

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

COMMISSIONER AUSTIN F. CULLEN

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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 **commission, sworn.**
2 **WAYNE RIDEOUT, a witness**
3 **for the commission,**
4 **sworn.**
5 **TOM STEENVOORDEN, a**
6 **witness for the**
7 **commission, sworn.**

8 THE REGISTRAR: Thank you very much.

9 MR. ISAAC: Thank you.

10 **EXAMINATION BY MR. ISAAC:**

11 Q I'd like to begin by reviewing your background
12 for the record. Mr. Rideout, beginning with
13 you, please.

14 Madam Registrar, if we could pull up,
15 please, Mr. Rideout's CV. I believe that's at
16 tab 1.

17 Mr. Rideout, do you recognize that as a copy
18 of your CV?

19 A (WR) Yes, it is.

20 MR. ISAAC: If we could mark that please as the next
21 exhibit. I think that will be exhibit 786.

22 THE COMMISSIONER: I think it's -- 786, yes, that's
23 right. Thank you.

24 THE REGISTRAR: Exhibit 786.

25 **EXHIBIT 786: Curriculum vitae of Wayne Rideout**

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 some time 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 is 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 launders 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 signalled
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 signalling 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

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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)
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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)**

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