types of  
12                  cases was very difficult and challenging.  
13                  Proceeds of crimes investigations suffered from  
14                  very significant challenges when those units  
15                  existed and often the predicate offence is what  
16                  the Crown prosecutors proceeded with or what  
17                  ultimately, you know, went forward and money  
18                  laundering cases have always been very  
19                  complicated. So I don't have -- I can't compare  
20                  the statistics from post or pre re-engineering  
21                  and I think those would be important to  
22                  answer that question. However, there's no  
23                  question that the concentrated capacity was  
24                  different post-federal re-engineering.

25                  Q     Thank you. Mr. Pecknold, do you have anything

1           to add to that? Your tenure sort of overlapped  
2           and began with the federal re-engineering then  
3           it carried on for sometime after. What was the  
4           impact of the federal re-engineering and the  
5           deficit reduction action plan on policing from  
6           your perspective?

7           A     (CP) I'm not sure that I'm able to draw a causal  
8           relationship, but it's always been my  
9           understanding that the deficit reduction action  
10          plan was likely the contributing -- the primary  
11          contributing factor to any reductions in federal  
12          resourcing. I'm not entirely clear whether  
13          federal re-engineering was a response to that or  
14          a response to other drivers and external  
15          drivers. Our primary focus after the agreement  
16          was signed in a number of areas was the deficit  
17          reduction action plan and the costs that were  
18          imposed on Canada, as well as the sunseting of  
19          what was called the police officer recruitment  
20          fund which was money that had been supporting  
21          organized crime resources at CFSEU. So overall  
22          reductions in federal funding on both. As I  
23          say, I'm not entirely certain and I stand to be  
24          corrected as to whether or not federal  
25          re-engineering was in response to that or a

1 concurrent activity.

2 Q When did -- and same with you, Mr. Pecknold,  
3 when did the impact of what you have described,  
4 whether that was which came first the deficit  
5 reduction action plan or the federal  
6 re-engineering, but when did PSB first become  
7 aware of those impacts that you described?

8 A (CP) Well, I can only speak for myself  
9 personally. I don't know whether the DRAP, as  
10 they called it or the deficit reduction action  
11 plan, was within the overall negotiations, but  
12 it certainly became immediately apparent with  
13 some pretty significant federal decisions that  
14 had downstream financial consequences, matters  
15 that would for most of my tenure remain as  
16 matters of dispute between province and Canada.

17 Q To your knowledge did PSB undertake any study or  
18 assessment on the impact of again whether it was  
19 the DRAP or elements of the re-engineering such  
20 as the disbandment of IPOC or the provincial  
21 crime unit and the realignment of federal  
22 priorities, was that something that was ever  
23 formally studied or looked at by PSB during this  
24 period?

25 A (CP) So a formal study if I understand your

1 question correctly, a formal study or a look at  
2 federal policing forces?

3 Q Yes. Well, the federal policing resources, but  
4 more significantly the impacts of those  
5 decisions at the federal level on the policing  
6 situation in British Columbia.

7 A (CP) Well, specific to matters that were within  
8 our authority, so for example, to illustrate one  
9 of the results of the deficit reduction action  
10 plan was a matter regarding the retirement of  
11 severance benefits for the RCMP. So that had  
12 pretty significant downstream costs consequence  
13 to the province and municipalities. We sent  
14 staff and resources to Ottawa to verify their  
15 numbers, for example, as we were considering how  
16 to resolve that. Similarly there was a dispute  
17 over the costs associated with the headquarters  
18 building. We would send financial staff to sort  
19 of verify the numbers. But with respect to  
20 federal policing specifically resources, that  
21 would be the purview of Canada so we didn't --  
22 we weren't involved in that.

23 Q Thank you. Madam Registrar, if we could please  
24 bring up PSSG45, please. It's the document, I  
25 believe it's at tab 50. Mr. Pecknold, I'm

1 showing this is an email, it's an email chain  
2 December 15th, 2018. It's between at the top,  
3 it's an email from Ms. Lori Wanamaker, the  
4 deputy minister to the premier, to yourself, and  
5 then there's other emails that sort of go down  
6 below there. If we look starting at the very  
7 bottom of page 1 there's a email from yourself  
8 from Douglas Scott December 15, 2018. Can you  
9 tell the Commissioner what Mr. Scott's role was  
10 at this time?

11 A (CP) I believe at this time he was an associate  
12 deputy minister at the Attorney General's  
13 office.

14 Q Okay. If we could please scroll down to that  
15 portion to the second page. So on the bottom --  
16 this is your email to Mr. Scott and I'd like to  
17 read -- the first part of the email speaks to  
18 some of the work that was ongoing with respect  
19 to Dr. German's report, but I'd like to focus on  
20 the final full paragraph on page 2. That says:

21 "Finally as we discussed this week, a few  
22 months ago when the media discourse  
23 commenced I commissioned a BN --"

24 I take it that's a briefing note.

25 A (CP) Yes, that's correct.

1 Q

2 "-- for our minister on priority setting  
3 related to organized crime (including  
4 money laundering of course) and the  
5 structures in place nationally to identify  
6 and validate those priorities for both  
7 federal and provincial organized crime  
8 resources. This briefing note was done in  
9 collaboration with "E" Division, federal  
10 and serious organized crime and was  
11 intended to ensure the SG" --

12 I take it that's the solicitor general.

13 "-- had the best possible factual  
14 information and advice before him in the  
15 face of commentary and other statements in  
16 the public realm. As discussed, we are  
17 vetting this briefing note to see if it  
18 can be shared with the broader DM ML  
19 committee through the DSG. I believe it  
20 may assist in understanding the structures  
21 in place related to F/P/T empirical  
22 intelligence led priority setting."

23 And what media discourse are you referring to  
24 here, Mr. Pecknold, at the beginning of this  
25 paragraph?





1                   policing capacity. Indeed when the former  
2                   premier led a delegation to Ottawa of  
3                   which I was part during the opioid task  
4                   force she made it very public (using RCMP  
5                   data that we endorsed to her) that BC was  
6                   seeing a 25 percent reduction in federal  
7                   policing. That was in fact a conservative  
8                   number which I believe was as high as  
9                   30 percent at its peak."

10                  Pausing there, Mr. Pecknold, can you -- you've  
11                  identified here and said that the issue is one  
12                  of capacity. Can you explain why that's the  
13                  issue that you've highlighted here to Mr. Scott?

14                  A     (CP) So in my view at the time and a view that I  
15                  probably still hold was that the capacity issues  
16                  were with respect to funding reductions but also  
17                  with respect to capacity that may have been lost  
18                  through federal re-engineering, capacity with  
19                  respect to expertise and other areas that were  
20                  required for these complex files.

21                  Q     And you describe this concern about federal  
22                  capacity as being long-standing, something that  
23                  was shared by your office as well as other  
24                  provinces and territories as well as RCMP  
25                  leadership. Can you explain a little bit more

1 to explain what you mean by that.

2 A (CP) So there were a number of points of  
3 identifying the concerns with respect to  
4 reductions in federal policing. I alluded to  
5 one in Ottawa that was identified at a meeting  
6 with the public safety minister at that time.  
7 There were other opportunities through that FPT  
8 process as I discussed where the provinces and  
9 territories identified concerns with reductions  
10 in federal policing, and then I believe -- I  
11 don't have access to the ministerial  
12 correspondence, but to the best of my  
13 recollection there would have been  
14 inter-ministerial letters. And there may well  
15 have been, although I don't have any access to  
16 any of the documentation discussion at the  
17 minister's level responsible for federal  
18 policing, I'm not entirely sure of that, but I  
19 believe that may have occurred.

20 Q You also refer to in paragraph to RCMP data  
21 indicating a 25, as high as 30 percent reduction  
22 in federal policing. What is that a reference  
23 to?

24 A (CP) So over and above those broad -- you had  
25 brought up the police resourcing document. Over

1                   and above those there would be any number of  
2                   reporting and financial reporting and  
3                   information reporting through our contract  
4                   policing section within the branch and there  
5                   would have been quarterly reports in terms of  
6                   resources and if we specifically asked for  
7                   information from "E" Division, generally we  
8                   would get it and we would get information with  
9                   respect to the amount of vacancies that they had  
10                  placed at any given time.

11                 Q       And just going on to the next paragraph in this  
12                   same email, you go on to speak about some of the  
13                   reasons that you believe resulted in this  
14                   erosion of capacity. And you refer, and this  
15                   touches on some of the topics that have already  
16                   been discussed. You say it's:

17                               "-- rooted primarily in the convergence of  
18                               the former conservative government's  
19                               Deficit Reduction Action Plan (DRAP),  
20                               structural deficits in national police  
21                               services and the emergence of serious  
22                               national security threats, domestic  
23                               radicalization and returning foreign  
24                               fighters or 'travellers.'"

25                   You go on to say:

1 "At the same time provinces and  
2 territories were focused on gang-related  
3 violence and serious violent crime as  
4 frankly they are now."

5 You say:

6 "Provincial resources are and should be  
7 focused on gang related violence (the  
8 irredeemable tragedies of innocent people  
9 being caught in the crossfire of open air  
10 shootings) across the province, opioid  
11 related enforcement and harm reduction,  
12 and violence and exploitation of  
13 indigenous women and girls. The federal  
14 government should resource properly to its  
15 mandate as should we. (That's how the  
16 concept of cooperative federalism works in  
17 the policing realm.) We have been  
18 resolutely advancing that to PSC for  
19 several years."

20 What's PSC?

21 A Public Safety Canada.

22 Q Thank you. And you describe here that the  
23 provinces and territories have been and should  
24 be focused on gang-related violence and those  
25 other matters in terms of violent crime and that

1                   that's what they have been focused on. Can you  
2                   explain that a little bit further for the  
3                   Commissioner.

4           A        (CP) Certainly. So clearly gang-related  
5                   violence and street level violence is the most  
6                   obvious manifestation of the broader organized  
7                   crime concerns that we saw in this province and  
8                   continue to see. Within that overall organized  
9                   crime structure I think there's an important  
10                  role for the federal government and for the  
11                  provincial governments depending on the  
12                  complexity and the transnational nature of that  
13                  organized crime. And then at the provincial  
14                  tactical level of course we're very concerned  
15                  with street level violence through CFSEU and  
16                  otherwise, and the precept there is that all of  
17                  these converging issues needed to be addressed  
18                  at all levels of government.

19          Q        Thank you. Mr. Rideout, do you agree and I  
20                   should say I appreciate before we leave you,  
21                   Mr. Pecknold, I appreciate the context of this  
22                   email, this was not an email where you were  
23                   expressing an opinion that was one that you  
24                   expected to be a sort of a formal government or  
25                   official position. These are your thoughts on



1 violence in which innocent people are being  
2 affected, but it is not street gang violence.  
3 It is organized crime violence. When we look at  
4 some of these gangs and these organized crime  
5 figure that have emerged in British Columbia,  
6 they are operating at a very high level of  
7 sophistication. They are managing to garner  
8 attention at the national and international  
9 levels and they are operating in multiple  
10 jurisdictions across this country. So the  
11 provincial force is required, the provincial  
12 assets that are specialized focus on their  
13 activities to disrupt and destabilize and to  
14 prosecute them. And the provincial force has a  
15 very significant track record of success in not  
16 just disruptions but in actual criminal  
17 prosecutions for major crime such a murder,  
18 conspiracy, kidnapping and things that put these  
19 individuals, following complex trials,  
20 incarcerated for lengthy periods of time. That  
21 is a very laborious and complex effort and  
22 requires significant resources with significant  
23 expertise. So I just wouldn't want to leave  
24 anybody with the sense that these are sort of  
25 street level gang activities. This is a very

1                    complicated problem for the province to tackle  
2                    and has been tackling for many years now and  
3                    investing heavily in that. I do think, though,  
4                    generally the manner in which federal policing  
5                    targets and the effect of federal policing  
6                    Mr. Pecknold has captured it well in his  
7                    correspondence. The 2014 national security  
8                    surge that we encountered required the  
9                    provincial force to lean in heavily to assist  
10                   the federal force given the expertise that  
11                   exists within the provincial force, and many of  
12                   the complex sort of subordinate investigations  
13                   that took place were handled by provincial major  
14                   crime units and to assist. So there is -- you  
15                   know, I would agree that these -- that the  
16                   convergence of these pressures, the DRAP, the  
17                   deficit reduction action plan, the federal  
18                   re-engineering and many others came together to  
19                   complicate the time, but it's critically  
20                   important to recognize that the province was  
21                   dealing with its own very complicated problem  
22                   relative to gang activity and just a multitude  
23                   of crimes that occurred within that space as  
24                   well.

25                   Q     Thank you. And Mr. Pecknold's email frames this

1           as this is how cooperative federalism should  
2           work with each level of government resourcing  
3           its perspective mandate areas. A broad  
4           question, if it isn't working as it's meant to  
5           and issues around federal capacity within the  
6           mandate area continue, are there options at the  
7           provincial level to address that? And this I  
8           suppose ties back to my initial question in  
9           terms of, you know, where PSB comes and what its  
10          options are sort of across the board. Can you  
11          address that, please?

12          A       (WR) Well, there's a number of options. You  
13          know, the championing of the issue with Public  
14          Safety Canada and the federal minister around  
15          federal resources has been an ongoing effort by  
16          branch as Mr. Pecknold spoke of over the course  
17          of those number of years through a number of  
18          committees and direct correspondence with the  
19          minister. And with the Public Safety Canada.

20                 The other ways is to work closely with the  
21          RCMP where possible to begin to look at where  
22          the gaps may be and look at, you know, alternate  
23          structures to perhaps provide oversight and  
24          manage that. It is difficult with the federal  
25          force in that we have no statutory authority

1                   from which to require that. The oversight that  
2                   we can provide is done through cooperation and  
3                   relationships rather than any direct power to do  
4                   so.

5                   I think what we have attempted to do in  
6                   recent years with our combined special  
7                   enforcement unit, which is a RCMP led  
8                   organization but provincially funded and its  
9                   subordinate designated policing unit with the  
10                  OCABC, Organized Crime Agency of BC, they are  
11                  merged together, is to elevate the oversight and  
12                  performance of that particular agency to begin  
13                  to build enhanced capacity looking forward to  
14                  the future so that it may begin to -- may  
15                  position itself or work broader than it is  
16                  currently taking on. One example of that is of  
17                  course JIGIT which operates within that  
18                  environment and has demonstrated sort of success  
19                  beyond the traditional areas that CFSEU has been  
20                  tasked with.

21                  MR. ISAAC: Thank you. If we could please mark this  
22                  as the next exhibit.

23                  THE COMMISSIONER: Very well. That will be 690,  
24                  Madam Registrar?

25                  THE REGISTRAR: 790.

1 THE COMMISSIONER: 790. I'm sorry.

2 **EXHIBIT 790: Email from L. Wanamaker to**  
3 **C. Pecknold re fwd: German Money**  
4 **Laundering, December 15, 2018**

5 MR. ISAAC: Thank you. And, Mr. Commissioner, I'm  
6 just noticing the time. Before I move on to the  
7 next document would now be a convenient time for  
8 a brief break?

9 THE COMMISSIONER: Yes, I think so, Mr. Isaac. We'll  
10 take 15 minutes. Thank you.

11 THE REGISTRAR: The hearing is now adjourned for a  
12 15-minute recess until 11:07 a.m. Please mute  
13 your mic and turn off your video. Thank you.

14 **(WITNESSES STOOD DOWN)**

15 **(PROCEEDINGS ADJOURNED AT 10:53 A.M.)**

16 **(PROCEEDINGS RECONVENED AT 11:06 A.M.)**

17 **CLAYTON PECKNOLD, for**  
18 **the commission,**  
19 **recalled.**

20 **WAYNE RIDEOUT, for the**  
21 **commission, recalled.**

22 **TOM STEENVOORDEN, for**  
23 **the commission,**  
24 **recalled.**

25 THE REGISTRAR: Thank you for waiting. The hearing

1 is now resumed.

2 THE COMMISSIONER: Thank you, Madam Registrar.

3 Mr. Isaac.

4 MR. ISAAC: Thank you, Mr. Commissioner. Madam  
5 Registrar, if you could please bring up  
6 GPEB5698. I believe that's the document at  
7 tab 34.

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

9 Q This is a briefing note dated April 30th, 2018,  
10 and the issue identified here is organized crime  
11 priorities. If we go to page 6 of this document  
12 we'll see that it's been prepared by Tom  
13 Steenvoorden and approved by Mr. Pecknold. Just  
14 going back to page 1, Mr. Pecknold, is this a  
15 copy of the briefing note that you referenced in  
16 your email to Mr. Scott that we looked at  
17 earlier?

18 A (CP) It appears to be, yes.

19 Q Could you explain what the background and  
20 purpose of this briefing note was, please.

21 A (CP) As I recall this was to make sure that our  
22 minister, Minister Farnworth, had information  
23 before him that was illustrative so he could  
24 understand how these matters were prioritized,  
25 and that was the purpose of it. I think as I

1 recall I commissioned this -- April 2018, I  
2 commissioned this just to make sure that given  
3 that there was some public discourse with  
4 respect to money laundering and other things  
5 going on and organized crime that the minister  
6 had information before him.

7 MR. ISAAC: Thank you. If we could mark this please  
8 as the next exhibit. I believe that would be  
9 791.

10 THE COMMISSIONER: Very well, 791.

11 THE REGISTRAR: 791.

12 **EXHIBIT 791: Briefing Note to Minister**  
13 **Farnworth, Organized Crime Priorities, April 30,**  
14 **2018**

15 MR. ISAAC:

16 Q Mr. Pecknold, in this document there is a  
17 description of what appears to be sort of two  
18 related concepts. One is strategic priorities  
19 and then also tactical priorities. Could you  
20 explain what the distinction is between those  
21 two types of priorities.

22 A (CP) Well, based on my understanding the  
23 tactical priorities would be those ones that  
24 Mr. Rideout described as those being discussed  
25 at the provincial tactical enforcement priority

1 level of the national tactical enforcement  
2 priority level, so those targeted or those  
3 matters of targeted investigations conducted by  
4 the police independently, broader strategic  
5 priorities would relate to broader government  
6 priorities and then specifically, for example,  
7 ministerial mandate letters and broader  
8 priorities set for the provincial force.

9 Q I think the first bullet point under the summary  
10 says:

11 "Strategic and tactical priority setting  
12 for the investigation of organized crime  
13 is a shared responsibility. The federal  
14 government sets the priority for RCMP  
15 federal operation (FSOC) while the  
16 province sets the priorities for the RCMP  
17 police service."

18 And that's accurate; right?

19 A (CP) Correct. And presumably the federal  
20 government sets its strategic priorities for the  
21 federal force and for the RCMP generally much  
22 like we do provincially.

23 Q I think we already clarified that Mr. Rideout  
24 explained that PSB does not have a role in  
25 tactical priorities. It may set the sort of

1 policy framework and the processes, but the  
2 actual tactical priorities themselves are  
3 something that are independently determined by  
4 police; is that correct?

5 A (CP) During my tenure we occupied a regulatory  
6 role with respect to that priority setting, but  
7 we didn't set the tactical priorities for the  
8 police.

9 Q Okay. If we go to page 4 please of this  
10 document, there's a discussion here under the  
11 heading "Operationalization of Priorities."  
12 There's a description of something that had been  
13 referred to earlier, the provincial tactical  
14 enforcement priority, or PTEP. Can you just  
15 briefly explain what that is and how that works.

16 A (CP) Well, Mr. Rideout or Mr. Steenvoorden would  
17 have had a more direct knowledge of the way that  
18 PTEP is structured, so I'll defer to them on  
19 that level, but we endorsed that priority  
20 setting process which was a process as I recall  
21 led by CFSEU, we endorsed it by putting it into  
22 provincial policing standards which are binding  
23 on the police to make sure that as a program  
24 we're providing that regulatory encouragement  
25 and oversight.

1           Q     And, Mr. Steenvoorden, can you add anything to  
2                   the description of how the PTEP process works,  
3                   please.

4           A     (TS) Yes, thank you. The PTEP is a threat  
5                   assessment, risk assessment program that begins  
6                   really at the frontlines of policing in which  
7                   individuals or groups are identified as local  
8                   threats, mainly linked to the violence and  
9                   community safety. And those individuals get  
10                  entered into a database and through various  
11                  means and I'm sure that Mr. Rideout who had  
12                  intimate knowledge of this area will be able to  
13                  provide a little bit more in-depth. But the  
14                  individual is identified through various risk  
15                  assessments and those individuals that are at  
16                  highest risk emerge into a target and thereby  
17                  the local police or the provincial police  
18                  depending on location and range of the  
19                  individual that they become subject to potential  
20                  investigations that are ongoing through a  
21                  reporting period. Ultimately the outcomes of  
22                  those targeted enforcement endeavours are scored  
23                  and reported on at the end of the reporting  
24                  period and through that you can measure a level  
25                  of success in the attention that you've raised

1 with the individual.

2 Q Thank you. If we could go on to page 5, please,  
3 of this document. At the top under the heading  
4 "Discussion" it says:

5 "Money laundering/terrorist financing,  
6 illegal migration/human smuggling,  
7 terrorism, cybercrime, market enforcement,  
8 opioids, outlaw motorcycle gangs and G7  
9 are the priority focus of the RCMP federal  
10 investigations. The priorities are not  
11 rank recorded but are serviced subject to  
12 intelligence assessment, triage and  
13 capacity."

14 It goes on to say:

15 "Risk-based methodology is applied in the  
16 assessment of priorities and deployment of  
17 resources. Money laundering, whether  
18 cartel, OMG, outlaw motorcycle gangs, or  
19 any other organized crime group is  
20 captured in the federal priority focus."

21 Just pausing there, and, Mr. Pecknold, just to  
22 connect this to the email that you sent to  
23 Mr. Scott that we looked at earlier where you  
24 make some reference to this briefing note and  
25 then go on to say that the issue in your opinion

1                   was one of capacity, in terms of how to connect  
2                   this briefing note to that email, is it -- are  
3                   you saying essentially that the primary limiting  
4                   factor in your opinion when it comes to the  
5                   policing of money laundering isn't a question of  
6                   mandates, intelligence triage or specific  
7                   tactical priorities, but that it turns on that  
8                   last question, whether there's enough capacity  
9                   in the system to address it? Is that a fair way  
10                  to connect your email with what's expressed here  
11                  in the briefing note?

12                A       (CP) I think I would agree but with a bit of an  
13                  elaboration. I would say that when I talk about  
14                  capacity now and probably what I was thinking at  
15                  the time that I wrote that to Mr. Scott was  
16                  capacity in the larger sense and that means  
17                  resources, that means expertise, that means the  
18                  impact of the complexity of crime and the  
19                  complexity of the investigation of crime,  
20                  whether that's disclosure rules or Supreme Court  
21                  of Canada decisions. So capacity is impacted  
22                  beyond human resources and funding. It's  
23                  impacted by all those other external drivers.

24                Q       Thank you. Mr. Rideout, do you have anything  
25                  you would add to that in terms of your

1                    understanding about how these matters such as  
2                    intelligence assessment, triage and ultimately  
3                    capacity interact with one another?

4                    A        (WR) Resources are not infinite even at the  
5                    national level. The work on the ground informs  
6                    a national intelligence picture that is assessed  
7                    and prioritized. Resources at the federal RCMP  
8                    level, our priorities are set. Local RCMP  
9                    leadership contribute and advocate for local  
10                    issues, but priorities are set at the federal  
11                    level. There's a sophisticated structure within  
12                    the RCMP nationally to prioritize and authorize  
13                    operations in alignment with what they call a  
14                    tiering process and prioritization, and  
15                    operational plans are developed based on those  
16                    threat assessments and that intelligence and  
17                    targeting.

18                    I think the -- it's fair to say that the --  
19                    those models have over the last number of years  
20                    focused on organized crime groups with a sense  
21                    of disrupting their activity in all forms of  
22                    criminal investigation, so whether that be the  
23                    predicate offence of international drug  
24                    trafficking, whether it be local drug  
25                    trafficking, any number of criminal events, and

1                   to look at it holistically and look for where  
2                   the opportunities may exist through  
3                   investigation and disruption to mitigate the  
4                   effect of an organized crime group on a  
5                   province, on a community, on the country at a  
6                   national level. And that was, you know, the  
7                   strategy employed through the FSOC transition or  
8                   the federal re-engineering that was sort of the  
9                   new model, and it's based on intelligence and  
10                  the idea is to disrupt those groups in any form  
11                  that makes the most sense because sometimes they  
12                  can be more effectively disrupted through the  
13                  predicate offence than they can through some of  
14                  the more complex international investigations  
15                  that are required.

16                  So I would also agree with Mr. Pecknold when  
17                  you talk about capacity that it's not about just  
18                  the number of resources; it's about the legacy  
19                  and compounding effect of the work that both  
20                  federal and provincial law enforcement officers  
21                  do. Unlike what we commonly see on television  
22                  where police officers go do an investigation and  
23                  then they're finished and they may put the  
24                  handcuffs on an individual and then they go on  
25                  to the next case, many of these complex federal

1                   and provincial organized crime investigations go  
2                   on for years. Police officers are tied up  
3                   post-arrest with investigations and prosecutions  
4                   disclosure, support to prosecutions and trial  
5                   that go years and years. So for each successful  
6                   megacase or major criminal prosecution you have  
7                   the compounding effect of an absence of both the  
8                   expertise that's attached to these investigative  
9                   teams and the resources themselves. So you  
10                  begin to, you know, when you start to look at  
11                  the compounding effect of funding disruption and  
12                  chaotic funding models and you look at the  
13                  disruption of staffing vacancies and then the  
14                  common illnesses and things, and then if you  
15                  look at where police officers are tied up  
16                  for years and years on one or two cases, you  
17                  start to really see the capacity issue. It's  
18                  not just in resourcing capacity, but it's in  
19                  what I would refer to as operational capacity  
20                  for to be effective. You become a less  
21                  effective force based on your own success.

22                  Q     And, Madam Registrar, I think we can bring down  
23                  this document. One of the areas relating to  
24                  operational capacity that Dr. German's second  
25                  report noted, and it received some attention at

1                   the time, was his finding that at the time in  
2                   March, February 2019 there were:

3                   "No RCMP members from its federal business  
4                   line currently dedicated to criminal money  
5                   laundering investigations."

6                   And the report describes how that conclusion was  
7                   reached through a series of questions that were  
8                   asked of "E" Division, including the total  
9                   number of positions within the federal and  
10                  provincial business lines dedicated to money  
11                  laundering proceeds investigations, and then how  
12                  many of those positions are currently staffed  
13                  and then how many of those staffed positions are  
14                  currently working as investigators and then  
15                  finally what those investigators are actually  
16                  doing.

17                  Prior to Dr. German's second report what  
18                  level of visibility or reporting did PSB have  
19                  into the resources dedicated in the RCMP's  
20                  federal business line and what those resources  
21                  were doing? And perhaps -- I'm not sure who  
22                  best to ask this to. Perhaps, Mr. Pecknold.  
23                  I'm not sure if you have any insights into that,  
24                  please.

25                  A       (CP) I'm sorry. I don't recall when

1           Mr. German's report came out, this second  
2           report. But up until my departure, the level of  
3           understanding of resources would be with respect  
4           to vacancy patterns and the information that we  
5           were able to obtain through our contract  
6           policing group with respect to vacancies. In  
7           terms of dedicated to money laundering my  
8           understanding of federal re-engineering was that  
9           these federal units were focused in a more  
10          generalist sense and it may well be as with  
11          CFSEU conducting investigations, organized crime  
12          investigations that may have a thread or  
13          an avenue of investigation that would have  
14          involved proceeds of crime or money laundering  
15          or financial crime. So the word "dedicated" as  
16          I consider it now I would think would be based  
17          on sort of an old commodity-based model where  
18          their primary focus was a specific type of  
19          investigative avenue, but I probably defer to  
20          Mr. Rideout on the expertise of that.

21          Q     Mr. Rideout, do you have something to add and in  
22          particular on that question of what, if any,  
23          significance there is in terms of having  
24          dedicated resources to address something like  
25          money laundering?

1           A       (WR) Well, there's no question the term  
2                   "dedicated" Dr. German is correct, you know,  
3                   those dedicated teams were amalgamated with  
4                   investigative teams in the post-2012  
5                   decision-making related to federal  
6                   re-engineering. That said, it was my belief, my  
7                   understanding that even in the pre-federal  
8                   engineering world dedicated resources that had  
9                   expertise in proceeds of crime or money  
10                  laundering often relied on and worked  
11                  collaboratively with their counterparts and  
12                  other federal teams to do things such as  
13                  surveillance and electronic covert efforts.  
14                  Also to conduct investigations and to do work on  
15                  the predicate offences. So they were often  
16                  combined to work collaboratively together. I  
17                  think where the difference really lies is the  
18                  dedicated teams had a better sense of how to  
19                  successfully prosecute a case. So gather  
20                  evidence in support of what was required under  
21                  the laws of Canada in the *Criminal Code* of  
22                  Canada and to move towards a prosecution, and I  
23                  think what started to happen in the other model  
24                  is investigators started to work in support of  
25                  disruptions, and I think that that is perhaps

1           the difference because in my view we still need  
2           the capability of conduct thing criminal  
3           prosecutions in this country for those offences  
4           that are contained within the *Criminal Code* and  
5           we should not be solely, and I say the word  
6           "solely," relying on strategies that look to  
7           support disruptions and seizures. While that's  
8           an important aspect of it, it should not be the  
9           only strategy.

10           Q     Mr. Rideout and Mr. Steenvoorden, since the time  
11           of that second report has PSB taken any steps to  
12           increase its degree of visibility into the, to  
13           use the term you used, Mr. Rideout, sort of the  
14           operational capacity. So beyond just total  
15           number of positions and also vacancy, but in  
16           getting into the kind of granular detail on the  
17           federal business line have there been any steps  
18           taken to increase that visibility?

19           A     (WR) I can speak to the answer at least in part.  
20           I'm aware of correspondence drafted by my  
21           predecessor requesting some reporting from  
22           federal policing related to these areas and a  
23           report was received. Again, it is a report that  
24           I would suggest provides information at the  
25           strategic level but there's no real ways for us

1                   to independently assess the depth, the scope,  
2                   what we often refer to in the provincial  
3                   policing world is the socioeconomic return on  
4                   investment attached to investments and attached  
5                   to the funding of operations. We like to  
6                   determine not just whether there's been a  
7                   seizure of drugs or a commodity or that there's  
8                   been a prosecution, but that the disruption to a  
9                   group or an organized crime group has had a  
10                  debilitating or destabilizing effect in which it  
11                  unable to operate. So we look at metrics and  
12                  are seeking to expand our awareness of metrics  
13                  that are far beyond just drugs in a locker or  
14                  packages of bags full of money in an  
15                  exhibit locker but what effect did that actually  
16                  have on the activities or the ability of that  
17                  organized crime group to continue to operate.  
18                  And those are the kind of things that we are  
19                  absent currently.

20                Q     Thank you. And just you did refer to it in  
21                    terms of some of that correspondence from your  
22                    immediate predecessor.

23                                Madam Registrar, if you could bring up  
24                    please CAN-1314. I believe that's tab 20,  
25                    please. This is a letter dated May 23rd, 2019,

1                   from then ADM Butterworth-Carr to the assistant  
2                   RCMP commissioner Wayne Stubbs. You'll see that  
3                   the title there is "federal RCMP reporting  
4                   requirement." It says that the province intends  
5                   to expand reporting to encompass federal  
6                   experts, and then it goes on and there's a  
7                   number of specific metrics that are requested in  
8                   the letter in terms of resources and performance  
9                   outcomes. Is this the letter that you were  
10                  referring to, Mr. Rideout?

11                  A       (WR) Yes, it is.

12                  MR. ISAAC: If we could mark that, please, as the  
13                  next exhibit.

14                  THE COMMISSIONER: Very well. I think we're at 792,  
15                  Madam Registrar.

16                  THE REGISTRAR: That's correct. Exhibit 792.

17                               **EXHIBIT 792: Letter from ADM Butterworth-Carr**  
18                               **to Asst. Commissioner Stubbs, re Federal RCMP**  
19                               **Reporting Requirements, May 23, 2019**

20                  MR. ISAAC:

21                  Q       You'll see in the letter it refers to this as an  
22                               expansion of the reporting requirements and I  
23                               take it from that would it be fair to say that  
24                               the same level of reporting that's requested  
25                               here wasn't necessarily being provided prior to

1                   these requests? Is that right, Mr. Rideout?

2           A       (WR) That's my understanding from previous roles  
3                   that it was sporadic and was generally received  
4                   anecdotally and/or through verbal briefings and  
5                   the effort here was to begin to commence a more  
6                   formal process. There's also a reference in  
7                   this letter to asking the federal force to  
8                   participate in the provincial tactical  
9                   enforcement priority, PTEP, that we described  
10                  earlier, and that had been undertaken even prior  
11                  to this letter being sent with communication by  
12                  myself and others to, you know, locally and to  
13                  the national level because we felt that was  
14                  perhaps a solution to beginning to sort of  
15                  capture at least some of the data and where the  
16                  three levels of policing actually merged in or  
17                  connected.

18          Q       And if we could bring up please document  
19                  CAN-1293. I believe that's at tab 19. And,  
20                  Mr. Rideout, is this one of the responses that  
21                  was received to your understanding, a response  
22                  to ADM Butterworth-Carr's request for additional  
23                  metrics on the resources deployed in the federal  
24                  business line?

25          A       (WR) Yeah, that is my understanding from

1 reviewing the records since I've been in the  
2 position. I wasn't present for the receipt of  
3 that particular piece of information when it  
4 came in, but that is my understanding.

5 Q Okay. If we go to page 4, please, of the  
6 document. This is a table that indicates the  
7 number of positions as well as the number of  
8 those positions that are occupied as of the date  
9 shown there within those dedicated financial  
10 crime resources. Has PSB been continuing to  
11 receive these sorts of metrics from the federal  
12 business line?

13 A (WR) My understanding as of today we have not  
14 received a similar report for 2020.

15 Q Is that something that you expect to -- I mean,  
16 would that be helpful? Is that something that  
17 you continue to -- you expect to continue to  
18 request in terms of metrics on the capacity and  
19 details of that that are dedicated to money  
20 laundering in the province?

21 A (WR) Yes. In fact, I would like to see moving  
22 forward this to include all elements of the  
23 federal investigative teams so that there's some  
24 understanding where that alignment is occurring.  
25 It's not -- you know, from my purposes it

1                   wouldn't just be about money laundering. It  
2                   would be a wide variety of federal policing  
3                   priorities.

4           Q       One point just to clarify with respect to this  
5                   table, at the time of Dr. German's second  
6                   report, so March 2019, you'll see the top row  
7                   there is "Money Laundering Team 1." We  
8                   understand that at that time it was an FSOC  
9                   project development team and the members in that  
10                  team were not among those identified by the "E"  
11                  Division as dedicated money laundering  
12                  investigators, but that in June 2019 a couple of  
13                  months after Dr. German's report, this team  
14                  began to be included as part of the broader  
15                  money laundering team as a dedicated money  
16                  laundering investigative team. Mr. Rideout or  
17                  Mr. Steenvoorden, do you have any insight and  
18                  was PSB told about what, if anything, changed in  
19                  terms of the mandate or operations of that team  
20                  to include it as an investigative money  
21                  laundering team? Do you have any insight into  
22                  that at all?

23           A       (WR) I would be guessing. My sense is generally  
24                   that the RCMP like most of the province was  
25                   attempting to be as responsive as it could to

1           the growing concerns that were being raised  
2           around the money laundering and obviously it  
3           would be best if you asked them directly, but my  
4           sense is they were simply responding to the  
5           concerns and attempting to adapt their structure  
6           to be more in line with what the expectations  
7           were.

8           MR. ISAAC: Thank you. And I apologize. I don't  
9           know whether or not we marked this as an  
10          exhibit. We may have already done so. Madam  
11          Registrar, can you confirm whether or not we  
12          have marked this as an exhibit?

13          THE REGISTRAR: This one no, not yet.

14          MR. ISAAC: If I could ask that we please mark this  
15          as the next exhibit.

16          THE COMMISSIONER: 793.

17          THE REGISTRAR: Exhibit 793.

18                   **EXHIBIT 793: RCMP, Financial Crime Resources in**  
19                   **"E" Division, August 31, 2020**

20          MR. ISAAC: We can pull this document down now,  
21          please.

22          Q        So in terms of the investigative output, if you  
23                   will, and in terms of investigations of  
24                   resulting prosecutions for money laundering  
25                   proceeds cases, to what extent was PSB receiving

1                   or tracking the level of those outputs in terms  
2                   of investigative charges and prosecutions of  
3                   money laundering and offences? Mr. Pecknold,  
4                   perhaps I can start with you. I'm not sure if  
5                   that was something that was part of the general  
6                   monitoring that was occurring over your tenure  
7                   or perhaps arose at some point during that  
8                   period.

9                   A       (CP) So with respect to the provincial business  
10                   line we would have high visibility. I, for  
11                   example, and Mr. Rideout at various points in  
12                   his tenure both at the RCMP and with our branch  
13                   while I was there, we sat on the CFSEU board as  
14                   non-voting members so we would have insight into  
15                   what the CFSEU was working on. We would have  
16                   through that process access to their performance  
17                   metrics, and again Mr. Rideout can speak to this  
18                   but while he worked at the branch with me he had  
19                   initiated a number of programs towards better  
20                   performance reporting for the provincial  
21                   business line and otherwise. And so performance  
22                   reporting was a growing requirement of some of  
23                   our funding requirements from treasury board  
24                   especially with respect to fenced initiatives.  
25                   So on the provincial business line a high degree

1                   into that. On the federal business line more on  
2                   that informal basis with our relationships with  
3                   the deputy CROPS officers as to what was going  
4                   on, especially when it touched on a provincial  
5                   investigation where there was coordinated  
6                   efforts.

7           Q        Thank you. Madam Registrar, if we could bring  
8                   up, please, document it's called appendix B  
9                   response to request 11. It's the document at  
10                  tab 8, please.

11                         Now, this is a document that was provided to  
12                   the commission by the RCMP in response to a  
13                   request for certain information. You'll see  
14                   that those are set out on the first page. I do  
15                   want to just -- obviously this isn't a document  
16                   that was prepared by any of you today. Perhaps  
17                   as we look at this document, there's a couple of  
18                   points I want to take you to. Mr. Rideout, can  
19                   you provide a sort of a simple explanation of  
20                   what a major investigation is in terms of that  
21                   as a policing term of art in British Columbia?

22           A        (WR) Certainly. The province has led the way in  
23                   categorizing investigations and in providing an  
24                   accreditation process to develop what we call  
25                   accredited team commanders, people that have had

1                   proven track records of success in not just  
2                   leading large teams of investigators,  
3                   multifaceted integrated teams of investigators,  
4                   but also in doing so in a manner that leads to  
5                   successful criminal prosecutions and navigating  
6                   all the complexities of those investigations,  
7                   including those areas such as very complex  
8                   judicial authorizations which warrants covert  
9                   operations and on and on it goes. These cases  
10                  are highly complex and they involve hundreds and  
11                  hundreds of separate investigative pieces that  
12                  have to be brought together and the information  
13                  collected and collated in a way that is  
14                  disclosable to Crown prosecutors and the courts  
15                  at a later date consistent with the rules of  
16                  *Stinchcombe* and under the timelines that we must  
17                  pursuant to the *Regina v. Jordan* decision. That  
18                  takes a considerable amount of expertise and can  
19                  take a lot of skills and coordination. So  
20                  there's a process that exists to manage that and  
21                  when a case reached the level of complexity with  
22                  the numbers of tasks that are significant then  
23                  it is often categorized as a major case  
24                  investigation. Often complex homicides or major  
25                  case investigations and many of the federal

1                    investigations, if not most, would reach that  
2                    category. There is a further category which we  
3                    refer to as a megacase which is even much more  
4                    difficult and those are cases that often go on  
5                    for years. They are fraught with challenges,  
6                    difficulty, and often almost unmanageable given  
7                    the complexity. So essentially it's just a very  
8                    complex case that has many moving parts and is  
9                    feeding information from multiple sources.

10                  Q    Would a significant investigation into a third  
11                    party professional money launderer or similar  
12                    money laundering investigations would those most  
13                    likely be major investigations?

14                  A    (WR) I think most likely if they were advancing,  
15                    if it was in the early stages and they were  
16                    doing preliminary investigation it wouldn't  
17                    automatically start at a major investigation.  
18                    But if the investigation began to gain momentum  
19                    and there was room for the investigators to  
20                    proceed, I would expect that in pursuit of a  
21                    criminal prosecution or in partnership with  
22                    other jurisdictions it would very likely be a  
23                    major case.

24                  Q    Thank you. If we could go, please, to page 12  
25                    of this document. So these are the data that

1                   were provided and you'll see there's a heading  
2                   there. There are a number of notes to the data  
3                   and I won't take you all through those now, but  
4                   these are the major money laundering  
5                   investigations from all of the RCMP's business  
6                   lines in British Columbia between 2015 and  
7                   September 2020 showing those with charges  
8                   recommended and those without. On the major  
9                   money laundering investigations on the left.  
10                  And you'll see there in the column there are  
11                  three in total between 2015 and 2020, the date  
12                  shown here September 2nd, 2020, were these kinds  
13                  of data ones that PSB were aware of or was  
14                  monitoring over this period of time,  
15                  Mr. Pecknold?

16                  A       (CP) I'm not sure if we were monitoring it in  
17                  this format. We certainly would be with respect  
18                  to the provincial business line. We would be  
19                  able to request this type of information from  
20                  the RCMP, from "E" Division. This format of  
21                  report isn't familiar to me.

22                  Q       If we go ahead, please, to page 14, this is a  
23                  companion table that over the same period of  
24                  time shows of those major money laundering  
25                  investigations how many had charges approved.

1                   And you'll see that this shows that in that same  
2                   period there was only one investigation that  
3                   resulted in charges approved and that was in  
4                   2017/2018. Mr. Pecknold, is it the same  
5                   answer to this, this was in terms of whether or  
6                   not this sort of information was the type of  
7                   information that PSB was following during this  
8                   time?

9                   A       (CP) Well, we certainly had all sorts of data  
10                   with respect to broader UCR, uniform crime  
11                   reporting statistics, PRIME statistics and other  
12                   statistics. We may or may not have received  
13                   more specific granular reports if we requested  
14                   them, but we certainly were monitoring broader  
15                   crime statistics.

16                   Q       Thank you. You'll see, Mr. Rideout, there's a  
17                   note to this table. It says:

18                               "Values do not reflect dispositions (e.g.,  
19                               whether charges were later stayed)."

20                   Are you aware of whether any major  
21                   money-laundering investigations with the RCMP in  
22                   British Columbia with charges that resulted in  
23                   this period aside from the E-Pirate  
24                   investigation?

25                   A       (WR) Not relative to this time period and

1                   frankly not in any period in my memory or in my  
2                   visibility both in this time period and the time  
3                   periods that precede this period.

4                   MR. ISAAC: If we could mark this, please, as the  
5                   next exhibit.

6                   THE COMMISSIONER: Very well, 794.

7                   THE REGISTRAR: Exhibit 794.

8                   **EXHIBIT 794: Appendix B - Response to**  
9                   **Request 11 of Cullen Commission's May 4, 2020**  
10                  **Request**

11                  MR. ISAAC:

12                  Q     Mr. Rideout, do you have something to add there?

13                  A     (WR) The only piece I was going to add to  
14                        Mr. Pecknold was the federal RCMP create notes  
15                        or briefing notes in cases in which charges are  
16                        imminent or there's going to be some media  
17                        awareness and we are often alerted to those  
18                        types of cases through a process in this  
19                        relationship that we have with the RCMP. So in  
20                        cases in which perhaps a significant drug  
21                        seizure is made and it will be in the news or  
22                        there's belief to be some perhaps shared  
23                        coordination between CBSA and the RCMP and its a  
24                        success of some federal importance we are  
25                        alerted in those cases and we're often advised

1                   what the proposed charges are. Now, I think  
2                   it's important to say proposed charges because  
3                   in most federal cases even when an arrest or  
4                   seizure is made, the charges are not immediately  
5                   laid. Those go on. That support to prosecution  
6                   and charge assessment goes on for months if  
7                   not years before a charge is ultimately laid.  
8                   So time between arrest and success of an  
9                   investigation and an actual charge can be months  
10                  or years and then subsequent conviction can  
11                  be years after that. So it's a very hard thing  
12                  to follow within the course of an annual cycle  
13                  because these cases go on for years and years  
14                  and they have different ebbs and flows.

15                               (CP) If I may add, Mr. Isaac. I would agree  
16                               with that. The RCMP certainly were good on a  
17                               case-by-case basis, especially when a matter was  
18                               going to go in the public realm of informing us  
19                               at the appropriate stage so we were aware of it.  
20                               We may generally be aware that an investigation  
21                               was going on and then we would be informed as it  
22                               was going public either through charges or  
23                               otherwise, so I would agree with that statement.

24                   MR. ISAAC: Thank you. Madam Registrar, we can bring  
25                   this document down.

1           Q     I'd like to shift gears away from federal  
2                    policing for a moment and return to provincial  
3                    policing, and some of the proposals we  
4                    understand were developed to address some of the  
5                    gaps around the policing of financial crime in  
6                    BC that we've discussed. Some of these  
7                    proposals were initiated by "E" Division and  
8                    then some of those were developed by the  
9                    province and I understand Mr. Steenvoorden was  
10                  involved in some of those later proposals. And  
11                  before I do that, we look at some of those  
12                  proposals, Mr. Rideout, can you just explain  
13                  hopefully in relatively simple terms what the  
14                  usual process is for new provincial RCMP units  
15                  and resources to be identified, requested and  
16                  approved? How does that work?

17          A     (WR) Mr. Commissioner, the RCMP will identify  
18                  its resourcing needs through this process that I  
19                  referred to earlier as a policy finance  
20                  committee. They develop proposals and business  
21                  cases for areas that they feel would advance the  
22                  provincial force and they come in all kinds of  
23                  different forms, different needs, emergency  
24                  response team, for example, changing the focus  
25                  of highway patrol and needing more resources and

1           there's any number of requirements. And this is  
2           usually in response to changing community needs,  
3           changing expectations on the police, changing  
4           requirements for the courts and it's really  
5           quite broad in nature.

6           Those requests are prioritized through a  
7           process that's shared by police services and the  
8           RCMP and at one time the list was paired down to  
9           ensure that we were looking at only those that  
10          were prioritized to be sufficiently necessary  
11          and were thought to be at least both police  
12          services and the RCMP felt that they had value  
13          in enhancing the provincial force. And those  
14          come up through a process and are assessed and  
15          prioritized.

16          When they are a -- we attempt to align them  
17          with provincial priorities and then those cases  
18          are advanced to treasury board's submissions for  
19          funding provincially when it hits the correct  
20          threshold and I should say we're not -- the  
21          province is not always automatically invited to  
22          make a submission to treasury board for  
23          provincial policing. We request an opportunity  
24          to do so and when we have that opportunity we  
25          use those business cases as our tool to

1                   prioritize for financial submission and support.

2           Q       Thank you.  And if we could bring up, please, a  
3                   document it's called RCMP narrative.  It's the  
4                   document at tab 9.  Just as an introduction.  So  
5                   this is a narrative document that was prepared  
6                   by superintendent Brent Taylor, who is the  
7                   current office in charge of "E" Division FSOC  
8                   financial integrity, and he provided it to give  
9                   some context for some of the proposals that were  
10                  produced to the commission.  I'm not going to  
11                  take you through all of this, but if you look at  
12                  page 1 the fifth paragraph Superintendent Taylor  
13                  writes:

14                         "British Columbia was identified as the  
15                         only province that did not have a  
16                         provincial proceeds of crime unit  
17                         responsible for all 'provincial' crime  
18                         investigations.  As such, it was decided  
19                         that provincial funding would be pursued."

20                  And then he goes on to describe, refer to a  
21                  proposal that was developed in 2015 but was not  
22                  approved by RCMP senior management and then was  
23                  finally approved by the RCMP in 2017 and at that  
24                  point referred to BC -- I think it's the PSB  
25                  that he's referring to there.  Breaking that

1 down, is that first part accurate? Is BC the  
2 only province that does not have a provincial  
3 financial crime unit responsible for provincial  
4 crime investigations, Mr. Rideout?

5 A (WR) Thank you. I am a little confused by this  
6 particular paragraph because Mr. Taylor speaks  
7 about a provincial POC unit is responsible for  
8 all provincial financial crime investigations,  
9 but then goes on referring to a business case  
10 for a provincial fraud team. So to me there's a  
11 significant difference between a proceeds of  
12 crime unit and a provincial fraud unit. They're  
13 not the same thing. So I'm not clear as to  
14 whether he is saying the province is the only  
15 one without a proceeds of crime team or the only  
16 province without a fraud team. I can tell you  
17 that the RCMP in British Columbia does not and  
18 did not in 2015 or '14 have a provincial fraud  
19 unit and it was something that was considered to  
20 be valuable, but I could not say that the other  
21 provinces did have a fraud team or did have a  
22 proceeds of crime team because the 2013 federal  
23 re-engineering took away proceeds of crime as an  
24 independent entity and actually the direction  
25 was in all provinces, but I couldn't speak to

1                   whether it existed or doesn't.

2           Q       And that same re-engineering also resulted in  
3                   the disbandment of the commercial crime section  
4                   that existed at that time which both provincial  
5                   and federal RCMP members were a part of; is that  
6                   correct?

7           A       (WR) That's correct. Disbandment, the  
8                   investigator specialists were disbursed amongst  
9                   the teams. They didn't leave. They were just  
10                  disbursed amongst more generalist teams.

11          Q       I hope to go through some of these proposals as  
12                  efficiently as possible, but would you agree,  
13                  and as we'll see, most of them appear to be  
14                  focused on at least at the early stages what's  
15                  described as sort of an investigative gap around  
16                  the types of large frauds and financial crime  
17                  investigations that the commercial crime section  
18                  previously undertook. Is that a fair summary?

19          A       (WR) No.

20          Q       Okay. Please correct me.

21          A       (WR) So the federal commercial crime section  
22                  focused its intention on very high level  
23                  commercial crime and it had a threshold. I'm  
24                  not in a position today to tell you what that  
25                  threshold was, but the gap that existed was that

1                   their threshold for undertaking federally funded  
2                   investigations left a gap for investigations  
3                   that didn't meet that threshold. So the desire  
4                   for a provincial fraud capacity was not  
5                   necessarily in its original iteration designed  
6                   to fill a gap for the loss of commercial crime.  
7                   It was designed to fill a gap where, say, fraud,  
8                   mass marketing frauds or frauds of people's life  
9                   savings in RRSPs or things didn't hit the  
10                  threshold in which federal commercial crime  
11                  would undertake that investigation but that it  
12                  exceeded local detachment or municipal police  
13                  capacity, so the desire to have a fraud unit  
14                  originally was to sort of close that gap. And  
15                  then in subsequent iterations of these documents  
16                  and looking in an era of the German report and  
17                  the issues around money laundering, those  
18                  requests were made to again try to resurrect  
19                  that business case but to modify it to take on a  
20                  broader mandate to include things like money  
21                  laundering.

22                  MR. ISAAC: Okay. Perhaps if we could mark this  
23                  narrative as the next document. I expect we  
24                  will reference it as well with the author.

25                  THE COMMISSIONER: Very well. 795.

1 THE REGISTRAR: Exhibit 795.

2 **EXHIBIT 795: RCMP Narrative re Proposals,**  
3 **prepared by Supt. Taylor**

4 MR. ISAAC: We can bring that document down. If we  
5 can bring up CAN-208.

6 Q And, Mr. Rideout, just staying with you, to your  
7 understanding was this the first proposal that  
8 you are aware of for sort of that provincial  
9 financial crime unit that came out of "E"  
10 Division that Superintendent Taylor's narrative  
11 refers to?

12 A (WR) It's my recollection that there was other  
13 versions of it in different forms that predated  
14 this and this is a very similar business case.  
15 It is an evolving model. There's a version of I  
16 believe in 2015 and there may even be a version  
17 that predates that. Business cases are often  
18 refreshed or if it's not successful in one  
19 fiscal year, it could be refreshed. It can be  
20 refreshed under the direction of a new leader  
21 like Superintendent Taylor and others. So this  
22 is certainly one version of a provincial  
23 financial crime unit and very much aligns with  
24 the ones that I'm aware of that existed  
25 previously.

1           Q     Okay.  And if we -- you'll see there on the  
2                    executive summary the first paragraph says it's:  
3                    " -- a re-engineering of federal resources  
4                    in 2013.  BC has had no provincial police  
5                    resources tasked with the investigation of  
6                    large frauds.  Prior to re-engineering  
7                    there were about 100 members and support  
8                    staff investigating financial crime in  
9                    BC."

10           I take it that would be a reference to the  
11           financial crime section that existed at that  
12           time; is that right?

13           A     (WR) Correct.

14           Q     Okay.  Again, I don't want to take you through,  
15           I appreciate that this proposal evolved and I  
16           don't want to take you through all of it.  But  
17           if we could go, you'll turn to page 3, there's a  
18           graph there showing some information from PRIME  
19           uniform crime reporting about the charges and  
20           related matters to fraud cases.  If we go on to  
21           page 6, please, there's a section that says  
22           "Consultation with Crown" and there's a  
23           reference here to comments from an engagement  
24           from the then deputy director for the Ministry  
25           of Attorney General and the comments that are

1 attributed to him here say:

2 "While not wishing to sound critical of  
3 the RCMP, he believes there is a "huge  
4 gap" occurring as his office no longer  
5 receives large-scale frauds for  
6 prosecution."

7 Is that -- I take it that would have been  
8 Richard Fyfe at the time as the Ministry of the  
9 Attorney General in this time period.

10 A (WR) I couldn't say if it was Mr. Fyfe or not.

11 Q And turning to Mr. Pecknold and  
12 Mr. Steenvoorden, because I understand you may  
13 have been on sort of the receiving end of this  
14 proposal, was this a proposal that you recognize  
15 as one that was submitted to PSB?

16 A (CP) Actually if you don't mind can I just  
17 answer that first question. I'm not entirely  
18 sure that deputy director of -- Mr. Ternchello  
19 [phonetic] refers to Mr. Fyfe. I suspect when I  
20 read this document in preparation for my  
21 appearance today that that referred to somebody  
22 in the BC prosecution service office, but that's  
23 the way I read it. I could be wrong. Just with  
24 respect to these business cases I would just  
25 point out process-wise that at the front page of

1           this it refers to something called the RAC.  
2           That's an internal RCMP -- I do not recall what  
3           that refers to, but it's an internal RCMP  
4           process where they identify their resourcing  
5           needs. It then would go to the joint committee,  
6           the policy and finance committee that we  
7           co-chaired I believe with the RCMP. And in this  
8           case a version eventually made it into the  
9           multiyear plan and that's when we responded and  
10          asked for a further report. So I can't speak to  
11          the versions, frankly. The version that we  
12          would have dealt with would be the one attached  
13          to their multiyear plan in I want to say 2017,  
14          as I recall, from the material I read.

15          MR. ISAAC: If we could mark this, please, as the  
16          next exhibit.

17          THE COMMISSIONER: Very well.

18          THE REGISTRAR: Exhibit 796.

19                   **EXHIBIT 796: RCMP Proposal for Financial Crime**  
20                   **Unit, November 9, 2016**

21          MR. ISAAC: Thank you. Just in connection with this,  
22          there's the version of one of the appendices to  
23          this document in the initial production of this  
24          was redacted and there's an unredacted version  
25          I'd just like to enter as well. That's

1 CAN-1210, which is the document at tab 15.

2 You'll see that, that's appendix D to this same  
3 report. If we could have that, please, marked  
4 as the next exhibit.

5 THE COMMISSIONER: All right. 797.

6 THE REGISTRAR: Exhibit 797.

7 **EXHIBIT 797: Business Case for Financial Crime**  
8 **Unit, Appendix D - Examples of Cases Affected by**  
9 **Federal Re-engineering, November 2016**

10 MR. ISAAC:

11 Q Mr. Pecknold, just picking up on what you said,  
12 you indicated that the response, there was a  
13 response to PSB -- from PSB to these proposals,  
14 these initial proposals that were for a fraud  
15 unit for something broader. Can you just  
16 explain that a little bit more, please.

17 A (CP) Again, in some of the material that I  
18 reviewed in preparation today there was a  
19 request when this was brought into the multiyear  
20 plan to expand or to relook at their model  
21 around an economic integrity model, so a broader  
22 model that would be more in keeping from my  
23 perspective with the provincial  
24 responsibilities. In many of these cases these  
25 are local detachment files and much like

1           homicides often these would be delivered through  
2           an integrated unit at a shared cost basis. In  
3           some cases they could elevate to a provincial  
4           investigation, especially where it touched  
5           organized crime.

6           Q    If you could pull up document PSSG44, which is  
7           tab 40. I think this may be of assistance.  
8           This is a letter from you, Mr. Pecknold, to then  
9           deputy commissioner Butterworth-Carr. Sorry  
10          PSSG44, please. Please scroll down. This is a  
11          November 2017 request that I was referring to  
12          where you are asking in response to this  
13          proposal that we looked at for a broader  
14          proposal with a focus that included money  
15          laundering. Is that right?

16          A    (CP) That's correct.

17          MR. ISAAC: And if we could please mark this as the  
18          next exhibit.

19          THE COMMISSIONER: 798.

20          THE REGISTRAR: Exhibit 798.

21                   **EXHIBIT 798: Letter from ADM Pecknold to Deputy**  
22                   **Commissioner Butterworth-Carr, November 22, 2017**

23          MR. ISAAC:

24          Q    And, Mr. Pecknold, was this request for a  
25          broader unit, one that would encompass money

1           laundrying, to your knowledge was this the first  
2           time a request for a provincial unit with a sort  
3           of broad financial integrity including money  
4           laundrying mandate was made by the province?

5           A     (CP) It's difficult to recall without access to  
6           all of the documents that may have surrounded  
7           this. Generally speaking this would have been  
8           supported by a proposal and a briefing note. In  
9           this case it refers to the multiyear plan, which  
10          I don't have, which I assume had the requests  
11          for the unit. So this would have been a new ask  
12          from the RCMP and that it was considered and  
13          then as the letter suggests sent to them for  
14          further consideration in light of the broader  
15          discussion and needs and gaps identified around  
16          economic crime in the province.

17          Q     Thank you. If we could pull up PSSG10.  
18          Mr. Pecknold, this may be one of those sort of  
19          context documents that you were referring to.  
20          This is a joint briefing note to the PSSG  
21          Ministry of Finance and the Ministry of Attorney  
22          General to examine options to combat money  
23          laundrying in British Columbia. And if we go to  
24          page 4 this is a rare document where all of your  
25          names on it approved by everyone. If we



1                   Unit – BC as a province-wide unit tasked  
2                   with the prevention, disruption and  
3                   enforcement of organized crime groups and  
4                   gangs."

5                   Just pausing there. Following this there appear  
6                   to be some development we'll seen on the  
7                   provincial side of the proposals that eventually  
8                   became the Fusion Centre and the FIIU, the  
9                   financial investigative and intelligence unit.  
10                  Is this what the sort of the genesis of looking  
11                  at that is reflected here in this joint briefing  
12                  note, Mr. Pecknold?

13                A       (CP) My standard practice was to -- I tried to  
14                  develop what might be called shovel-ready  
15                  projects, so do some of the analysis upfront in  
16                  case there was an opportunity for us to secure  
17                  funding for various initiatives. In this case  
18                  we had a proposal from the RCMP and a multiyear  
19                  plan and where it says approval in principle  
20                  that's generally what we did with those  
21                  multiyear plans to try to secure the federal  
22                  funding and then securing the provincial funding  
23                  would be a matter of advancing through the  
24                  various approval processes within the ministry  
25                  and more broadly. This briefing note to me when

1 I reviewed it signified me informing the deputy  
2 attorney general and the deputy solicitor  
3 general about what we were up to in case there  
4 was an opportunity to see some funding arise and  
5 develop a plan. In term of the actual  
6 development subsequent to this and the details,  
7 I would defer to Mr. Steenvoorden and  
8 Mr. Rideout as to how that actually happened on  
9 the ground level.

10 MR. ISAAC: Okay. And perhaps we could -- I think  
11 this document has already been marked as an  
12 exhibit, but if we could pull up exhibit 60. I  
13 believe is the anti-money laundering financial  
14 intelligence and investigations unit draft  
15 proposal that is already an exhibit with the  
16 commission.

17 Q Mr. Steenvoorden, perhaps in terms of addressing  
18 some of those questions with you.

19 Mr. Steenvoorden, I understand from the  
20 beginning of the evidence today that you were  
21 involved in the development of this proposal; is  
22 that right? As well as the related Fusion  
23 Centre?

24 A (TS) That is correct.

25 Q And was this part of that alternative strategy

1                   that we saw referred to in that briefing note?

2                   A     (TS) It didn't start off as part of that  
3                   alternative strategy. It definitely came into  
4                   play but the -- this proposal, this concept  
5                   really arose from a direction that we received  
6                   to examine German 37, German report number 1  
7                   recommendation 37, and that really started on a  
8                   stream of its own but I would say merged with  
9                   what's mentioned in that briefing note  
10                  approximately ten months earlier.

11                  Q     And this proposal that we looked at, and it's  
12                  quite a lengthy and detailed proposal, but was  
13                  this prepared in consultation with other  
14                  entities that Ministry of the Attorney General  
15                  and GPEB and the AML secretary, were there  
16                  various parties that were involved in preparing  
17                  these?

18                  A     (TS) Yes, both within government and within  
19                  policing, we had -- the working group involved  
20                  GPEB, the AML secretary within government, the  
21                  RCMP and independents, plus outside we also  
22                  reached out to Deloitte and Touche and Europol,  
23                  a director from Europol to provide some input  
24                  and advice.

25                  Q     If we go to page 15, please, of this document,

1                   it starts the second full paragraph. It says:

2                   "The decision to house the FIIU into OCABC  
3                   instead of within an existing RCMP  
4                   structure has been done intentionally and  
5                   with much deliberation."

6                   It goes on to describe a number of what are  
7                   described as historical realities where the  
8                   province relies on cost sharing with the federal  
9                   government, and I won't take you through all of  
10                  those now, but if you go below the bullet points  
11                  there it says:

12                  "Based on these historical realities, it  
13                  was anticipated that tethering specialized  
14                  units, such as the FIIU, to the federal  
15                  RCMP or a provincial force that used the  
16                  70/30 cost-share would compromise human  
17                  resource capacity and expertise, staffing  
18                  levels, provincial priorities, information  
19                  flow, and the agility required to respond  
20                  to emerging issues."

21                  Then it goes on to say:

22                  "To have an effective response to  
23                  provincial issue, the FIIU must be  
24                  provincially funded in order to have the  
25                  authority and autonomy to direct the FIIU

1 to respond to provincial priorities."

2 Was that a part of the -- an area that received  
3 some focus and planning, Mr. Steenvoorden, in  
4 terms of the development of this proposal?

5 A (TS) Yes, it was discussed mainly internal to  
6 the branch based on experience and the ability  
7 to keep resources within the unit. As  
8 Mr. Rideout and Mr. Pecknold both mentioned, the  
9 length and the complexity of these types of  
10 investigations, the rotation of staff due to  
11 transfers and retirements and that was always  
12 problematic, and that was in envisioning this  
13 FIIU, that was a thought to try to overcome  
14 that.

15 Q Thank you. Then if we could bring up, please,  
16 PSSG139. That's the document at tab 51. 139.  
17 It's at tab 51. So this is a decision note  
18 dated June 7th, 2019. It says "for decision by  
19 the Honourable Mike Farnworth," and just for  
20 context, Mr. Steenvoorden, what is a decision --  
21 we've seen some briefing notes, but what is a  
22 decision note?

23 A (TS) A decision note would be just that. It's a  
24 note created that provides the minister with  
25 information, background information, and

1 ultimately a decision on potential options.

2 Q And if we go to the last page 6 of this  
3 document. There's space for signatures on  
4 behalf of the minister and it says it was  
5 prepared by Ms. Delaine Friedrich, a research  
6 and policy analyst, and for approval by both  
7 yourself, Mr. Steenvoorden, as well as then ADM  
8 Butterworth-Carr. This isn't signed, but do you  
9 recall this decision note?

10 A (TS) Yes, I do, and I note that it does have a  
11 CLIFF number, so to me that means that it's gone  
12 through our document registration system and so  
13 this would be a final document.

14 Q Okay. And if we go up to back on to the first  
15 page, the issue there is:

16 "On June 13th, 2019, Minister Farnworth  
17 will be meeting with federal Minister  
18 Border Security Bill Blair and Minister of  
19 Finance Bill Morneau to discuss federal  
20 funding for a police and regulatory  
21 response to money laundering in  
22 British Columbia."

23 And under the heading of policing -- there's a  
24 description under "Policing Landscape." I won't  
25 take you through all of that. On page 2 there's

1 a reference and description to the FIIU proposal  
2 that we saw, and then on the next page you'll  
3 see there's a dated -- reflects the estimated  
4 cost of the FIIU as well as the BC AML Fusion  
5 Centre.

6 And if you go under "Implications" and if  
7 you could -- there's a heading there under -- on  
8 page 4 there's a heading that says

9 "BC requires --

10 And this is two above the heading "Provincial  
11 Core Policing Considerations." It says:

12 "BC requires financial support to move  
13 forward with the FIIU and Fusion Centre  
14 and is requesting \$20 million for fiscal  
15 year 2020/2021 --"

16 And 15 million for the year after.

17 There's a reference to a draft letter from  
18 Minister Eby requesting those matters. If you  
19 look there is two options. One of them is to  
20 seek federal funding for the creation of a  
21 provincial FIIU and the other one is to seek  
22 100 percent federal funding. Mr. Steenvoorden,  
23 can you explain how -- what happened between the  
24 briefing note that we saw, or the proposal that  
25 recommend seeking, proceeding with the

1           100 percent provincial funding to this proposed  
2           request for either 100 percent or significant  
3           federal funding? And do you know whether or not  
4           this request was ever made to the federal  
5           government?

6           A     (TS) Okay. To answer the first part of your  
7           question, the FIIU proposal was presented to the  
8           deputy minister's committee on AML in May of  
9           2019. And at that time the direction was that  
10          the proposal was to be set aside due to  
11          partially financial concerns provincially.  
12          Those finances weren't readily available. And  
13          so you'll note that this document was prepared  
14          in June, a month later and whether the minister  
15          actually utilized the document to seek federal  
16          funding, I can't answer that. I'm sorry.

17          Q     Mr. Rideout, do you know whether or not federal  
18          funding was sought for the FIIU?

19          A     (WR) Yes. It's my understanding there's been a  
20          number of communications both by the solicitor  
21          general and the attorney general to request the  
22          federal government fulfill its -- what is  
23          believed by the province to be its role in  
24          interdicting and conducting investigations in  
25          anti-money laundering, and those have to a

1 degree resulted in some anticipated support.  
2 There has been some announcements at the federal  
3 level and some indications of funding, albeit  
4 minimal. But I would also say that with respect  
5 to the current state of this business case or  
6 this proposal and others, funding is always a  
7 challenge and of course the pandemic changed the  
8 dynamic around a great number of things,  
9 including funding. However, I think that all  
10 options still remain on the table and being  
11 examined and I think that from the province  
12 perspective and the information that I have in  
13 front of me today is ensuring that we have all  
14 the information available and make the correct  
15 decision as to a strategy in that while the FIIU  
16 is certainly the, if you will, the Cadillac  
17 model from the province's perspective for  
18 enforcement and the fusion of enforcement and  
19 intelligence, there is -- the issue is so much  
20 broader and the analysis is still being  
21 conducted and a lot of the work around  
22 resilience and target hardening is still being  
23 conducted and the government is of course  
24 extremely aware of the work that's being  
25 conducted here by this commission and looking to



1                   point where the provincial RCMP may not  
2                   support or must delay/reduce  
3                   implementation of the FIIU."

4                   Mr. Rideout, can you just comment on that. Are  
5                   all of those points accurate and what is the  
6                   significance of that in terms of a way forward  
7                   or a proposal such as the FIIU or Fusion Centre?

8                   A       (WR) Yes, I can. Those are accurate. The core  
9                   policing resources in the province as described  
10                  earlier are strained and the RCMP has signaled  
11                  the need for additional resources over the  
12                  course of the last number of years. There has  
13                  been some modest success last year and those  
14                  efforts are underway this year, but they are  
15                  modest and they will provide some relief. But I  
16                  think it's an important distinction simply  
17                  providing the funding to the provincial force  
18                  doesn't necessarily immediately solve the  
19                  problem because as you accurately describe, sir,  
20                  is that those experienced resources have to come  
21                  from somewhere, so if you stand up a unit say  
22                  like FIIU and you need 30 police officers  
23                  immediately, you need to pull them from other  
24                  locations, detachments, provincial resources  
25                  that are often already under great pressure, and

1                   as described in the provincial force there's  
2                   already some resource gaps that exist on an  
3                   ongoing basis, federal resources have similar if  
4                   not greater pressures. So when we're  
5                   establishing significant units we have to look  
6                   at the global picture and understand that when  
7                   we look to staff large units there is cascading  
8                   effect on the provincial force and it has to be  
9                   considered holistically. I think part of the  
10                  reason that this proposal and others look at  
11                  building some permanent legacy infrastructure  
12                  within our designated policing unit such as  
13                  OCABC is that it can operate outside of that  
14                  environment so that it's not having a direct  
15                  impact at least permanently on the ebb and flow  
16                  of the provision core resources. In other words  
17                  you're essentially building a separate police  
18                  agency that is integrated with the RCMP. I  
19                  think that also provides the ability to hire  
20                  specialists rather than your traditional  
21                  gun-wearing police officer but somebody with the  
22                  right academic and/or experienced credentials to  
23                  do this kind of work.

24                  MR. ISAAC: Thank you. And, Mr. Commissioner, I am  
25                  recognizing the time and I'm going to try to be



1 mid-2019."

2 And then it goes to on describe that as a  
3 setback. Now, the commission heard some  
4 evidence during its overview hearings in  
5 June 2020 from Mark Sieben, the Deputy Solicitor  
6 General, as well as Megan Harris, the executive  
7 director and AML secretariat lead, the FIIU  
8 proposal was put on hold pending recommendations  
9 from the commission. This February 20 briefing  
10 note to ADM Butterworth-Carr states that the  
11 proposal was dissolved because of a lack of  
12 capacity. Was the FIIU proposal dissolved in  
13 mid 2019 or is it on hold or what is the current  
14 status of those two proposals, Mr. Rideout?

15 A (WR) My understanding based on my time back with  
16 the branch as the ADM that all options remain on  
17 the table and as we look at the broader issues  
18 and await the recommendations of this commission  
19 of inquiry that if the proposal for the FIIU  
20 seems to be the right teeth of a collective  
21 strategy, because I think my position would be  
22 that this is a piece of a broader strategy that  
23 in my view the criminal investigation alone is  
24 not sufficient to deal with the problem and that  
25 criminal prosecution is much too slow to -- it's

1           required of course, but it's much too slow to  
2           really have a broad effect on the problem of  
3           money laundering, then if this proposal was seen  
4           to be in line with the recommendations that it  
5           could be modified as is required and  
6           reconfigured to align better with what both the  
7           commission and the government ultimately decided  
8           to do with respect to next steps.

9           Q     Thank you. My last question, and I'd like to  
10           have the input of all of the panel on this, is  
11           having seen these various proposals and,  
12           Mr. Steenvoorden, the work that went into  
13           developing the FIIU and Fusion Centre, is it  
14           your view that -- I think, Mr. Rideout, you  
15           referred to it as the Cadillac, but would a  
16           proposal like that put into operation make a  
17           meaningful impact from an enforcement  
18           perspective on money laundering in the province?  
19           Would that be the sort of option 1 from your  
20           perspective?

21           A     (WR) I'm sorry, sir. Who are you asking?

22           Q     I'll start perhaps with you, Mr. Rideout. If in  
23           your view the FIIU and Fusion Centre is a  
24           concept that you think would make a meaningful  
25           impact around the policing and enforcement or

1 response to money laundering in the province.

2 A (WR) Not in itself. I think it needs to be done  
3 in coordination and in conjunction with a more  
4 robust federal footprint and a more investment  
5 and/or attention at the federal enforcement  
6 level, but more importantly I think it needs to  
7 come in combination with what I'd refer to as  
8 resilience building and target hardening in the  
9 environment and regulators that are leaning in  
10 in a way that makes money laundering very  
11 difficult to occur in the first place.

12 Q Anything to add to that, Mr. Steenvoorden?

13 A (TS) I think Mr. Rideout is very succinct on  
14 that point, but I believe that there has to be a  
15 look at the landscape and examination of all the  
16 various pieces of legislation. To Mr. Rideout's  
17 point, it really becomes very important that the  
18 regulators who have to rely on many of the areas  
19 that we see money laundering being problematic  
20 become first of all their legislation become  
21 focused or at least provide a focus for  
22 anti-money laundering ability, and then secondly  
23 breaking down those silos of information that  
24 can be investigated in a more collaborative  
25 manner. It's simply not a policing matter

1                   alone. It's a lot bigger picture and I think if  
2                   we leave the responsibility up to the police we  
3                   won't ever see the success that we need to.

4           Q        Thank you. And, Mr. Pecknold, do you have any  
5                   thoughts and I appreciate -- well, I suppose  
6                   this version of the FIIU proposal would have  
7                   occurred during your time, but what are your  
8                   thoughts on what the way forward is and what  
9                   part, if any, something like the Fusion Centre  
10                  and financial investigative intelligence unit  
11                  would play in this?

12          A        (CP) I'm actually not clear this proposal  
13                   occurred during my time, but I would echo the  
14                   comments of the other panelists that I think  
15                   there is a -- there should be a realization that  
16                   a criminal justice response and a policing  
17                   response alone is not going to have the desired  
18                   effect. You have to look at across the spectrum  
19                   of responses. I think if you look over the  
20                   number of years where regulatory-related  
21                   preventative, disruptive activities were brought  
22                   in where there was a whole of actor -- I was  
23                   going to say a whole of act government, but a  
24                   whole of actor approach to a given problem, I  
25                   think it has a greater success. It is my view

1 risky to put all your eggs into the criminal  
2 justice response basket.

3 Q Thank you. And, Mr. Steenvoorden, just one last  
4 question. The FIIU proposal and the Fusion  
5 Centre, was the idea that these would be  
6 additive to addressing the capacity issues that  
7 we had discussed earlier with respect to the  
8 federal business lines, or is this an instead  
9 of? What was your understanding of where  
10 this -- these provincial proposals might fit  
11 into that?

12 A (TS) This was today based on some of the  
13 documentation that I've reviewed it would appear  
14 that it's more complementary. You know, it  
15 appears in the federal documents that the RCMP  
16 have proceeded down a very similar path to our  
17 proposed FIIU in the creation of their ACE teams  
18 and other teams. So building on the BC concept  
19 it brings the federal business line to some  
20 degree into alignment with what we could  
21 potentially do here within the province.

22 Q Thank you. Perhaps as a bit of a wrap-up  
23 question, Mr. Rideout, there have been a number  
24 of new initiatives announced at the federal  
25 level, the ACE team, trade-based money

1                   laundrying centre of expertise, the new IMLIT  
2                   initiative. At this point do those new  
3                   initiatives and the resources that you  
4                   understand to have been put to them, do those  
5                   resolve the capacity concerns on the federal  
6                   line in your view?

7           A       (WR) No.

8           Q       Would you like to elaborate slightly on that?  
9                   Just before do you, Mr. Commissioner, I have  
10                  been updated in terms of the time estimate. So  
11                  we've gone from 2 hours to an hour and  
12                  25 minutes, so I propose perhaps, Mr. Rideout,  
13                  if you can answer this question and then it may  
14                  be a good time for a break and then for the  
15                  participants to ask their questions.

16          A       (WR) My understanding of the IMLIT proposal is  
17                  approximately \$20 million spread over five years  
18                  in four provinces. I think the numbers that  
19                  I've recently seen indicate a 22R CIFA  
20                  initiative that was borne here but is now being  
21                  managed by the RCMP and then three additional  
22                  resources into federal policing. That's five  
23                  resources. There's already 160 vacancies in  
24                  federal policing. It's not going to do  
25                  anything.

1 Q Thank you.

2 A (WR) If you add a little expertise, I suppose,  
3 but at the end of the day, you know, it gets  
4 absorbed into this big giant pond, then I think  
5 that that is inherently the problem is that, you  
6 know, there's very little that two or three  
7 people can actually accomplish.

8 MR. ISAAC: Thank you. I'm not sure if I marked this  
9 last document as an exhibit, Madam Registrar.  
10 If we could do that.

11 THE REGISTRAR: Not yet.

12 MR. ISAAC: If we could mark that as the next  
13 exhibit.

14 THE COMMISSIONER: 801.

15 THE REGISTRAR: Exhibit 801.

16 **EXHIBIT 801: Briefing Note - Current state of**  
17 **police response to money laundering**  
18 **In BC, February 10, 2020**

19 MR. ISAAC: Thank you, Mr. Commissioner, those are  
20 all of my questions for the panel.

21 THE COMMISSIONER: All right. I think we'll take a  
22 brief adjournment then as you suggest,  
23 Mr. Isaac, and then commence with the  
24 participants. I think perhaps ten minutes.

25 THE REGISTRAR: This hearing is adjourned for a

1 ten-minute recess until 12:42 p.m. Please mute  
2 your mic and turn off your video. Thank you.

3 **(WITNESSES STOOD DOWN)**

4 **(PROCEEDINGS ADJOURNED AT 12:32 P.M.)**

5 **(PROCEEDINGS RECONVENED AT 12:42 P.M.)**

6 **CLAYTON PECKNOLD, for**  
7 **the commission,**  
8 **recalled.**

9 **WAYNE RIDEOUT, for the**  
10 **commission, recalled.**

11 **TOM STEENVOORDEN, for**  
12 **the commission,**  
13 **recalled.**

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

16 THE COMMISSIONER: Thank you, Madam Registrar. I'll  
17 first call on Ms. Gardner on behalf of Canada,  
18 who has been allocated ten minutes.

19 MS. GARDNER: Thank you, Mr. Commissioner. Based on  
20 the evidence that has come out so far we don't  
21 have any questions for these witnesses at this  
22 time.

23 THE COMMISSIONER: Thank you, Ms. Gardner. Next I'll  
24 turn to Ms. Roos on behalf of the British  
25 Columbia Lottery Corporation, who has been

1 allocated 15 minutes.

2 MS. ROOS: Thank you, Mr. Commissioner. We also have  
3 no questions for the panel.

4 THE COMMISSIONER: Thank you, Ms. Roos. Mr. Usher  
5 for the Society Notaries Public of  
6 British Columbia who has been allocated  
7 ten minutes.

8 MR. USHER: Thank you, Mr. Commissioner. Most of my  
9 questions have been addressed in examination.

10 **EXAMINATION BY MR. USHER:**

11 Q I just wanted to bring into this the witnesses  
12 like many others have mentioned the difficulties  
13 of prosecution. Can you tell us in the work  
14 you've done was there a role or was there  
15 coordination with the prosecution service, both  
16 the provincial and federal, can you help us  
17 understand what that time might be between this  
18 investigation you've been talking about and  
19 ultimately the prosecution of those cases?

20 A (WR) I might be able to offer a perspective,  
21 sir. To be fair, I would have to say that it  
22 would be more with respect to more broader  
23 organized crime and federal prosecutions and  
24 provincial criminal prosecutions. My experience  
25 directly with the money laundering prosecution

1                   does not -- I have not had any directly with  
2                   money laundering. However, typically these  
3                   investigations when they're mega cases or major  
4                   criminal investigations take months and months  
5                   to come to fruition and then the police will  
6                   proceed either to provincial prosecutors or  
7                   federal prosecutors, depending on the  
8                   jurisdiction, and request charge approval. In  
9                   this province charge approval comes from the  
10                  prosecutors. Police do not lay their own  
11                  charges. So the case will then be assessed  
12                  based on an analysis by the prosecutors and they  
13                  will decide to proceed with the charge or not.  
14                  Other factors have become very relevant to  
15                  police. That is *Regina v. Jordan* and the  
16                  implications of the timeliness of the ability to  
17                  disclose and to get offenders into court and the  
18                  ability to disclose information to both  
19                  prosecutors and defence counsel in the courts.  
20                  That has become a significant challenge in the  
21                  last decade, exponentially more difficult given  
22                  the magnitude of investigative material that is  
23                  collected in these major cases. And in  
24                  particular when you're talking about  
25                  international cases you are using mutual legal

1 assistance treaties, you are executing search  
2 warrants through foreign entities, foreign  
3 police agencies and you're collecting evidence  
4 using the rules of evidence that exist in other  
5 countries, so it becomes a very, very daunting  
6 task. I would say that it's not uncommon for a  
7 major federal criminal investigation and  
8 prosecution to take four to five years from  
9 start to finish.

10 Q So it would be unfair to say it that it sounds  
11 like from the point of view of policing you kind  
12 of -- I don't know what the right word would  
13 be -- given up on prosecutions and the courts?

14 A (WR) No, I don't think that's fair.

15 Q Okay.

16 A (WR) I think that we need to have prosecutions.  
17 The responsibility is for police to pursue the  
18 offences that exist within the *Criminal Code* and  
19 to prosecute them. I would not be in favour of  
20 an evolution of policing that serves to work for  
21 foreign countries or agencies only to assist  
22 them in disrupting cases. I think there is a  
23 role in that. In other words, taking action in  
24 Canada that supports foreign prosecution is a  
25 strategy and does have some disruptive effect as

1 long as you can measure that disruptive effect,  
2 but it does little for public confidence in  
3 Canada and public confidence in British Columbia  
4 when you look -- because it's generally  
5 secretive in nature and it supports efforts  
6 elsewhere and is often not measurable. I think  
7 it also creates an environment in which police  
8 investigators in Canada lose their skills and in  
9 their ability to advance complex judicial  
10 authorizations and prosecutions in Canada  
11 because they don't have to use those same skills  
12 to assist foreign agencies when they're just  
13 say, for example, seizing money that is coming  
14 into the country illegally as money laundering.  
15 So I think that it is a tool that can be used in  
16 a broader strategy, but we should not and are  
17 not giving up with respect to prosecutions. I  
18 think that they're extremely challenging and we  
19 need to make sure that we maintain or improve  
20 our skills in order to at least do as part of a  
21 suite of options prosecutions in this country  
22 and in this province.

23 MR. USHER: Thank you that. That's all my questions,  
24 Mr. Commissioner.

25 THE COMMISSIONER: Thank you, Mr. Usher. I'll now

1 call on Mr. McFee and behalf of Mr. Lightbody,  
2 who has been allocated 20 minutes.

3 **EXAMINATION BY MR. McFEE:**

4 Q If I could just focus for a moment on the  
5 evidence we heard with respect to the RCMP's  
6 reorganization of the federal policing units in  
7 early 2013. If I could address this question to  
8 Mr. Pecknold and/or Mr. Steenvoorden. After  
9 that reorganization took place did the province  
10 of BC and in particular the policing and  
11 security branch formulate a concern that this  
12 left an absence of policing resources in  
13 BC focused on money laundering and proceeds of  
14 crime?

15 A (CP) After this, the reorganization or  
16 re-engineering occurred, we were certainly alive  
17 to two things; I was alive to two things.  
18 Number one that there would be alignment of  
19 priorities, so for example, in some very  
20 significant investigations involving organized  
21 crime and gangs in this province I saw very good  
22 coordination between national and federal  
23 resources and provincial resources. The concern  
24 was that as those priorities diverged that there  
25 would be a gap in capacity.

1           Q     And did you actually observe a gap in capacity  
2                    from the province's perspective?

3           A     (CP) What I observed was a disconnect at times  
4                    with respect to the priorities and the resources  
5                    and where they would be devoted. And that there  
6                    were discussions with CFSEU and with RCMP  
7                    leadership about what further resources they may  
8                    need to support those capacities such as  
9                    surveillance capacities and things like that.  
10                  The capacities that were otherwise available  
11                  under the federal stream.

12          MR. McFEE: Madam Registrar, if I could ask you to  
13                    bring up exhibit 773. Commission exhibit 773,  
14                    which is PSSG0028, please.

15          Q     This, as you see, and these questions will be  
16                    addressed to Mr. Steenvoorden and Mr. Pecknold,  
17                    this is a -- it seems to be a briefing note for  
18                    a minister in preparation for a  
19                    federal/provincial/territorial meeting to be  
20                    held in St. John's, Newfoundland, in November 14  
21                    to 16, 2018. Am I characterizing that document  
22                    properly?

23          A     (CP) It appears to me that it's a standardized  
24                    F/P/T briefing note to prepare ministers for a  
25                    meeting, yes.

1 Q And if we go over to the third page of that  
2 document, please. You'll see it's prepared by  
3 Delaine Friedrich, who as I understand it was  
4 she a policy analyst within PSB?

5 A (CP) I believe she worked for Mr. Steenvoorden  
6 at the time. I believe she is a policy analyst.

7 (TS) Yes, she was.

8 Q Did either of you play any role in the  
9 preparation of this note?

10 A (TS) Normally the process for these types of  
11 notes is Delaine would draft the note and it  
12 would go through an approval process up to and  
13 including the ADM.

14 Q And would you have reviewed this,  
15 Mr. Steenvoorden, and approved it on the way up?

16 A (TS) Yes, I would have.

17 Q And so maybe I'll address these questions to  
18 you, then, Mr. Steenvoorden. If we can go back  
19 to page 1, please, of the document. You'll see  
20 under "Background" at the bottom, the first  
21 bullet, just to give it context we've got:

22 "In January 2011 [sic], all federal RCMP  
23 resources in BC, including all members of  
24 "E" Division Commercial Crime Section,  
25 were amalgamated into "E" Division Federal

1                    Serious and Organized Crime."

2                    If we could scroll over the page, please.

3                    You'll see the first bullet there,

4                    Mr. Steenvoorden, it says:

5                    "At the time of dissolution, "E" Division  
6                    Commercial Crime had nearly 100 members  
7                    and support staff in BC who were  
8                    investigating fraud and money laundering  
9                    at the time of the amalgamation.

10                   Following the amalgamation, all  
11                   federally-funded positions were directed  
12                   toward federally mandated cases. In some  
13                   instances, this shift did not align with  
14                   provincial priority issues, including  
15                   money laundering."

16                   Next bullet:

17                   "This resulted in a significant gap,  
18                   whereby no provincial police resources  
19                   were tasked with investigation of large  
20                   frauds and money laundering that fell  
21                   outside of identified federal priorities  
22                   such as national security and terrorism."

23                   Does that accurately set out the provincial view  
24                   at the time in the fall of 2018?

25                   A        (TS) That was our understanding at the time,



1                                   Canada."

2                                   Again did that accurately set out the provincial  
3                                   viewpoint in the fall of 2018?

4           A           (TS) Again, that was our understanding at the  
5                                   time, yes.

6           Q           The bullet says "the essence of BC's  
7                                   long-standing concern is that over the last  
8                                   decade." So just to give the Commissioner some  
9                                   context how far back does this concern go?

10          A           (TS) Well, it definitely goes back to the  
11                                  reorganization and the fact that the -- many of  
12                                  the federal priorities did not necessarily line  
13                                  up with the provincial priorities.

14          Q           Okay. And again in the context of this and  
15                                  after the reorganization of the federal RCMP  
16                                  resources in January of 2013 were you aware that  
17                                  BCLC's AML team members and BCLC's senior  
18                                  executive were reaching out to law enforcement  
19                                  to seek to have investigations of money  
20                                  laundering and concerns about loan-sharking in  
21                                  BC casinos addressed by law enforcement?

22          A           (TS) I was generally aware at a high level that  
23                                  there were meetings being held between BCLC and  
24                                  CFSEU, but the detail of those meetings I was  
25                                  not privy to.

1           Q     But I take it you became aware of the initiation  
2                   of the E-Pirate investigation early in 2015?

3           A     (TS) No, I was not made aware of that  
4                   investigation. I subsequently heard about it,  
5                   but when the police open up investigations they  
6                   don't normally notify us.

7           Q     Well, maybe I could address this question to  
8                   Mr. Rideout then. In your capacity being in the  
9                   RCMP at the time, were you aware that the  
10                  E-Pirate investigation was initiated as a result  
11                  of BCLC's efforts to engage law enforcement in  
12                  investigating money laundering and cash  
13                  facilitation in 2014, 2015?

14          A     (WR) I agree with your statement except I  
15                  wouldn't -- I could not acknowledge the plural  
16                  on the word "effort." I am aware of a meeting  
17                  that occurred in 2015 that ultimately resulted  
18                  in the investigation called E-Pirate, but I  
19                  could only speak to the one effort that I'm  
20                  aware of.

21          Q     And did you have, Mr. Rideout, did you have some  
22                  oversight over the E-Pirate investigation?

23          A     (WR) Yes.

24          Q     And do you recall that once the E-Pirate  
25                  investigation was disclosed to BCLC personnel

1                   and GPEB by the RCMP that there was a conference  
2                   call in late July 2015 that involved you, other  
3                   GPEB people and BCLC's senior executive,  
4                   including my client Jim Lightbody?

5           A       (WR) I don't recall a call. I only have one  
6                   recollection of an in-person meeting at  
7                   BC Lottery Corporation in the spring or summer  
8                   of 2015 where I attended with multiple  
9                   participants. And I couldn't say who was there.

10          Q       Do you recall at that meeting the E-Pirate  
11                   investigation and the initial results of the  
12                   RCMP intelligence probes being discussed?

13          A       (WR) No, I don't.

14          Q       So do you have any recollection of a conference  
15                   call at all in the summer of 2015 where the  
16                   initial results of the RCMP investigation in  
17                   E-Pirate were discussed with BCLC senior  
18                   executives?

19          A       (WR) I don't. I would be very surprised if the  
20                   RCMP was discussing the results of their  
21                   intelligence probe openly with BC Lottery  
22                   Corporation. I'm not saying it didn't happen,  
23                   but it wouldn't be a normal course of action.

24          Q       Perhaps I could address this question to any  
25                   member of the panel that could assist us. Was

1           the initial results of the E-Pirate  
2           investigation one of the primary initiators of  
3           the efforts to create the JIGIT team?

4           A     (WR) I can put some context to that. I believe  
5           it's about the same time. E-Pirate, I could not  
6           say that E-Pirate initiated it, but I could say  
7           that the information that was being garnered  
8           resulted in recognition for the creation of  
9           JIGIT and then it was tasked to CFSEU to work  
10          with the stakeholders to figure out how to  
11          create that unit sometime in late 2015 early  
12          2016.

13          Q     Maybe I could address this question to  
14          Mr. Steenvoorden. As I understand it you were  
15          involved in the proposals and the formulation of  
16          JIGIT. Is that accurate?

17          A     (TS) That's accurate, yes.

18          Q     And in that process did you find that BCLC  
19          senior executive was in fact urging the creation  
20          of an integrated unit that would address money  
21          laundering and proceeds of crime in the gaming  
22          industry in British Columbia?

23          A     (TS) My interactions with BCLC were very limited  
24          at best. My interactions were mainly with GPEB  
25          and the RCMP CFSEU. If I recall correctly there

1                   may have been a meeting early on; however, I  
2                   don't really recall the substance to that  
3                   meeting.

4           Q       Well, is it your recollection that BCLC's senior  
5                   executive, including Mr. Lightbody, was  
6                   supportive of the creation of JIGIT?

7           A       (TS) Again, in the creation of JIGIT my  
8                   engagement with BCLC was extremely limited. I  
9                   do recall there was discussion about the  
10                  funding, the amount of funding, but beyond that  
11                  I can't respond.

12          MR. McFEE:   Okay.   That exhibit could be brought  
13                  down, Madam Registrar.   And actually I don't  
14                  think we marked that -- no, it's already an  
15                  exhibit, so that can be brought down.   And those  
16                  are my questions for the panel.   Thank you.

17          THE COMMISSIONER:   Thank you, Mr. McFee.   I'll turn  
18                  now to Ms. Tweedie on behalf of the British  
19                  Columbia Civil Liberties Association, who has  
20                  been allocated 15 minutes.

21          MS. TWEEDIE:   Thank you, Mr. Commissioner.

22                  **EXAMINATION BY MS. TWEEDIE:**

23          Q       Mr. Steenvoorden, you led the project team in  
24                  the concept development of the FIIU and Fusion  
25                  Centre; is that correct?   I'm sorry.   I didn't

1                   hear you.

2           A       (TS) Yes, that is correct.

3           Q       Thank you. And the Fusion Centre from my  
4                   understanding this would provide an integrated  
5                   platform that allows regulators from across  
6                   sectors to deposit, analyze and disseminate  
7                   information amongst each other and with police;  
8                   is that correct?

9           A       (TS) No, that's not really how the concept  
10                  works. There isn't a depositing of information,  
11                  general information. The regulators, the  
12                  individual regulators, the agencies that are  
13                  involved would continue to make sure there's no  
14                  general sharing of the information up until  
15                  there is indications of potential criminality  
16                  and at the point of criminality it is at that  
17                  point that there may be certain types of sharing  
18                  that would be engaged, but it's not a general  
19                  ability to look in each other's databases or  
20                  look in examining individual's privacy  
21                  information.

22          Q       That's not what I meant to imply. Just perhaps  
23                  I can rephrase my question. But the Fusion  
24                  Centre does provide an integrative platform  
25                  where the sharing of information is possible

1                   amongst these sectors and potentially with  
2                   police; is that correct?

3           A       (TS) The Fusion Centre, yes. Under certain  
4                   strict guidelines.

5           Q       Okay. Thank you. And in developing these  
6                   models did the project team consider the  
7                   constitutional implications of increased  
8                   public/private information sharing?

9           A       (TS) Definitely.

10          Q       And can you tell me more about that, please.

11          A       (TS) It is clearly understood. Well, first of  
12                   all I'm back up a little bit. This is simply a  
13                   concept. This is not a model that has been  
14                   tested as far as viability goes in all aspects,  
15                   including of the charter issues. However, the  
16                   premise by which it was built is very similar to  
17                   those that are operating already in models that  
18                   are operating already in Canada and elsewhere in  
19                   which the sharing of information is done again  
20                   under strict MOUs, guidelines and to respond to  
21                   the charter issues regarding information.

22          Q       Did you obtain a legal opinion on the FIIU and  
23                   Fusion Centre with respect to its compliance  
24                   with the charter?

25          A       (TS) No, because we did not --

1 MS. FRIESEN: Mr. Commissioner, it's Cherisse Friesen  
2 here for the province. Just with respect to  
3 Mr. Steenvoorden's consultation with legal  
4 counsel and the discussion of any privileged  
5 information that may be subject to  
6 solicitor/client privilege, I would object to  
7 that line of questioning.

8 THE COMMISSIONER: All right. Are you objecting to  
9 the question whether a legal opinion was sought  
10 or are you signaling your objecting if  
11 Ms. Tweedie seeks to go further?

12 MS. FRIESEN: I object if she goes any further.

13 THE COMMISSIONER: Okay. Well, I think it's fair.  
14 That question is fair and can be answered but,  
15 Ms. Tweedie, you are sort of on notice as to  
16 Ms. Friesen's concerns about going any further.

17 MS. TWEEDIE: Yes, thank you.

18 Q I'm certain not going for the content of any  
19 opinion, just simply whether you obtained a  
20 legal opinion.

21 A (TS) On this specific model, no, we did not.

22 Q Okay. And you would agree that a privacy law  
23 expert would be the best person to assess the  
24 implications of any potential models that  
25 involve information sharing?

1           A       (TS) Yes.

2           MS. TWEEDIE: Thank you. I believe Mr. Isaac  
3                    helpfully covered the rest of my questions, so  
4                    that's all I have. Thank you.

5           THE COMMISSIONER: Thank you, Ms. Tweedie.

6                    Mr. Rauch-Davis on behalf of Transparency  
7                    International Coalition, who has been allocated  
8                    15 minutes.

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

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

11           Q       My questions are mostly for Mr. Rideout and just  
12                    revolve around the description of the megacases.  
13                    Mr. Rideout, I have a note from your evidence  
14                    this morning that those are the cases that  
15                    almost -- often go on for years and are almost  
16                    unmanageable given the complexity. I'm  
17                    wondering if you can kind of describe some of  
18                    the common features of the complexity or if you  
19                    could comment on that.

20           A       (WR) Certainly. Well, major cases and  
21                    megacases. The megacase is really an  
22                    amplification of a major case, often more  
23                    offenders, conspiracies. These cases, you know,  
24                    I think in one example that comes to mind, and I  
25                    certainly wouldn't want to get into details, is

1                   the Surrey 6, tragic Surrey 6 homicide cases.  
2                   The magnitude of that prosecution and related  
3                   offences constitutes a megacase in my mind in  
4                   that it involves, you know, multiple facets.  
5                   I'll step aside from that case now and just talk  
6                   in general terms. When you're involving  
7                   jurisdictions from different provinces,  
8                   authorities from outside of Canada executing  
9                   warrants on banks and/or servers, computer  
10                  servers or records in foreign countries that may  
11                  be housing records that are required, you  
12                  utilize foreign governments to do mutual legal  
13                  assistance treaties it begins very, very complex  
14                  processes. They are all done pursuant to  
15                  judicial authorizations which are complex and  
16                  require very comprehensive documentation  
17                  sometimes in the thousands of pages. The  
18                  investigations are tasked to dozens, sometimes  
19                  hundreds of investigators. That material must  
20                  be collected within a certain process. It must  
21                  be analyzed. Statements are taken; sometimes  
22                  they are hours of length. They have to be  
23                  transcribed and produced. If wiretaps are  
24                  involved or any other covert operations those  
25                  have to be all be collated, digital evidence

1 management. It becomes a very significant  
2 undertaking for the police to manage. It then  
3 is required to be disclosed to prosecutors often  
4 before charges are laid because the prosecutors  
5 need to be sure that the *Jordan* timelines can be  
6 met. So in today's reality unless an individual  
7 represents like a real and present danger for  
8 committing violence on our streets, often the  
9 prosecutors will wait for a fairly solid  
10 commitment that disclosure can be realized in  
11 very short order before laying the charge and  
12 counting, starting the clock on disclosure. So  
13 that process takes sometimes months and  
14 sometimes years.

15 Q And I guess following up you kind of alluded to  
16 it in your answer there, from a money laundering  
17 or a financial crime perspective I take it that  
18 these megacrimes or major -- or megacases or  
19 major cases, these would have the highest dollar  
20 value; right?

21 A (WR) As far as cost to investigate?

22 Q As far as -- no, not cost to investigate. I'm  
23 thinking more of potential disruption.

24 A (WR) Not necessarily. You know, they are very  
25 costly to investigate. Perhaps if I could get

1                   you to rephrase your question. I may be  
2                   misunderstanding you, sir. I'm sorry.

3           Q        Sure. In terms of the expected outcome or the  
4                   expected disruption on the money launderers  
5                   these would be kind of the bigger fish. We're  
6                   not talking about the proceeds of a drug sale on  
7                   the corner of a street. We're talking about  
8                   major operations I guess is what I'm trying to  
9                   get at. Would you agree with that?

10          A        (WR) I think that would be the ultimate  
11                   objective would be to target and disrupt and  
12                   enforce against significant organized crime  
13                   enterprises operating in Canada and the world.  
14                   I think that would be the ultimate goal. But I  
15                   don't think that -- I mean, there should be  
16                   efforts to go after proceeds of crime and money  
17                   laundering if the matters are smaller as well.  
18                   But when I say small that doesn't mean  
19                   necessarily simple. I mean, it grows depending  
20                   on the complexity of the criminal enterprise  
21                   that you're attempting to address.

22          Q        Right. But would you agree that a successful  
23                   prosecution with seizure on these mega and major  
24                   cases, those would likely provide the greatest  
25                   disruption and deterrence to money laundering in

1 BC?

2 A Yeah, I would agree.

3 Q So part of your evidence I have another note  
4 from this morning was that there's an  
5 operational capacity issue that officers who get  
6 tied up on these megacases, it then results in a  
7 police force that's less effective because  
8 they're tied up on these yearlong  
9 investigations. Do I have that right? I think  
10 you may have just alluded to it again.

11 A (WR) Yes, I would say it's one of the factors.  
12 I think I said it was one of the factors that  
13 sort of diminishes capacity in a force. So, for  
14 example, if you have 30 investigators that are  
15 working in a certain stream and 10 of them are  
16 tied up for 18 months on a particular file,  
17 that's 10 less that you have available for  
18 something new, to take on something new.

19 Q And I guess my question is what steps have kind  
20 of been taken to resolve that issue?

21 A (WR) Well, I think you have to constantly  
22 prioritize and you look for efficiencies around  
23 the way you conduct investigations. So I'll  
24 take you back to the concept around federal  
25 re-engineering in 2013. And this is the

1                   concept. Whether, you know, it's proven to be  
2                   effective or not is open for debate. But the  
3                   idea was to target and enforce against the  
4                   criminal enterprise and the offenders to disrupt  
5                   their activities through prosecutions of all  
6                   types of offences, including perhaps non-money  
7                   laundering offences but to disrupt the  
8                   organizations and their ability to disrupt our  
9                   economy and effect crime in our communities  
10                  through general targeting and use whatever  
11                  offences were available to do so. That is a  
12                  method for addressing the challenges by using  
13                  multiple tools to come to the same result which  
14                  is the disruption of a criminal enterprise.

15                  Q     And I take it it's kind of responding on an  
16                        ongoing basis as these cases kind of shift and  
17                        as capacity shifts. Do I have that right?

18                  A     (WR) Well, as capacity shifts but also as  
19                        prioritization shifts. The threat assessment  
20                        and the risk assessment is constantly evolving  
21                        both provincially and nationally, and they will  
22                        set priorities based on the intelligence and the  
23                        prioritization that they feel is appropriate at  
24                        the time and will adjust resources accordingly.

25                  MR. RAUCH-DAVIS: Thank you, sir. Those are my

1 questions.

2 THE COMMISSIONER: Thank you, Mr. Rauch-Davis. I'll  
3 now turn to Mr. Butcher on behalf of Brad  
4 Desmarais, who has been allocated 15 minutes.

5 MR. BUTCHER: Thank you, Mr. Commissioner.

6 **EXAMINATION BY MR. BUTCHER:**

7 Q My first question is for Mr. Rideout. You have  
8 given a lot of evidence this morning about the  
9 federal policing reorganization -- sorry,  
10 re-engineering, as it is being called. I take  
11 it that was a national re-engineering, it didn't  
12 just occur within "E" Division in  
13 British Columbia?

14 A (WR) That's correct.

15 Q Was there any consultation with Province of  
16 British Columbia before that reorganization?

17 A (WR) Of course I wasn't with the province at  
18 that time, sir, but from my experience with the  
19 RCMP during that period of time there was really  
20 only advisement from national headquarters. I  
21 don't feel that there was a lot of consultation.

22 Q So simply communication between national  
23 headquarters and the headquarters in each RCMP  
24 division rather than with the provincial I'll  
25 call them partners?

1           A       (WR) That's my understanding, sir. That said.  
2                    I wouldn't have been privy to any communications  
3                    that may have flown through Public Safety Canada  
4                    through another path at that time.

5           Q       I take it, and tell me if I'm wrong about this,  
6                    that there would have been a period of  
7                    inefficiency following that reorganization as  
8                    the staff adjusted to their new duties and  
9                    tasks.

10          A       (WR) I think that's fair to say.

11          Q       Teething problems, you might call it?

12          A       (WR) That and other issues.

13          Q       What other issues?

14          A       (WR) Well, at the same time re-engineering was  
15                    taking place, sir, the effects of the deficit  
16                    reduction action plan were also underway and the  
17                    RCMP national headquarters was struggling with  
18                    its federal annual federal delegation of budgets  
19                    and was often putting in the fall of some years  
20                    putting restrictions on promotions within  
21                    federal policing and staffing actions and  
22                    limiting -- projecting deficits and their budget  
23                    they would limit the ability to staff positions.  
24                    They were reducing their footprint in the  
25                    province and in other provinces, so that came



1           A     (CP) Specific to casinos?

2           Q     Yes.

3           A     (CP) Not approach that I recall offhand. I  
4                    certainly was aware that investigations were  
5                    taking place through CFSEU that involved members  
6                    of organized crime and casinos, the specifics of  
7                    which I can't recall.

8           Q     But nobody came to you and said, we need more  
9                    resources for that work?

10          A     (CP) From the RCMP?

11          Q     Yes.

12          A     (CP) Not to my recollection until the JIGIT  
13                   discussions started.

14          Q     And one last question back to you, Mr. Rideout.  
15                   We have seen this morning a collection of  
16                   documents, letters, reports, proposals that date  
17                   back to 2016 suggesting that there needs to be  
18                   more resources, perhaps even a new agency to  
19                   manage these problems. Is it fair to say that  
20                   until that is all sorted out that there will be  
21                   some serious financial crimes, including money  
22                   laundering crimes, committed in this province  
23                   that do not get investigated?

24          A     (WR) Sir, I think that's always been the case  
25                   and frankly it always will be that the capacity

Clayton Pecknold (for the commission)  
Wayne Rideout (for the commission)  
Tom Steenvoorden (for the commission)  
Exam by Mr. Butcher  
Exam by Ms. Friesen

154

1                   will never be enough to handle it. But I would  
2                   agree that there remains -- there is a gap that  
3                   remains in the province around financial crimes  
4                   and that while the RCMP is currently adapting  
5                   and attempting to address those issues it's  
6                   insufficient.

7                   MR. BUTCHER: Thank you. Those are my questions.

8                   THE COMMISSIONER: Thank you, Mr. Butcher. Now  
9                   calling Ms. Friesen on behalf of the province,  
10                  who has been allocated 20 minutes.

11                  MS. FRIESEN: Thank you, Mr. Commissioner. I  
12                  anticipate that I won't be the full 20 minutes.

13                  **EXAMINATION BY MS. FRIESEN:**

14                  Q     Mr. Rideout, my first question is for you,  
15                  although I invite the other panel members to  
16                  contribute to answer if they have something to  
17                  contribute. You were asked some questions about  
18                  the recently announced federal funding for new  
19                  integrated anti-money laundering police  
20                  resources, and you have provided some evidence  
21                  in that regard, but I was wondering if you could  
22                  elaborate on that a little bit. Can you please  
23                  describe in your view the possible benefits or  
24                  limitations of new federal funding for this  
25                  purpose.

1           A       (WR) Well, the federal funding that I'm aware of  
2                    which is attached to the deployment of five  
3                    individuals in British Columbia and is  
4                    accompanied by infrastructure that I am not  
5                    intimately aware of in Ottawa will expand  
6                    capacity, but it strikes me immediately on the  
7                    surface that five additional subject matter  
8                    experts in the province even working  
9                    collaboratively with partners across the country  
10                  will do little to enhance capacity. As you've  
11                  heard me describe, advancing these cases is very  
12                  complex and uses multiple investigators over  
13                  long periods of time. So to me what I'm aware  
14                  of currently is really nowhere close to  
15                  sufficient. That's not to say there isn't more  
16                  coming that I've not been advised of, but based  
17                  on the current numbers that I've seen and  
18                  allocations that I've been provided, it's not  
19                  enough.

20           Q       Thank you. My next question actually is also  
21                    for you, Mr. Rideout, although as usual others  
22                    on the panel can contribute. I wanted to draw  
23                    your attention to document PSSG28, which I  
24                    believe Mr. Lightbody had referred to in asking  
25                    questions of Mr. Steenvoorden. And,



1 paragraphs?

2 A (WR) When I read this document or when I  
3 followed along and listened to counsel or go  
4 through the document, it states that at the time  
5 of dissolution "E" Division commercial crime had  
6 nearly 100 members and support staff in BC who  
7 were investigating fraud or money laundering.  
8 Then the next paragraph it speaks about the  
9 dismantling of commercial crime and this  
10 resulted in a specific gap where no provincial  
11 police forces were tasked with investigating  
12 large frauds and money laundering. I suppose in  
13 my view the province, you know, had a commercial  
14 crime section that did very large commercial  
15 crimes and had that capacity federally funded.  
16 I believe there was some provincial contribution  
17 into that unit. But it's a little misleading in  
18 that there was really never what we would call  
19 that capacity for the fraud investigations in  
20 the province to begin with and those most  
21 certainly weren't contemplated at that time to  
22 be money laundering because that was felt to be  
23 the responsibility of the federal RCMP at that  
24 time. So that's a little confusing to me.

25 And I also noted on page 3 it says:

1                   "Proceeds of crime investigations rarely  
2                   progress to the charge phases. While  
3                   reasons vary, the fact that current  
4                   legislation requires a conviction of the  
5                   substantive offence such as drug  
6                   trafficking or fraud is most problematic."

7                   I think that is generally true but within the  
8                   confines of this document it seems to sort of  
9                   suggest that that is a new problem and, you  
10                  know, I'm of the -- my recollection from pre  
11                  2013 is that prosecution, successful  
12                  prosecutions for money laundering and proceeds  
13                  of crime were no less challenging in that era as  
14                  they were in 2013/2014, and I think that  
15                  sometimes when these are packaged up, as you  
16                  say, it's consolidated information that is  
17                  speaking to a particular issue. I think these  
18                  are a little potentially misleading. Or  
19                  incomplete is a better term. Incomplete.

20                  MS. FRIESEN: Okay. Thank you those are my  
21                  questions.

22                  THE COMMISSIONER: Thank you, Ms. Friesen. Anything  
23                  arising from that, Mr. Butcher?

24                  MR. BUTCHER: No.

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

1 MR. RAUCH-DAVIS: No. Thank you.

2 THE COMMISSIONER: Ms. Tweedie?

3 MS. TWEEDIE: Nothing arising. Thank you.

4 THE COMMISSIONER: Mr. McFee?

5 MR. McFEE: Nothing arising. Thank you,

6 Mr. Commissioner.

7 THE COMMISSIONER: Mr. Usher?

8 MR. USHER: Nothing arising, Mr. Commissioner.

9 THE COMMISSIONER: And, Mr. Isaac?

10 MR. ISAAC: Nothing arising, Mr. Commissioner.

11 THE COMMISSIONER: All right. Thank you then. I  
12 would like to thank the members of the panel. I  
13 think your evidence has been very helpful and  
14 has opened some windows on some issues that the  
15 commission is going to have to grapple with, and  
16 I think the issues have been very carefully and  
17 thoroughly canvassed by your evidence and I'm  
18 grateful to each of you, Mr. Rideout,  
19 Mr. Pecknold and Mr. Steenvoorden. You are  
20 excused now from any further testimony and I  
21 think we can adjourn until tomorrow at 9:30,  
22 Mr. Isaac; is that right?

23 MR. ISAAC: That is, Mr. Commissioner.

24 THE COMMISSIONER: All right. Thank you. We will  
25 adjourn.

Clayton Pecknold (for the commission)  
Wayne Rideout (for the commission)  
Tom Steenvoorden (for the commission)  
Exam by Ms. Friesen

160

1 THE REGISTRAR: The hearing is now adjourned until

2 April 7, 2021, at 9:30 a.m. Thank you.

3 **(WITNESSES EXCUSED)**

4 **(PROCEEDINGS ADJOURNED AT 1:28 P.M. TO APRIL 7, 2021)**

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25