

**PROCEEDINGS AT HEARING
OF
MAY 14, 2021
(PROCEEDINGS FROM 12:00 P.M. TO 1:48 P.M.)**

COMMISSIONER AUSTIN F. CULLEN

INDEX OF PROCEEDINGS

Witness	Description	Page
	Proceedings commenced at 12:00 p.m.	1
	Discussion re housekeeping matters	1
Richard Coleman (for the commission)	Examination by Mr. Martland	5
	Proceedings adjourned at 1:22 p.m.	68
	Proceedings reconvened at 1:26 p.m.	68
Richard Coleman (for the commission)	Examination by Mr. Cameron	68
	Proceedings adjourned at 1:48 p.m. to July 6, 2021	88

INDEX OF EXHIBITS FOR IDENTIFICATION

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

No exhibits for identification marked.

INDEX OF EXHIBITS

No.	Description	Page
1020	Overview Report Information Relating to the FATF & Egmont Group Trade-Based Money Laundering Report	2
1021	Overview Report – Miscellaneous Documents (formerly exhibit L for identification)	3
1022	Affidavit no. 1 of Craig Callens	4
1023	Affidavit no. 1 of Gary Bass, dated May 12, 2021	4
1024	CBC Interview with Rich Coleman - January 10, 2011	12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
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May 14, 2021
(Via Videoconference)

(PROCEEDINGS COMMENCED AT 12:00 P.M.)

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

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

MR. MARTLAND: Mr. Commissioner, at the conclusion of the morning session I tried my best to work my way through a list of documents that were marked as exhibits, and we covered a bunch of ground. There's a few additional items that have remained outstanding that I'm now in a position to address.

So the first is -- Madam Registrar, there's an overview report called the overview report on the FATF and Egmont Group relating to trade-based money laundering. That's a report that was circulated to participants in December of 2020. And I think Madam Registrar has that on display on the screen. So we are now in a position to ask that that report please be marked as the next exhibit.

THE COMMISSIONER: All right. I think that will be 1020.

1 THE REGISTRAR: Yes, exhibit 1020.

2 **EXHIBIT 1020: Overview Report: Information**
3 **Relating to the FATF & Egmont Group Trade-Based**
4 **Money Laundering Report**

5 MR. MARTLAND: Thank you. Next, Madam Registrar, if
6 you're able to display the overview report on
7 miscellaneous documents.

8 And, Mr. Commissioner, this morning I
9 addressed that and it was marked -- a version of
10 it was marked I think as exhibit for
11 identification L. I'm just hoping to see
12 Ms. Leung nod if I have the lettering right.

13 THE REGISTRAR: Yes.

14 MR. MARTLAND: Thank you. And what we have been
15 addressing, my colleague Ms. Patel has
16 heroically rushed to see if we can find some
17 solution to issues identified. There is a
18 solution that's identified. So there's a
19 revised version of that overview report that
20 we're now in a position to have marked as an
21 exhibit.

22 There were some attachments to the first
23 overview report that gave rise to concerns on
24 the part of certain participants, and a
25 communication will be going out to all

1 participants soon providing further information
2 about the two appendices at issue that didn't
3 make it in with this exhibit right now and
4 giving participants the opportunity to weigh in
5 with respect to those particular documents.

6 So depending on that process, one or both of
7 those further items or attachments, subject to
8 objections, they may be marked separately as a
9 later overview report or perhaps through an
10 affidavit. So at this point I'm asking that the
11 revised overview report be marked as an
12 exhibit proper.

13 THE COMMISSIONER: All right. 1021.

14 THE REGISTRAR: Exhibit 1021.

15 **EXHIBIT 1021: Overview Report - Miscellaneous**
16 **Documents (formerly exhibit L for**
17 **identification)**

18 MR. MARTLAND: Next, Mr. Commissioner, there's two
19 affidavits that were recently obtained and they
20 relate in part to some of the evidence we'll be
21 hearing about today. These are affidavits that
22 have again been circulated to participants. We
23 haven't heard objections or issues arising.

24 So I'll ask, Madam Registrar, if you could
25 please display the affidavit of Craig Callens.

1 And, Mr. Commissioner, I'll ask that please
2 become exhibit 1022.

3 THE COMMISSIONER: Very well.

4 THE REGISTRAR: Exhibit 1022.

5 **EXHIBIT 1022: Affidavit no. 1 of Craig Callens**

6 MR. MARTLAND: And next the affidavit of Garry Bass.

7 THE COMMISSIONER: 1023.

8 THE REGISTRAR: Exhibit 1023.

9 **EXHIBIT 1023: Affidavit no. 1 of Gary Bass,**
10 **dated May 12, 2021**

11 MR. MARTLAND: Thank you. Mr. Commissioner, that --
12 and Madam Registrar, I don't need that displayed
13 further. That bring us to our last scheduled
14 witness within these evidentiary hearings. As
15 you will appreciate, Mr. Coleman testified on
16 April 28th in the government response hearings.
17 We've arranged to have him recall for today to
18 answer questions on a fairly specific area and
19 span of time. He's in attendance with his
20 counsel, Gavin Cameron.

21 And, Madam Registrar, if the witness could
22 be sworn, please.

23 RICHARD COLEMAN, for the
24 commission, affirmed.

25 THE REGISTRAR: Please state your full name and spell

1 your first name and last name for the record.

2 THE WITNESS: Richard Thomas Coleman.

3 THE REGISTRAR: Please spell your first name and last
4 name for the record.

5 THE WITNESS: Sorry. Richard, R-i-c-h-a-r-d.

6 Coleman is spelled C-o-l-e-m-a-n.

7 THE REGISTRAR: Thank you.

8 THE COMMISSIONER: Yes, Mr. Martland.

9 MR. MARTLAND: Thank you.

10 **EXAMINATION BY MR. MARTLAND:**

11 Q Mr. Coleman, my questions will focus on early
12 2011. And to situate this I want to ask some
13 questions first that pick up on the evidence
14 that you gave in the context of this inquiry
15 recently on April the 28th. You recall that I
16 asked questions that came about and related to a
17 *CBC News* report that quoted RCMP Inspector Barry
18 Baxter?

19 A Correct. Yes.

20 MR. MARTLAND: All right. And what I'd like to do --
21 Madam Registrar, if you could please bring up
22 the transcript from that hearing April 28th,
23 2021, at page 130. Thank you.

24 Q If you look down to about line 19, you see just
25 under the bold text there that refers to an

1 exhibit, which is a *Vancouver Sun* article from
2 the summer of 2011. I then go to a different
3 document, exhibit 823, which is a
4 nine-page document with media excerpts about
5 money laundering in casinos relating to coverage
6 in January 2011.

7 Do you recall that document and some
8 questions that I had for you about it?

9 A I believe so, yes.

10 Q Okay. And then if we go over to the next
11 page of the transcript, page 131, just to
12 refresh your memory about some of the questions
13 and equally some of the information read from
14 the documents. About line 5 or so I refer to
15 this being extracts from different reporting by
16 media. At line 11 I refer to a CBC news report
17 from January 4th, 2011.

18 In the indented paragraph at the bottom of
19 the display there it refers to:

20 "Millions of dollars flow through two BC
21 casinos in the spring and summer of 2010
22 in what the RCMP believes may have been a
23 sophisticated scheme to launder money from
24 the drug trade, *CBC News* has learned."

25 A few lines down from there. Line 20 refers to

1 a multimillion dollar spike in suspicious
2 transactions.

3 At the bottom of the page, reference to a
4 man going into the Starlight Casino in New West
5 with chips worth \$1.2 million. Over to the next
6 page, immediately the casino staff are
7 converting that into cash. And then a comment
8 about catching a plane.

9 In the indented paragraph around line 8
10 referring to a man going into the River Rock
11 casino in Richmond, buying gaming chips,
12 gambling chips worth \$460,000 in \$20 bills. The
13 casino staff -- the casino reporting the
14 incident is said to have noted none of the man's
15 actions are suspicious.

16 I then -- this is all rereading the question
17 I put to you in April. Line 14 I go on to say
18 the report goes on to document this and says
19 that over the next three months staff at both
20 casinos report a combined total of \$8 million in
21 90 large cash transactions.

22 And then you see line 19. That's quoting
23 from the news reports and what they quoted then
24 Inspector Barry Baxter as saying. Do you see
25 that?

1 A M'mm-hmm.

2 Q And for our transcript we need a yes or no,
3 please.

4 A Oh, sorry. Yes.

5 Q Thank you. The quotation attributed to
6 Inspector Baxter:

7 "'Police became aware of the activities
8 after the fact,' said Inspector Baxter
9 with the RCMP's Integrated Proceeds of
10 Crime section. 'We were suspicious that
11 it's dirty money,' Baxter told CBC. 'The
12 common person would say this stinks.
13 There's no doubt about it.' The casino
14 industry in general was targeted during
15 this time period for what may well be some
16 very sophisticated money laundering
17 activities by organized crime."

18 Do you recall having that read to you and put to
19 you in the course of some questions about early
20 2011, Mr. Coleman?

21 A Yes, I do.

22 Q Okay. If we could then go to page 136 of the
23 transcript. Obviously there's a few pages that
24 I've skipped over there, so there's some other
25 questions. And then at line 6 I circle back to

1 this quote attributed to Inspector Baxter.

2 The question that is asked:

3 Q Dealing specifically with Inspector
4 Baxter, who's there quoted in this news
5 report, did you do anything in response
6 to comments by -- the comments that
7 were made by Inspector Baxter?

8 A No, I did not.

9 Q You didn't speak with others at the
10 RCMP?

11 A No, I did not.

12 You were asked those questions and gave those
13 answers?

14 A M'mm-hmm. Yes.

15 Q Yes.

16 A M'mm-hmm.

17 Q You recall that this CBC story that quotes
18 Inspector Baxter, that date is January 4th of
19 2011. Do you recall there were a number of news
20 stories that week that quoted from Inspector
21 Baxter?

22 A Yes, I do.

23 Q Do you recall there being a significant amount
24 of coverage in particular by *CBC News* that week?

25 A Yes, I do.

1 Q Do you have a memory of there being coverage
2 first with a reporter - a senior reporter named
3 Eric Rankin with *CBC News Vancouver* on the local
4 or BC *CBC News*? Do you recall that?

5 A Say that again. I didn't quite understand that
6 question.

7 Q Yeah, it wasn't --

8 A Do I recall ...

9 Q Do you remember that Eric Rankin had reports on
10 this topic around the *CBC News*?

11 A Yes.

12 Q You recall there also being coverage with Peter
13 Mansbridge introducing a segment on *The National*
14 news that week?

15 A I don't recall each one. I read transcripts
16 after the fact but not in realtime, no.

17 Q Okay. And then that led up to -- during that
18 run of time at the start of January 2011, my
19 understanding is that you through your office
20 issued a statement or comment in response to
21 some of the reporting?

22 A That's correct.

23 Q And in part that was done to address the issue
24 that had been identified and respond?

25 A Partly, yes.

1 Q All right. One of the steps you did was to
2 attend an interview or I guess maybe phone into
3 an interview with the noon day program on CBC
4 Radio, Almanac with Mark Forsythe?

5 A Correct.

6 Q The date that have I have is January 10th, 2011.
7 Do you recall that interview?

8 A I didn't recall that interview until it was
9 brought to my attention by the commission, and I
10 went back and listened to it ten years later.

11 MR. MARTLAND: Okay. And so with respect to that
12 interview, we now have a transcript that's been
13 prepared of the CBC Radio recording.
14 Mr. Commissioner, this is something as you've
15 heard --

16 Q Mr. Coleman I should pause to check. You have a
17 copy and you've read that transcript?

18 A I have.

19 MR. MARTLAND: All right. Madam Registrar, if we
20 could have that displayed, please.

21 Q Do you recognize that to be the transcript of
22 the interview on CBC January 10, 2011?

23 A I think so, yes.

24 MR. MARTLAND: Okay. Mr. Commissioner, I'll ask to
25 have that CBC transcript marked as the next

1 exhibit, please.

2 THE COMMISSIONER: Yes. Very well. That will be the
3 next exhibit.

4 THE REGISTRAR: Exhibit 1024.

5 **EXHIBIT 1024: CBC Interview with Rich Coleman -**
6 **January 10, 2011**

7 MR. MARTLAND:

8 Q Having reviewed that transcript and thinking
9 about where things stood in that period
10 January 2011, Mr. Coleman, does the transcript
11 seem essentially accurate as to the words
12 attributed to you?

13 A I think so, yes.

14 Q Okay. You mentioned that you'd actually
15 listened to a recording of that same interview?

16 A I have.

17 Q Okay. So I'd like to go over some portions of
18 the transcript that I've just had displayed on
19 the screen. Why don't we go to the very first
20 page of the transcript itself. So the host
21 introduces it and piecing it together, I assume
22 you might have recorded this segment or at least
23 broadcast this live to air during the show but
24 then played a recorded interview. I'll just
25 read it out:

1 "The provincial government is responding
2 to concerns about money laundering in BC
3 casinos. Last week CBC brought you
4 investigative reports about gamblers
5 bringing large amounts of cash into
6 casinos and about some gamblers taking
7 chips from one casino and redeeming them
8 at another. Law enforcement officials
9 express concern these gamblers might be
10 laundering money. Rich Coleman is the
11 minister responsible for gaming and I
12 spoke to him just about an hour ago."

13 And then we have this recorded interview with
14 you.

15 A M'mm-hmm. Yes.

16 Q All right. So he starts with the question:

17 "What are you doing to address concerns
18 about money laundering in these casinos?"

19 And the answer you give:

20 "Well, I think the thing I first of all
21 should, Mark, for ev ... for all your
22 listeners is this, is that we have very
23 high standards and relationships with
24 police between BC's casinos and the
25 reporting on large cash transactions.

1 Probably the best in Canada, and it's
2 probably as good as anybody."

3 So do you agree with me the first part of your
4 answer there is to step up and say our standards
5 are high?

6 A Yeah, I would agree with that.

7 Q On the next page -- thank you, Madam
8 Registrar -- you go on to say:

9 "However, you're always ... when a story
10 like this breaks you want to make sure
11 that there's nowhere else you can improve
12 on it so you want to go back and ... and
13 sit down with your folks. So I sat down
14 last week and had a conversation with them
15 about that. They were very clear that BC
16 casinos report to them very well, that
17 they have a great working relationship
18 with them ..."

19 And you go on to speak a bit about that and
20 about the FINTRAC reporting system; is that
21 right?

22 A Yes.

23 Q If we could now move to page 6. And there's
24 further discussion. I will come back to that
25 some of that discussion because included within

1 it is an initiative or an announcement that you
2 make with respect to a change in approach. But
3 on page 6 -- at the bottom please, Madam
4 Registrar of that page -- the host says:

5 "Well, just in closing ... we've been told
6 by the RCMP, a Barry Baxter, that they're
7 suspicious it's dirty money. Given that,
8 will you give the enforcement branch some
9 new tools, instructions to tighten up
10 because of those concerns?"

11 Your answer:

12 "Well, first of all, let's deal with
13 Mr. Baxter, because he's offside with some
14 of the messaging I got from the RCMP last
15 week when I asked them the question, and
16 they're having a look at the comments that
17 he made within the policing because they
18 don't feel that it ... that it was
19 basically reported ... the quote ... or
20 the comment was reported at a level that
21 made ... that ... that actually was
22 correct with regards to his comment about
23 money laundering."

24 The host asked you a question.

25 "He said that we're suspicious it's dirty

1 money, the common person would say this
2 stinks, there's no doubt about it."

3 And your answer is:

4 "Yeah, I know what he said. I don't agree
5 with him and neither do all the superiors
6 of his in the RCMP."

7 I'll pause to confirm you gave that answer and
8 said that on the CBC show?

9 A I did say that.

10 Q You go on to say:

11 "And that's why I said to them, okay,
12 guys, we're going to look at this. These
13 comments came from you, I want them backed
14 up, and ... but I also want them ... as we
15 back them up let's find out how we can do
16 things better."

17 Those are all comments that you give in the
18 context of this -- I am assuming phone interview
19 with CBC Radio?

20 A Yes.

21 Q So I want to boil this down and put -- a few
22 times along the way here put some propositions
23 to you but always welcoming you to agree,
24 disagree, explain or correct me if you think
25 something is misunderstood.

1 As I distill the two different things that
2 I've read from, your evidence in the commission
3 on April 28 and then this transcript from
4 January 2011, and I appreciate that's a decade
5 between the two. But in the CBC Radio
6 interview, the first in time, you say that you
7 did contact RCMP about the Baxter comment and
8 you seem to say that you have this feedback or
9 confirmation that all of the superiors disagree.
10 But in your inquiry testimony you said you did
11 not contact the RCMP in response to the Baxter
12 evidence -- or sorry, comments. So --

13 A Maybe I can address that.

14 Q Please.

15 A So I didn't actually speak directly to the RCMP
16 as I said in my testimony to the commission,
17 which was actually true. Sometimes in a live
18 radio interview you tend to use a word versus
19 another when you're trying to do it as a
20 minister on behalf of your entire group of
21 people. I should have used the word "we" versus
22 "I." That would be my explanation for that.

23 Because what you do -- when the Baxter thing
24 came up initially it was really unusual, and I
25 think you'll know that from the affidavit from

1 the Assistant Commissioner. And literally it's
2 okay, can you guys all sort of find out the
3 background for this? And so the people that
4 would've had conversations with different bodies
5 that would've report in or to brief me in
6 advance of interviews or whatever, you know,
7 unfortunately in advance of this interview I
8 still didn't have the details of why Mr. Baxter
9 or what he was basing his comments on.

10 So that is how I -- why I -- probably during
11 the interview I would have used the word "I"
12 when I should have used the word "we." But
13 basically it was my people doing the work, not
14 me.

15 Q So are you saying that you said, I didn't do
16 things but others did do things?

17 A Well, as a course of action -- when you have a
18 story that would hit with the activity that this
19 story had that week, you would have
20 communication staff, you would have ministerial
21 staff, whether it be in the policy enforcement
22 branch or people that would communicate with
23 other levels of government to people that would
24 report in to the minister, speaking to people
25 with regards to the issue that was in front of

1 people. So they would be in a position to brief
2 the minister or supply that information back to
3 the minister. That would usually be coordinated
4 by people in my minister's office or in the
5 deputy's office and would come back to me.

6 Q In 2011 I take it the -- I suppose
7 interchangeability -- maybe that is not the best
8 word, but the use of "I" as opposed to "we." In
9 2011 you say, I used "I"; I should have used
10 "we." Is that --

11 A I think I would say that is correct. Having --
12 you know, ten years later looking at it, I could
13 see how somebody would take it differently but I
14 was -- I did not actually personally do these
15 things. I would have asked my people to get
16 information for me, but I didn't actually, for
17 instance, say call -- talk to -- call the RCMP,
18 for instance. That would have been a
19 conversation that may have taken place by my
20 Assistant Deputy Minister in that particular
21 branch.

22 Q Okay. And, you know, in fairness, Mr. Coleman,
23 I understand that an elected official who says,
24 I did this and I did that might be speaking
25 institutionally about steps that he is or her

1 office is taking. So I understand the logic
2 behind what you've just said. But in the
3 transcript of your evidence here in the
4 commission you don't seem to fall into that
5 substitution of "I" for "we."

6 The question is did you do anything in
7 response to those comments from Inspector
8 Baxter. The answer is no, I did not. Is
9 that -- is the second "I," the one I've just
10 read you alone and not the "we"?

11 A In relation to my testimony to the commission,
12 you mean?

13 Q Yes.

14 A Yeah, me alone. That's correct.

15 Q Okay. So did others do something?

16 A Well, people had to do -- to gather information
17 for me for the media piece of this, so they
18 would have done their job to get the background
19 to those comments for me. So I would have been
20 in a position to do -- so I wouldn't have had to
21 give that direction. It would've just been an
22 automatic course from communications to the
23 staff in the minister's office to the ministry
24 because obviously when something hits the media
25 like this, it's not like the minister actually

1 has to ask. You know, you just say, I'd like
2 more information. And people then go and do
3 their jobs to get more information.

4 Q What people? Who are we talking about?

5 A Well, minister's office have a chief of staff,
6 they have a couple of ministerial assistants,
7 they have a communications director. We have --
8 so we have those folks. You have folks that are
9 in -- whether it be police services division or
10 in gaming policy enforcement in this case or the
11 BC Lottery Corporation or anybody that would
12 touch the file would be asked to give feedback
13 back relative to this particular story.

14 Q Do you have any specific information about
15 people that you can name or identify who took
16 steps to make inquiries or to address the Baxter
17 comments?

18 A I am aware that the Director of Police Services
19 had a conversation with the Deputy
20 Commissioner -- or sorry, Assistant Commissioner
21 Callens. I'm aware of that because of his
22 affidavit.

23 Q Did you ask for more information or followup
24 yourself?

25 A No. Not directly, no. I just distilled

1 information that was coming in to me.

2 Q So I've read out these two things and suggested
3 there's an apparent contradiction between the
4 two of them. I appreciate you have an
5 explanation that seems to centre on the fact
6 that the second one you're saying, I did not.
7 But the first one when you say, I did do
8 something, following up on it, you're speaking
9 about others who work for you at the time?

10 A Yeah, I think it's important to understand
11 there's two contexts. One was a live radio
12 interview where you are in an interview, the
13 interviewer is pushing you on certain buttons or
14 points and you're trying to do the interview in
15 a very short time frame. The testimony is
16 different because you're actually giving
17 testimony and you have time to walk it through
18 and explain. You don't get an opportunity to
19 explain when you're in a five- to seven-minute
20 interview or less.

21 And so the question you asked me, did I do
22 anything about Mr. Baxter in my testimony, and I
23 said I did not, now, I took that question, did
24 you do something about Mr. Baxter. Did I ask my
25 staff to give me feedback on what was in the

1 media that Mr. Baxter had said? Yes, I did. So
2 I don't think -- I think how I answered the
3 question in my testimony was honest and correct
4 if you take it by extension because you are
5 following up on the comments did do you
6 something about Mr. Baxter. Not about
7 Mr. Baxter, but certainly to get clarification
8 about his comments and the comments that were
9 out there. Yes.

10 Q But if you're saying, though, in your testimony
11 that you take more care -- and I don't disagree
12 you've got the luxury or unhappiness of more
13 time to answer questions. It's not a
14 five-minute segment for a TV -- or a radio show.
15 But if you're taking more care in your evidence
16 in this sort of formal context, I'm not sure I
17 understand why the answer is no, I did not. If
18 the correct answer in fact should have been or
19 would have been, personally I did not; however,
20 my team did these things?

21 A But in the testimony I took the question as a
22 direct question to me about me relative to
23 Mr. Baxter.

24 Q Okay. So help me understand that. I don't -- I
25 mean, when I ask you, did you do anything in

1 response, when you say, I answered that by
2 saying no, I did not, it sounds like you're
3 saying I don't need to answer for any of the
4 people who work for me or act in my name or the
5 name of this office; I personally didn't do
6 anything, and that's a sufficient answer.

7 A At the time in the context of the testimony I
8 thought it was a sufficient answer, yes.

9 Q I mean, when you testify, you're here -- you
10 agree with me you're here in a formal process?

11 A M'mm-hmm.

12 Q That's a yes?

13 A Yes.

14 Q You're testifying under oath in a courtroom-like
15 setting?

16 A Yes.

17 Q You've had knowledge ahead of time by notice
18 about the documents that will be used for your
19 examination?

20 A Yes.

21 Q You've got your counsel giving you help as
22 needed?

23 A He's here, yes.

24 Q Yeah. And after the question is asked that's
25 not the last two minutes. I don't know what

1 page number out of how many, but in that part of
2 the transcript I think it's maybe halfway along.
3 There's a fair bit of the day that stills goes
4 on after; is that right?

5 A Are we talking about at transcript of my
6 testimony?

7 Q Sorry, yes. Your evidence here, yeah.

8 A Well, we were on for four hours and 40 minutes,
9 so I don't think we were finished at that point,
10 no.

11 Q No. But you don't -- it doesn't come to you
12 during that block of time, at least, that, wait
13 a second to say that no, I didn't do anything,
14 might leave the wrong impression because in fact
15 there was followup in relation to the Baxter
16 statements to the media?

17 A All I can say, sir, is that I answered the
18 question what I thought was in an honest manner
19 as how I took the question at the time. In
20 hindsight I guess I could have said no, I did
21 not, but I had -- certainly my staff were
22 looking into the comments which is a course of
23 the action -- in the course of their job that
24 they should be doing on my behalf. But I took
25 it as a direct question on that just between you

1 and I and not about the general aspects of the
2 rest the story.

3 Q Did you speak with anyone at RCMP after the CBC
4 report quoting Inspector Baxter?

5 A No, I didn't.

6 Q Did you speak indirectly with anyone at RCMP,
7 which is to say have a deputy, an aid, your
8 chief of staff, someone under your direction
9 reach out to RCMP?

10 A You're asking me, did I ask somebody on my staff
11 to do that?

12 Q Yeah, sure.

13 A No.

14 Q That's a better question. Yeah.

15 A Yeah, no, I didn't.

16 Q Okay. Did you contact -- I think he was then
17 holding the rank of Assistant Commissioner Craig
18 Callens in response to that story?

19 A No, I did not.

20 MR. MARTLAND: Okay. So I want to go back over a few
21 parts of the CBC transcript. And, Madam
22 Registrar, if we could please go up in that
23 document to page 2.

24 Q If you look at the top of that page, I read this
25 out before about you say -- to the effect that:

1 "... you want to go back and ... and sit
2 down with your folks. So I sat down last
3 week and had a conversation with them."

4 Who are your "folks" and "them" described in
5 that portion of the interview, please?

6 A I think it would be the same people I described
7 earlier, chief of staff who would have fit in
8 from getting information, communication --
9 probably my communications director and the
10 feedback that they would have gotten from
11 various agencies. But it would have been mainly
12 those people that would be feeding in to brief
13 me, to bring me up to date on what information
14 they have been able to find out about the
15 comments of Mr. Baxter.

16 Q Okay. When you say your folks, are you -- and
17 just given your answer there, I take it you're
18 describing people if your ministry, not beyond
19 your ministry?

20 A Yeah. My briefings would have been internal.

21 Q You answered to the effect of it "probably would
22 have been" or it "would have been." I take it
23 from that you don't have any specific
24 recollection about meetings or briefings on
25 this?

1 A No, not from ten years ago. No.

2 Q Okay. Again, if you need to answer by saying it
3 "would have been" or it "probably would have
4 been," then that's okay. Do you have a
5 recollection or can you say what the format
6 would have been in terms of a meeting, a phone
7 call, a memo, a report, something in writing?

8 A Well, given the time of year that it was, given
9 that was the first week of January, I don't
10 think I would have been in Victoria. I could
11 have been in the Vancouver office because I
12 would come into Vancouver regularly. But
13 conversations with my chief of staff who lived
14 in Victoria would have therefore probably been
15 by phone.

16 And there would have been email
17 communication -- email or text or maybe just by
18 phone communication as we dealt with things. I
19 mean, I might -- they would probably have sent
20 me the news release, which would have been
21 prepared by communications for me to be aware of
22 and say I'm okay with it or not okay with it.

23 But other than that it would have just been,
24 you know, people doing in the course of their
25 daily job what they are supposed to do, and that

1 is to follow up and keep the minister informed
2 when issues come forward so the minister is able
3 to be able to speak on behalf of government or
4 on behalf of the ministry.

5 Q The date of the CBC Radio interview is
6 January 10th. Do you have a memory today about
7 declining requests for media interviews, CBC,
8 *Vancouver Sun* or others that week?

9 A I don't. And my media would usually be managed
10 by what's my schedule like and by my staff with
11 regards to my availability.

12 Q Okay?

13 A So it's not a case of declining so much as it
14 would, does it fit in or do we have the time or
15 what's the subject? Because you have to
16 continue to do your daily work. So I
17 wouldn't -- I don't directly -- you know, I was
18 always available to media, so I -- but most
19 requests for interviews would be -- would come
20 through my office, through my communications
21 person.

22 MR. MARTLAND: Okay. On the screen in front you'll
23 see we still have that CBC transcript up.

24 Madam Registrar, can we go to page 3,
25 please.

1 Q In the middle of that page, line 10 or, and I
2 alluded to this before, but you effectively make
3 an announcement or indicate a new initiative you
4 say:

5 "Effective as of today, a new policy was
6 put in place with regards to chips, so
7 chips --"

8 Referring to casino chips.

9 "-- can no longer go from one casino to
10 another."

11 The question:

12 "So that's a change as of now, is it?"

13 Your answer:

14 "As of now, yeah. The BC Lottery
15 Corporation thought they could implement
16 that this week."

17 Do I have that point right that this is a new
18 initiative that's being announced?

19 A Well, basically in my briefings or the
20 information I received after the Baxter
21 interview before I did this interview, one of
22 the things that came back was from the
23 BC Lottery Corporation that they had been
24 working on the issue relative to chips and that
25 they were in a position to implement and that I

1 could say that in the interview if it came up.

2 Q Okay. When you say it came back from BCLC, do
3 you have any more specificity about who within
4 BCLC or what the flow of information was, how
5 that came to you?

6 A It came to me from basically the same thing, the
7 briefings I received from my staff who had
8 reached out and talked to different agencies
9 like BC Lottery Corporation.

10 Q That initiative to address what's sometimes
11 called commingling of casino chips is something
12 that may emanate from what Mr. Baxter addressed
13 in his media statements. Was this an initiative
14 that was responding to or driven by the Baxter
15 comments?

16 A I think it was an initiative that was already in
17 flow from the BC Lottery Corporation. They were
18 just in a position to actually put it into place
19 and gave me the messaging, saying, we can do
20 this now. But they had been working on it for
21 sometime as I understood it. I received this
22 file back at the end of October in 2011 -- or
23 2010, so I'd only had it for about 60 days. So
24 I had spent a lot of time getting briefed up on
25 all of these aspects and had also made the move

1 testimony to the commission, I had been to the
2 Gaming Policy Enforcement Branch, I had had
3 discussions with them. They were concerned
4 about the number of large cash transactions,
5 also telling me what they could or could not
6 discern which was legal or what wasn't legal as
7 far as the money that would be coming in and how
8 those things were actually being handled at the
9 level of the -- at the casino level.

10 So I was aware of it and that's why I had
11 already taken initiatives. The Baxter interview
12 came completely out of the blue for me. I
13 had -- I was very surprised by it because it
14 wasn't the normal course of practice. My
15 experience when I had been minister previously,
16 there was always a communications protocol. And
17 it came out of the blue a little bit because he
18 was in -- he's in an agency -- and I don't
19 conduct investigations. Statutorily I'm not
20 allowed to even ask somebody to conduct
21 investigation because a minister can't interfere
22 in policing.

23 So you have an interview and the first
24 things that comes to mind is well, you're one of
25 the entities that has the statutory ability to

1 conduct these investigations. And so I'm not
2 going to interfere in his comments, as you --
3 you know, I didn't really even get to the
4 details of those comments because I know I knew
5 of investigations that were taking place, and I
6 would never disclose or discuss because it would
7 be told to me in confidence with regards to
8 different things with policing and what have you
9 in BC.

10 And his comments came out of an unusual
11 situation because I had never had the experience
12 nor had seen it in the decade I had been in
13 government where a senior officer went out and
14 made these type of public accusations in the
15 media, when normally the course of action would
16 be that they would be conducting an
17 investigation that they would not actually be
18 talking about in the public. And so -- and that
19 would be something where there would be a
20 protocol for information to be shared when
21 necessary with the minister which has been in
22 place for a long time with policing in BC. Not
23 just with RCMP, but other police forces so that,
24 you know, somebody doesn't misstep in their
25 comments.

1 And so that was the surprise about the
2 Baxter comments which basically made it fairly
3 difficult for me as minister as to how I could
4 respond because I didn't have the background to
5 what his comments were about.

6 Q So tell me if you think this -- if I've captured
7 it or heard it fairly or not. But as I hear you
8 say that, it seems to be a reaction of, why is
9 he doing this and where has this come from and
10 why am I being caught off guard?

11 A Well, that would be fair to say that I was
12 caught off guard. By the comments, not by the
13 issue.

14 Q Okay. So the issue is -- so to come back to the
15 issue, then, you said this is one that at that
16 point in time you are aware of. You referred to
17 briefings from GPEB, the enforcement branch.

18 A I'd already taken action to have Mr. Kroeker
19 start his review to come up with better ways of
20 doing things which subsequently became a report.

21 Q Right.

22 A And then was implemented by government.

23 Q Yeah. That's a good point. So the fact that
24 you've taken that step and launched that process
25 proves -- shows that you were aware of it and

1 had taken steps to address it.

2 A I had. And I would have thought because of the
3 relationship with the entity that Mr. Baxter was
4 with and GPEB that he would be aware that we
5 were doing that work. I guess he mustn't have
6 been.

7 Q You've -- in addition to having taken that step
8 of initiating the Kroeker review, in addition to
9 the GPEB briefings, you have a number of media
10 reports, including *Vancouver Sun* reports from
11 2008 and 2010 on the suspicious cash in casinos
12 topic?

13 A Well, at times -- there were times when I had
14 the ministry and when I didn't, so -- and when I
15 had the enforcement branch and I didn't. And so
16 my awareness of media when I wasn't the minister
17 would have been way more minimal than when I
18 became the minister because now I'm in the
19 day-to-day piece of that particular file. And
20 so you might be aware of stories, but not in the
21 detail you would be if you're actually the
22 minister.

23 Q Fair point. In addition to the media reports --
24 and you referred to this earlier in one of your
25 answers -- you had been confidentially briefed

1 about ongoing police investigations that were
2 underway?

3 A Yeah, that was pretty standard practice, I
4 think, with all solicitor generals.

5 Q And I can take you to the detail of this, if
6 you'd like, but in the transcript of your
7 evidence before the commission on April 28th you
8 referred to some briefings that you'd had that
9 connected to gang issues, money laundering in
10 casinos, large cash transactions in casinos that
11 you would have had.

12 A Yes.

13 Q And those were briefings -- some of those
14 briefings you would've had before January 2011?

15 A Yeah, at different times when I had the -- when
16 I've had the file because of the anti-gang task
17 force stuff I did in the first four years from
18 '01 to '05, I would have been briefed on gang
19 activities, funded investigations with regards
20 to specific investigations that would've had
21 obviously organized crime activity. And
22 wherever there's organized crime there is money.
23 And so money laundering is always a piece of
24 what you're trying to do, including when we went
25 through the process of civil forfeiture for the

1 proceeds of crime and all of those things,
2 you're aware organized crime is in the activity
3 of crime to make money illegally, and so the
4 money aspect of that is always an aspect. I
5 think the police are very aware of and try to
6 pursue at the same time as they're pursuing
7 their other investigation.

8 Q So with all of that, to summarize it, through a
9 number of sources in January of 2011, it seems
10 to me you have quite a sophisticated awareness
11 of there being a real issue; is that fair?

12 A Yes, that's why I'd already started the work
13 with Kroeker. Yes.

14 Q Okay. Let's go back then to the CBC interview.
15 And I can go to specifics, if that helps, but
16 maybe I'll just ask the general question. First
17 of all, do you agree with me that when you make
18 the comments in response to the statements by
19 Inspector Baxter, in the CBC interview what
20 you're expressing is a disagreement about the
21 substance of what Mr. Baxter told the reporter.
22 You're disagreeing about whether or not he's
23 right about money laundering in casinos. Do you
24 agree with that?

25 A Well, in some ways I would say so. I think it

1 was more he is expressing an opinion
2 passionately that obviously he had that I didn't
3 know was coming out, and I'd no idea why from a
4 position of a senior officer in the RCMP who has
5 the statutory ability to investigate. And
6 having that statutory ability to investigate, if
7 he had suspicions or was doing investigations,
8 they should have been done. And it would be --
9 not be something that you would bring into the
10 public realm to investigate in public.

11 And so I didn't comment specifically in a
12 lot of detail on what he said because my concern
13 was are there investigations going on. I wasn't
14 aware of any relative to his comments, but if
15 there were, I didn't want to make any comment
16 whatsoever that would indicate that I am going
17 to tell the police how to do an investigation
18 because I would never do that.

19 Q As I read the statements that you gave to CBC
20 Radio, it is a disagreement about whether he's
21 got it right or wrong?

22 A I don't think anybody had it right or wrong.
23 That's why I had Kroeker going and having a look
24 and then trying to see if there were ways to do
25 things better because this narrative was out

1 there. I had different understandings of that
2 narrative than relative to what Mr. Baxter had
3 just specifically said in his interview to the
4 CBC, which is a fairly short span of seconds
5 or minutes. Whereas I have had in my case many
6 hours probably of briefings and information and
7 questions that I would have done as I came back
8 into the ministry in October of 2010 or 2011 --
9 or sorry, 2010 because I'm coming back in. I
10 haven't had the policy -- or enforcement side of
11 the branch for years. I haven't had in many
12 cases policing at all in my portfolio for years.
13 So I'm now coming in like a new minister and
14 going to get briefed up.

15 So I'm going through a two-month period of
16 time getting the information, assimilating it,
17 briefing -- probably briefing notes, all of
18 those things for me to understand the file
19 again. And then on the 4th of January there is
20 a very high profile interview that causes a full
21 week of media that then I need to address, and
22 so I am saying, is there something I'm missing,
23 is there more information I need to understand
24 this better, without actually making a comment
25 specifically about any investigation or anything

1 that I could compromise.

2 So it was a very difficult position to be in
3 as a minister because you do not want to sort of
4 step into breaking your confidences from other
5 information you may have. And at the same time
6 you're having to deal with a situation you've
7 never had occur before where you are having to
8 answer questions about something that's come out
9 of the blue in the media from the standpoint of
10 what the normal course of practice would have
11 been, which is always -- my position always was
12 as a minister, if you needed money for
13 investigation you could come to me; I'll go to
14 treasury board to get the money that's the
15 relationship I had with the police.

16 And my -- and I always try to be informed.
17 And so this particular piece while I've got
18 other work going on just wasn't consistent with
19 how we normally conducted business with regards
20 to media.

21 MR. MARTLAND: And I'd like to pick up on that point.

22 And maybe, Madam Registrar, we could display
23 page 7 of the transcript.

24 Q Because, Mr. Coleman I'm going to suggest that
25 in your response to these comments that are at

1 issue from Inspector Baxter, first of all you're
2 not saying he spoke out of turn or he spoke
3 without authorization? You don't say that to
4 the CBC?

5 A No, I would never do that because I don't think
6 so it's my place to sort of say I disagreed with
7 his comments or the tone them. And I said that
8 I disagreed with his comments, not -- I didn't
9 get into the issue of the exact amount of
10 comments. And I'm not going to throw aspersions
11 on somebody in the media that's made their
12 comments personally.

13 Q I might have misheard your answer just there.
14 Did you say that you wouldn't have said that you
15 would disagree with his comments?

16 A I did disagree with him in the context they were
17 given, but what I'm saying is I didn't
18 personally say I don't think anything negative
19 about -- personally about Mr. Baxter.

20 Q Well, let's have a look at what you did say.
21 It's on display there. You've seen this. You
22 say look, let's deal with Mr. Baxter; he's
23 offside. You go on to talk about messaging.
24 And there having a look at the comments -- I'm
25 just skipping a few of the words and I'm sure my

1 transcripts are the same. We've got a few of
2 them on the screen earlier where I'm not always
3 speaking in sentences or paragraphs.

4 But if I distill this paragraph into a
5 sentence, it seems to be the messaging from the
6 RCMP, they're having a look at the comments
7 because they don't feel -- and I'm skipping to
8 line 11. That actually was correct with regard
9 to his comments about money laundering.

10 I mean, that seems to be you to the public
11 saying -- questioning the accuracy of Inspector
12 Baxter, at that point the head of the Integrated
13 Proceeds of Crime Unit, and the statements that
14 he's made about what's occurring in casinos.

15 A Yeah. And I was disagreeing with him in -- I
16 did disagree with portions of it, which I said
17 there. And the reason being is, you know, the
18 comments about something, say, this stinks.
19 There's no doubt about it. That it's dirty
20 money. A common person would say it stinks,
21 those type of things.

22 The reality is my information was there were
23 people who actually played in casinos who had
24 large cash transactions that were known to be
25 legitimate. And so I felt his comments were

1 broader and capturing every large cash
2 transaction as being illegal and stink, and I
3 thought that was incorrect.

4 Q I mean, he's -- to trace it back to what the
5 reports were about, this business of one person
6 walking into a casino with almost half
7 a million, \$460,000 in \$20 bills and that none
8 of that generates a report, that it's
9 suspicious.

10 A Well, my understanding of that, and I said
11 that -- my understanding of that feedback
12 from -- through my people with the Lottery
13 Corporation is that was a known customer and
14 that person -- that's why they weren't
15 suspicious and they didn't have suspicion about
16 that particular customer. And that's why I said
17 that.

18 Q But the person might not be suspicious, but his
19 cash could be. Do you agree with that?

20 A Well, my understanding is they would check
21 people out and where their sources of income
22 were or whatever. That level of detail wasn't
23 given to me. The only detail I was given is
24 this was not a suspicious transaction to them
25 because they had done their homework.

1 MR. MARTLAND: Okay. Going back to page 7 which we
2 have on the display. There's one other part of
3 this transcript I'd like to touch on briefly.
4 Page 4, please, Madam Registrar. I think it's
5 just at the very top of page 4. Maybe the
6 bottom of page 3 on to give it the context.

7 Q The host asks a question at the bottom of page 3
8 about suggesting to you that it might be an idea
9 to set a limit on the amount of money you can
10 actually bring in. And then your answer there
11 is -- bottom of page 3 onto page 4:

12 "I want to be clear on that one because I
13 think that's where perhaps your reporter
14 let the public down a little bit."

15 What was that complaint about the reporting?

16 A I have to read a bit further back to get the
17 context of that. This is -- interviews on radio
18 in five to seven minutes with the interjections
19 from the interviewer are not as fluid. So if
20 you go back, it's -- Mr. Forsythe asks me about
21 the \$460 --

22 Q Yeah.

23 A \$460,000. And that's when I say further down "I
24 think that is where your reporter may have let
25 the public down" because I'm referring back to

1 that \$460,000 transaction which I had been told
2 was not suspicious. And I'm saying I think
3 that's where he -- I felt that they could have
4 got more information and maybe been able to deal
5 with that piece a bit better. That was just me
6 responding in that manner.

7 Q So as I read this transcript of the interview,
8 and appreciating it's in realtime and it's --
9 the journalist and it's a compressed period of
10 time. But first of all, do you agree you
11 express disagreement with the substance of what
12 Inspector Baxter had to say?

13 A Yeah. I think I could say the substance of what
14 he had to say, how he put it I disagreed with
15 because I knew from my briefings that there were
16 things that were done in casinos security-wise
17 and everything else. Plus my briefings had been
18 that we didn't know necessarily what money was
19 legal or illegal and we had policies and
20 procedures in place to try and control that to
21 make sure the money wasn't actually laundered
22 through a casino.

23 And I thought his comments as broad as they
24 were, captured everything into one when there
25 was more information there that he should have

1 had or would have thought he would've had when
2 he couched his comments. But, you know, he did
3 his interview and that set off the week of
4 media, which I had to deal with and my folks had
5 to deal with, with regards to getting more
6 information. And then to do my interviews with
7 the best information I had available to me at
8 the time. And perhaps a little frustration over
9 the fact that this was happening when I thought
10 the person was in a position to know better or
11 to have at least gone through to say, this is a
12 concern; we think we need to do something
13 publicly about it with the media, give the
14 minister a heads-up and what it is we're going
15 to talk about so at least I'm aware of it so I
16 would be prepared.

17 So that is what happened that week. Of
18 course it's the first week of January when a lot
19 of the normal players would be available to get
20 information from would have to be tracked down
21 because they might be on holidays or whatever
22 because it's that time of year. So I think
23 people just tried to get me enough information
24 so that I'd be able to answer the questions. At
25 the same time I was already taking action with

1 Corporation and to the casino and that they were
2 legitimate in their transaction and that is why
3 it wouldn't have necessarily triggered a report
4 that would've had to be investigated.

5 Q Okay.

6 A That was -- that is my level of information.

7 Q But do agree that it's a possible second
8 question to that to say, even if we've got this
9 person's ID, we know and trust and like them;
10 where do they get that bag of money; is that
11 drug money; that seems an obvious possibility?

12 A But my understanding was they had determined --
13 they would have determined that it was not drug
14 money; otherwise they wouldn't have said that
15 this was legitimate.

16 Q Did it not give rise to the question of wait a
17 second. I understand the assurance about the
18 person, but what is the -- you know, how
19 rigorous are those inquiries and examinations of
20 the source of the money at issue there?

21 A My understanding over the years whenever I had
22 that question was it was fairly rigorous
23 relative to what the corporation went through to
24 identify legitimacy of money and a customer
25 coming in like that. They also had other

1 policies in place with regards to large cash
2 transactions, but in some cases when it was a
3 regular client they did more background checks
4 as I would understand it. What assets they may
5 have, where their money would be coming from,
6 that sort of thing, but -- I don't know the
7 detail of that inquiry but I was assured on this
8 one that had taken place.

9 Q So again to come back to my sort of thinking
10 about thematically the points that you're making
11 in the CBC January 2011 interview. And remember
12 at the start I read from that portion where you
13 were -- you started out of the gates effectively
14 by saying, look we've got these high standards
15 and good relationships and the --

16 A Yes.

17 Q You remember that?

18 A Yes.

19 Q So I'm going to suggest that if I add three
20 things together -- first disagreement with the
21 Inspector Baxter comments, secondly questioning
22 the reporting, thirdly referring and emphasizing
23 these high standards and good relationships and
24 good reporting -- as against what you've said
25 about your awareness of the problem through

1 police briefings, confidential police briefings
2 about investigations, through GPEB and other
3 ministry advice and through media reporting,
4 that it amounts to you downplaying a problem.

5 A I wouldn't agree with you there. I think I
6 actually up-played the problem. I got the file
7 in October. I took two months to get briefed on
8 it, made the decision that we should look and
9 see how we can do this better because this issue
10 is still out there with regards to large cash
11 transactions. I asked Mr. Kroeker independently
12 without trying to prejudice his report to go
13 take a look because I had a lot of faith in him.
14 The report came back. The report was
15 immediately accepted for implementation.

16 I don't think I downplayed this at all. As
17 a matter of fact I think I -- we as
18 government were always trying to improve what we
19 were doing with all our agencies with regards to
20 the operation of money in our in casinos in
21 British Columbia. And I think that we would
22 we've continued to do that successively with
23 governments to get better and understand this
24 better and to set up investigational capacity.

25 All of those things I don't think I

1 downplayed it. I think the situation was I had
2 a media report that was unusual from a senior
3 member of the RCMP and that media report meant
4 we had to go back and see what the background
5 was for that, and we didn't have a lot of
6 background for the comments from -- this
7 individual Inspector Baxter had from the RCMP,
8 but it created a number of stories down that
9 week. And so it was my job to answer those
10 stories and deal with the statements with my our
11 folks and then do the interview with CBC.

12 And this particular interview was -- you
13 know, it was -- it wasn't my -- it was an all
14 right interview, but, I mean, it's at the end of
15 a week where you're trying to, you know, deal
16 with informing the public what you're actually
17 doing versus what the comments were of an
18 individual six days before to the media which
19 nobody saw coming in that context. So you're
20 trying to manage it, but at no time did I
21 downplay the fact that there was not work being
22 done and that we were aware of large cash
23 transactions in casinos that we were continuing
24 to do the work which I had actually directed to
25 start very shortly after I received the file

1 back as the minister to see how we could improve
2 and how our system is working now. And that was
3 the case.

4 Q But surely it's not, as you said, up-playing the
5 situation --

6 A Sorry?

7 Q If you were up-playing -- if you were
8 emphasizing this, wouldn't the answer be what
9 Inspector Baxter has said is very, very serious
10 and it will be taken seriously? Isn't that at
11 least neutral and, if anything, giving it the
12 signal that as you had from your police
13 briefings yes, this is a real issue that we are
14 going to look at? Do you agree with that?

15 A Well, you're actually asking me what answer I
16 should have given in a radio interview ten years
17 ago. I --

18 Q You talked about, if anything it's up-playing.
19 I'm asking, do you not agree that if you'd
20 answered that, that would have an up-playing or
21 at least neutral?

22 A Yeah, I think there are many times when you do
23 an interview, you can think about it afterwards
24 and say, I could have said something different.
25 Getting the ability to listen to and see a

1 transcript of an interview that I did over
2 ten years ago, the whole context is different.
3 So you say well, maybe I could have said that
4 better or differently at the time, but I didn't.
5 It's in the public record. And I could have.
6 Yeah, in hindsight you could say that, but I --
7 the transcript of the interview is the
8 transcript of the interview.

9 Q I mean at page 7 -- and maybe we'll bring it up
10 again. But you seem to be saying first of all
11 Mr. Baxter is wrong and second of all -- and
12 this is a little more pointed perhaps -- I don't
13 agree with him, neither do all of his superiors
14 in the RCMP. So taking issue not just -- taking
15 issue with what he said but also invoking his
16 superiors at the RCMP to undermine the message.
17 Is that fair?

18 A Yeah, I probably went a little too far out with
19 that answer.

20 Q I mean, who was he --

21 A I mean, I knew from my briefings and stuff
22 that -- well, this whole -- the whole situation
23 was unusual, so -- and my comments with regards
24 to his superiors were broad but not specific to
25 a specific superior. But, you know, it was

1 Q And who -- you say all of his superiors disagree
2 with him. Who?

3 A Well, that was just a general comment because as
4 I explained to you, in my relationship with -- I
5 think that they would have -- I don't know if
6 they disagreed with the comments necessarily,
7 but they would have disagreed with his -- how he
8 went about it. My impression was that -- I got
9 the impression that his superiors didn't know he
10 was going do that -- well, whether they knew he
11 was going to do the interview or what he was
12 going to say because it certainly was out of
13 character for how the relationship with the
14 police worked.

15 Q Mr. Baxter testified in the hearings and his
16 evidence was to the effect that he was asked a
17 question about not just his superiors but even
18 his subordinates. Did anyone in the RCMP ever
19 come to him after that January 4, 2011 CBC
20 interview and question him or challenge him on
21 the accuracy of the information he gave? The
22 effective his evidence was no one ever raised an
23 issue, and more than that that he had approval
24 and had the go-ahead from the media people at
25 "E" Division to give the interview on the basis

1 he did. Do you have any reason to disagree with
2 that?

3 MR. CAMERON: How could Mr. Coleman comment on what
4 might have happened between people he had no
5 dealings with in RCMP "E" Division?

6 MR. MARTLAND: Well, Mr. Coleman is -- I'm asking a
7 question that comes from the -- what's on the
8 screen:

9 "I don't agree with him and neither do all
10 the superiors of his in the RCMP."

11 Q Do you know anything about any the superiors
12 ever speaking with Mr. Baxter one way or the
13 other?

14 A I read the affidavit you put into evidence at
15 the beginning of this hearing today. So yes, I
16 would be aware of that conversation now.

17 Q Yeah. Okay. That's referring to -- just so
18 we're clear about what that is. Assistant
19 Commissioner then Assistant Commissioner
20 Callens's affidavit?

21 A Yes, I am aware of that because obviously I was
22 made aware of it when the affidavit was to be
23 filed.

24 Q Okay. I want to just follow up on that because
25 you're saying here:

1 "I don't agree with him and neither do all
2 the superiors his --"

3 A As I said, I probably got too broad in that
4 statement in that interview saying that.

5 Q Was there one or any superior or member of the
6 RCMP who disagreed with them that you knew of?

7 A It was a general comment because my relationship
8 with the RCMP in briefings was that they were --
9 it was just my feeling that his superiors
10 wouldn't agree with what he said or how he say
11 it. I mean, he may have permission to do the
12 interview, and I don't doubt -- I don't question
13 that. However, it was some pretty broad
14 comments that captured everything as being one
15 thing and that is that all of this -- any large
16 cash transaction was stinky in BC casinos and
17 I -- my briefing level was different than that.
18 So I would have thought that anybody informed
19 wouldn't agree with that broad of a statement as
20 well.

21 Q You used the word "felt" and "feeling" two times
22 there. You said it was your feeling that people
23 would have seen it that way. But do you
24 agree -- looking back at this now, do you agree
25 that's a guess? You didn't have any information

1 to support that?

2 A That was my opinion at the time.

3 Q Okay. I know you characterize it as an opinion
4 but you're saying as if -- do you agree with me
5 you're putting it at line 17 as a statement of
6 fact.

7 "I don't agree with him and neither do all
8 the superiors of his in the RCMP."

9 A Yeah.

10 Q Is he that -- let me cut to the chase --

11 A Yeah, I totally understand and I probably
12 misspoke a little bit too far in an interview
13 where the interview was a bit aggressive and
14 maybe -- I don't know. I can't remember
15 going -- I can't go back ten-plus years and say
16 what the background was of the statement I made
17 in an interview that lasted for seven minutes.
18 Basically that was my feeling at the time and my
19 opinion at the time, and I based it on
20 historical relations that I had with the RCMP
21 when I made that comment.

22 Q You think it was unfair to Mr. Baxter to say
23 what you said there?

24 A Yeah, it may have been unfair to Mr. Baxter.

25 Q Is there anything you'd say to him now? I mean,

1 look, he gets told from the minister responsible
2 through the press, I don't agree with this guy;
3 he's wrong, and by the way, all of his superiors
4 in the RCMP think he's wrong.

5 A Well, I think if I had a conversation with
6 Mr. Baxter at the time I would have -- and he
7 was going to do this interview and he told me he
8 was going to say okay, so what is your
9 relationship with GPEB? In his testimony he
10 said he met with GPEB. I would have thought
11 that GPEB and that organization were working
12 together. They would have been informed that I
13 was going to do the Kroeker report, that we were
14 following up on concerns.

15 I would have probably said, do you have --
16 if I was able to talk to him, do you have
17 enough -- why aren't you conducting an
18 investigation to go and pursue this because I
19 can't; you have the statutory authority to do
20 the investigation; you're making -- you're going
21 to go make public comments about something, so
22 what is the substantive evidence that stands
23 behind your comments because you're the police;
24 I'm not. That's what I might have said but I
25 didn't have that opportunity.

1 Q But I asked you along the lines of whether it
2 was unfair through a comment that undermined
3 him, and then I hear you rearguing the case.

4 A No, you asked me what I might have said to him
5 if I talked to him. That was my understanding
6 of the question.

7 Q Okay.

8 A And so that's the answer I gave you. I -- it
9 was an interview -- it was a frustrating week;
10 it was a frustrating interview. Obviously how I
11 put things in a seven-minute period
12 ten-plus years ago that I really hadn't
13 remembered even doing the interview frankly
14 until it came up here a couple of weeks ago
15 is -- it's pretty tough to speculate. And my
16 comments at the time were made and nobody
17 questioned me on those comments or told me my
18 comments were wrong that I recall at the time
19 from anybody. And we moved on with the file and
20 continued with the Kroeker report and we did
21 some better implementation. And frankly, you
22 know, I think that was sort of the end of it.

23 It's an unfortunate turn of words in an
24 interview. That can happen. And in this case
25 when you get to be able to look at it from a

1 20,000-foot level 10 1/2 years later, you could
2 say well, I shouldn't have said it that way;
3 right? But it was an interview. And there they
4 have their own dynamics and sometimes when you
5 make a comment because you're trying to broaden
6 something or bring something back because you
7 don't have the luxury of a long time to explain
8 your comments, particularly when you've got
9 questions coming at you sometimes mid-sentence.
10 And so it's a different dynamic. That is all I
11 could tell you.

12 Q Mr. Coleman, you'll be happy to hear I'm almost
13 done my questions. There is a question that I
14 asked you when you testified before at quite a
15 general level, and I'd like to ask you this
16 question but in relation specifically to this
17 transcript that we've been referring to from the
18 CBC interview. And the question is in terms of
19 referring to the high standards, the good
20 relationships, the quality of reporting in terms
21 of undermining or undercutting the substance of
22 what Inspector Baxter says and in terms of even
23 questioning the reporter's reporting. Do you
24 agree that this amounts to downplaying or
25 undermining those who are critical of the -- and

1 concerned about there being a money laundering
2 problem in casinos?

3 A No, I wouldn't agree with that. I think the
4 reality is that we're doing the work. We're
5 trying to improve all the time. Our standards
6 are very high in BC casinos. The FINTRAC
7 reporting was being done very well. My
8 briefings were that our people were doing their
9 jobs. That concerns had been raised about large
10 cash transactions and I -- when I became the
11 minister in October, like, two months before
12 this interview, I'd gone through briefings of
13 all of these aspects. And I had instituted a
14 process to put in place a report with
15 recommendations to improve how we would handle
16 large cash transactions.

17 I wasn't downplaying it. I didn't want to
18 get into a discussion with regards to
19 Mr. Baxter's comments because he was in an
20 investigative -- he's in a statutory role making
21 his comments. My only concern would be that if
22 he had information that should have been pursued
23 in an investigation that would have led to some
24 criminal proceedings, I would hope that he's
25 pursuing those in addition to having these

1 public comments that he was making at the time.

2 So really I believe that all the way through
3 this government continued to try and improve all
4 the time with regards to issues in and around
5 large cash transactions in our casinos in
6 British Columbia. And these particular
7 unfortunate circumstances that took place and
8 the comments that he made which put the minister
9 in my case, whoever the minister would be, in a
10 situation of answering questions about comments
11 from someone who you didn't know -- who is in a
12 position of authority who he didn't know what
13 they were talking about, any specific cases or
14 anything and trying to do that in the same time
15 in an environment where you're aware that there
16 are a number of players that are legitimate that
17 do bring cash into casinos in British Columbia
18 in your briefings.

19 And this seemed different by saying, it all
20 basically stinks. And so you're caught in
21 between what is professionals who I trust in the
22 public service, who, by the way, I think
23 represent -- do a good job for British
24 Columbians every day who are also feeding you
25 information and briefing you, and the comments

1 of an individual in a media interview that you
2 now have to react with other information in your
3 mind, not just his comments. And so you try and
4 balance that as best you like. And sometimes
5 you feel you disagree with a portion of those
6 comments and you say so.

7 Q You say that there could have been -- some
8 potential that your statements to the media
9 undercutting the substance of what Mr. Baxter
10 was saying could have unwittingly -- I'm not
11 suggesting any deliberate interference at all,
12 but could unintentionally perhaps have
13 undermined had there been a criminal charge or
14 prosecution with Mr. Baxter's IPOC unit meeting
15 the charge that that could have had an
16 implication for that process?

17 A No, I don't think so. I think when you go into
18 the public arena, you're in the public arena.
19 An investigation is not in the public arena.
20 It's confidential in nature. A minister of the
21 Crown would never ever comment on an ongoing
22 police investigation of any kind. And I didn't
23 see myself as commenting or disagreeing with an
24 ongoing police investigation. Because if he'd
25 said we're investigating and this is what we're

1 doing; I have this investigation ongoing, I
2 would've -- my answer would have been simple:
3 let the police do their work; I don't comment on
4 ongoing police investigations.

5 MR. MARTLAND: Mr. Coleman, thank you for answering
6 my questions.

7 Mr. Commissioner, that completes my
8 examination.

9 THE COMMISSIONER: Thank you, Mr. Martland. I
10 understand that Mr. Stephens on behalf of the
11 British Columbia Lottery Corporation has some
12 questions and has been allocated five minutes.

13 MR. STEPHENS: Mr. Commissioner, I have no questions
14 for Mr. Coleman. Thank you very much.

15 THE COMMISSIONER: Thank you. Mr. Cameron, do you
16 have any questions you wish to pose to
17 Mr. Coleman?

18 MR. CAMERON: Yes, Mr. Commissioner, I do. And if
19 may ask for the indulgence of a five-minute
20 break and for your leave to speak with my client
21 briefly. I understand commission counsel's not
22 opposed to that.

23 THE COMMISSIONER: No. Fair enough. We'll take
24 five minutes.

25 THE REGISTRAR: The hearing is adjourned for a

1 five-minute recess until 1:27 p.m. Please mute
2 your mic and turn off your video.

3 **(WITNESS STOOD DOWN)**

4 **(PROCEEDINGS ADJOURNED AT 1:22 P.M.)**

5 **(PROCEEDINGS RECONVENED AT 1:26 P.M.)**

6 **RICHARD COLEMAN, for the**
7 **commission, recalled.**

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

10 THE COMMISSIONER: Thank you, Madam Registrar.

11 Yes, Mr. Cameron.

12 MR. CAMERON: Thank you, Mr. Commissioner.

13 We've heard reference to two affidavits that
14 were marked as exhibits this morning but haven't
15 dealt with them in any detail. And I'd ask that
16 exhibit 1022, which is the affidavit of former
17 Deputy Commissioner Craig Callens be brought up,
18 please.

19 **EXAMINATION BY MR. CAMERON:**

20 Q And, Mr. Coleman, I believe you've already
21 testified you've read this affidavit which was
22 recently commissioned.

23 A Yes.

24 Q I want to put some of this to you and ask you
25 then, to tell the commission whether or not your

1 recollections are consistent with what is set
2 out here. If we see paragraph 4, we see that
3 Mr. Callens in January of 2011 was the Assistant
4 Commissioner of the RCMP in British Columbia at
5 that time. Is that consistent with your
6 recollection?

7 A Yes.

8 Q Paragraph 5, he then states:

9 "I recall receiving a phone call in
10 January of 2011 from Mr. Begg, asking if I
11 was aware of Inspector Baxter giving
12 comments in the CBC interview about
13 casinos. I would not say that Mr. Begg
14 was angry in the call. Mr. Begg was
15 asking me what happened. I was not aware
16 of it. We discussed how it was
17 inconsistent with our agreement to provide
18 notification to Police Services Branch of
19 comments that the RCMP would be making in
20 the media with respect to policing
21 matters ..."

22 I'll stop there. Paragraph 9. I'll read a
23 couple of more paragraphs before I ask you a
24 question.

25 "Following that discussion with Mr. Begg,

1 I spoke with Inspector Baxter, to use it
2 as a teaching moment. I had expected,
3 given my role, that I should have known
4 that an officer was giving an on-camera
5 interview in RCMP uniform. I was
6 surprised to learn of it after the fact.

7 Inspector Baxter tried to persuade me
8 that there was a problem in casinos. I
9 said I was not going to debate that issue,
10 but that the police have the job of
11 gathering evidence and making a case -
12 whether to support a prosecution or
13 discussing it with GPEB and government to
14 change policy."

15 Paragraph 14:

16 "I did not hear from any elected official,
17 on this topic of the CBC/Baxter comments.
18 I never heard from Rich Coleman on this or
19 any other issue."

20 And then paragraph 16, the last paragraph of the
21 affidavit:

22 "I have no recollection of Mr. Begg making
23 any comments about Mr. Coleman."

24 And so just so it's clear because there have
25 been implications in various media articles. I

1 providing this affidavit and he refers to media
2 coverage of this commission specifically arising
3 from transcripts of recorded conversations.

4 He notes at paragraph 6 that he made
5 submissions to this commission on November
6 the 8th. And he notes at paragraph 7 that he
7 was never asked to provide an affidavit or
8 otherwise testify before this commission.

9 And then at paragraphs 8 and 9 he says:
10 "I have been following some of the media
11 coverage which has described proceedings
12 before this Commission. Some of that
13 coverage appears, to me, to imply that
14 there was political interference with
15 policing in British Columbia, particularly
16 in the part of former Minister Rich
17 Coleman."

18 Paragraph 9:

19 In my view, which is an informed one based
20 on the positions I held with the RCMP at
21 all material times, this allegation is
22 very unfair and baseless. So far as I am
23 aware, and I am quite sure I would be
24 aware, neither Mr. Coleman, nor other
25 Ministers of the Crown, interfered with

1 police investigations in British Columbia,
2 or interfered with internal RCMP matters."

3 And then if we go to paragraph 11 and 12.

4 Mr. Bass's view is that:

5 "There was, and had to be, a clear
6 separation between politics and police
7 operations. This was always the case with
8 Minister Coleman and other Solicitors
9 General who held office during my time
10 with the RCMP in British Columbia."

11 Now, that statement, is your understanding from
12 the other side of the table consistent with
13 Mr. Bass's?

14 A Yes.

15 Q Paragraph 12:

16 "The relationship that my senior team and
17 I had about Minister Coleman remained
18 highly professional throughout his tenure
19 there was never even a hint of us being
20 asked by his office to do anything to
21 improper. To the contrary, he was highly
22 supportive of policing and during his
23 tenure, there was significant growth in
24 Provincial policing positions and the
25 formation of the integrated policing teams

1 operating in BC today. Our primary point
2 of contact with his Ministry was the
3 Director of Police Services, Kevin Begg,
4 whom I spoke with several times a
5 week ..."

6 Is that characterization of the relationship and
7 how it operated consistent with your
8 understanding?

9 A Yes.

10 Q Paragraph 15:

11 "The RCMP's relationship with Mr. Coleman
12 was nothing other than professional,
13 proper and highly supportive of all
14 policing needs in BC. I had frequent
15 discussions with my counterparts across
16 Canada about the relationship between the
17 RCMP and Provincial Government, and at the
18 time I was serving, it was clear that
19 there was no better relationship in
20 Canada. BC led the way in Integrated
21 Policing and advanced policing policies,
22 much of which was adopted in other parts
23 of Canada and this was due to in no small
24 part to the support of the Provincial
25 Government and Police Services Division

1 led at the time by Kevin Begg."

2 Would you agree or disagree with that
3 characterization of the relationship with the
4 RCMP and the provincial government at the time
5 you were Solicitor General?

6 A Yes.

7 Q Yes, you agree or yes, you disagree?

8 A No, I agree.

9 Q All right. I want to ask you a couple of more
10 questions. And I'm done with these exhibits.
11 We spent earlier today about an hour and
12 20 minutes parsing through a seven-minute
13 interview from 10 1/2 years ago. And my learned
14 friend Mr. Martland said that sometimes when
15 he's asking questions he is not always speaking
16 sentences or paragraphs. Would you agree that
17 that's sometimes the case with you as well when
18 you're caught on the fly?

19 A Oh, yeah, I'd agree with that.

20 Q All right. And you were aware before you
21 testified before this commission, I believe it
22 was on April the 28th, that there had been media
23 stories which had suggested you had interfered
24 with the RCMP or somehow done something about
25 Inspector Baxter. You'd read those stories?

1 A I was aware of them, yes.

2 MR. CAMERON: All right. And could we please bring
3 up the transcript of Mr. Coleman's testimony.
4 Mr. Martland was there previously. I believe
5 it's page 136.

6 Q And Mr. Martland took you to line 6.

7 "Q Dealing specifically with Inspector
8 Baxter, who's there quoted in this
9 news report, did you do anything in
10 response to comments by the comments
11 that were made by inspector Baxter?

12 A No, I did not."

13 Now, to be fair to you and give the opportunity
14 to give the Commissioner evidence, as I
15 understood your testimony this morning you had
16 understood Mr. Martland's question to be
17 something different than perhaps he did and you
18 were at cross-purposes. Can you explain what
19 you understood that question to mean and why you
20 responded the way you did.

21 A I took the question to ask me if I did anything
22 about Mr. Baxter with regard to his comments.
23 Obviously that's the answer I gave.

24 And expanding on the conversation with
25 Mr. Martland earlier, obviously I could have

1 additionally said, but I -- no, I did not with
2 regards directly to Inspector Baxter, but I did
3 take the initiative to find out the background
4 that I would need in order to able to respond to
5 questions from media with regards to those
6 comments.

7 Q All right. And so I think to summarize that,
8 you're saying you answered the question as you
9 understood it?

10 A That's correct.

11 Q All right. One additional point that was raised
12 when my learned friend was asking you some
13 questions about whether you had a guess or a
14 feeling about what other senior Mounties would
15 believe. To give an opportunity on that, when
16 you made statements to the CBC and in other
17 media -- which we'll come to because we're
18 isolating the CBC and we ought not to. But when
19 you gave that interview, what -- on what basis
20 of knowledge did you express your views?

21 A My knowledge is based on a long-standing
22 relationship with the RCMP through my director
23 of police services and directly with people of
24 senior levels that I had dealings with over
25 the years who were, you know, always obviously

1 very professional with me. And my comments were
2 based on that experience and the briefings that
3 I had had over the previous number of months.

4 Q Were they based on your gut or a feeling in your
5 tummy or something else?

6 A No, it was based on the briefings and the fact
7 that during that period of time when I did have
8 briefings and what have you, the RCMP briefings,
9 particularly on some of the crime issues,
10 weren't bringing up casinos in those
11 conversations.

12 MR. CAMERON: Right. And the last document that I'll
13 ask to be put up, please, is -- I believe
14 exhibit 823 is document BCLC0015750. And
15 commission counsel had asked Mr. Coleman
16 questions about this in his first attendance.

17 Q Mr. Coleman, I appreciate this isn't your
18 document, but I understand it to be some sort of
19 media monitoring document that BCLC may have
20 created at the time. Is that your
21 understanding?

22 A My understanding it could have been created by
23 them or could have been created internal to
24 government, but yeah.

25 Q All right. And I want to go to the bottom of

1 page 1, please, because there's been much
2 discussion about what Inspector Baxter said but
3 we haven't looked carefully at his words and
4 parsed them the way that your words have been
5 parsed. And he says this:

6 "We're suspicious that it's dirty money,'
7 Baxter told *CBC News*. 'The common person
8 would I say this stinks, there's no doubt
9 about it. The casino industry in general
10 was targeted during that time period for
11 what may well be some very sophisticated
12 money- laundering activities by organized
13 crime.'"

14 Now, that's the statement you're responding to
15 that Mr. Martland was asking you questions about
16 at length today. What in that statement caused
17 you to form the view that Inspector Baxter was
18 out of step with the thinking at GPEB, RCMP and
19 otherwise and had it wrong?

20 A Well, I think the part was basically that the
21 industry was targeted. That was, in context,
22 the time before I was actually the minister
23 responsible in this iteration. And some
24 sophisticated money laundering activities by
25 organized crime, I think what I felt was

1 wrong -- not to say wrong with it, but my
2 concern about it was, so is there an
3 investigation going on about these activities,
4 about this statement, whether they were targeted
5 during that time through casinos. I thought
6 well, this could be an ongoing investigation, so
7 obviously I can't comment on it, so I can't
8 actually give it credence because it might
9 affect an investigation that's ongoing.

10 I also thought it was odd to say that but
11 not have said well, and we're investigating
12 because if this is the accusation from a senior
13 member of the RCMP, I would have thought an
14 investigation was going on with regard to -- you
15 know, that the industry was targeted by
16 organized crime and money laundering --
17 sophisticated money laundering activities. And
18 so I just -- my reaction was okay, so I would
19 assume we're investigating it.

20 Q Did you place any significance on the words,
21 there's no doubt about it? Do those have any
22 impact on you?

23 A Yeah. Because I thought it was very general
24 towards the casino business relative to there
25 were some -- if there were some suspicious large

1 cash transactions, they should be investigated.
2 But at the same time don't basically take a
3 brush stroke and say all cash transactions are
4 suspicious in casinos in BC.

5 Q All right. And while we're in this document,
6 the last line of questions I have for you
7 arising from what Mr. Martland asked is you'll
8 recall you were asked some questions and there
9 was a debate about whether you were downplaying
10 things or attempting to downplay matters in the
11 media. You recall those questions?

12 A Yes.

13 Q All right. While we're in this document, you're
14 familiar with the fact -- you said there was a
15 week-long -- I don't think you used word
16 "storm," but a week of media attention just
17 after Christmas when Inspector Baxter made these
18 comments; correct?

19 A That's correct.

20 Q All right. And I believe your evidence was you
21 were taking briefings from your staff during
22 that time frame?

23 A That's correct.

24 Q And they were advising you on what they had
25 learned and what the facts on the ground were.

1 Is that what was happening?

2 A That's correct.

3 Q All right. If we can go to page 5, please. So
4 it's Tuesday the 4th that the Inspector Baxter
5 comments come out. And then in the middle of
6 the page here were the next day, Wednesday,
7 January 5. And it's -- down a little bit,
8 please. It's the CBYG coverage. And it states:

9 "News reader: BC Solicitor General Rich
10 Coleman is urging people not to jump to
11 conclusions surrounding the latest
12 allegations of money laundering in
13 BC casinos.

14 In a brief statement released a short
15 time ago, Coleman says he's asked for
16 additional information about cases raised
17 by the CBC. Documents show there were
18 hundreds of suspicious transactions at
19 lower mainland casinos last year."

20 So two questions. And I appreciate I'm asking
21 you about matters that are almost 11 years old,
22 but do you believe that's an accurate statement
23 that you asked for additional information?

24 A Yes.

25 Q And that would be from, quote, your folks. And

1 I believe you described your folks as being
2 those in your ministry?

3 A Yeah, it would be anybody in the ministry that
4 touched this file at the senior level because
5 that's where I would usually go for my
6 information.

7 Q And if a statement was being released, who would
8 draft the statement? Is that you picking up
9 a pen yourself?

10 A Never. A statement would usually be drafted by
11 the communications branch. Sometimes if it's a
12 provincial statement, it could actually be
13 drafted through the communication branch of
14 government and then run by my chief of staff and
15 me for obviously more comments before the
16 release goes out. And then the release goes out
17 and it can be approved. Or it could be
18 drafted -- if it's just strictly the ministry,
19 it could be drafted by my own communications
20 director within the ministry and then embedded
21 by my chief of staff.

22 Q All right. And then I think my last couple of
23 questions -- and if we can go to page 8 of this
24 document, please. And it's at the bottom of the
25 page, it's a *Victoria Times Columnist* article,

1 or at least a summary thereof and quotes
2 therefrom, from Saturday, January 8th, 2011. So
3 we're now four days after Inspector Baxter has
4 made his comments. And I believe we're two days
5 before the transcribed interview that
6 Mr. Martland was asking you about this morning.
7 Do I have that timeline right?

8 A Yes, I think so.

9 Q All right. And we can then see -- if we skip
10 the bolded texts, which I believe is commentary
11 the article itself states:

12 "Solicitor-General Rich Coleman announced
13 Friday the government will review how
14 large cash transaction are regulated amid
15 RCMP claims that BC casinos are being used
16 for money laundering. Coleman, the
17 minister in charge of gaming, will consult
18 with agencies including the BC Lottery
19 Corporation, the gaming policy enforcement
20 branch, police and other stakeholders,
21 according to a statement issued late
22 Friday afternoon."

23 Again I'll stop. That statement similarly
24 wouldn't have been drafted by you personally?

25 A No.

1 Q To the best of your recollection, what's
2 summarized in what I've just read to you, is
3 that accurate? Those are the steps that you and
4 your ministry took within four days of Inspector
5 Baxter's comments?

6 A Yeah, there was some ongoing work already going
7 this, but this was to inform the public that we
8 were doing this and continuing on with it that
9 we were going to broaden it obviously to deal
10 with this particular issue that went live during
11 that week.

12 Q And carrying on with that. The next quote is:

13 "'In saying this --'"

14 And this is quoting from you.

15 "'-- it is important to note that through

16 [the branch] --'"

17 I take that to be the gaming policy enforcement
18 branch?

19 A Yes.

20 Q "'-- the province has been actively engaged
21 with the RCMP's proceeds of crime section
22 since last summer to identify areas of
23 existing legislation that can be used to
24 prevent organization crime organization
25 for laundering money in BC casinos,'

1 Coleman said."

2 And then over the page to finish the quote.

3 "'RCMP have indicated to me our casinos
4 are fully compliant with all regulatory
5 reporting requirements, however the issue
6 of whether or not a cash transaction
7 should be reported as large or suspicious
8 does deserve greater attention and we are
9 prepared to do just that.' Coleman said
10 the ministry is also prepared to enhance
11 training of casino staff so they are
12 better equipped to properly identify and
13 report suspicious transactions. This will
14 include preventing patrons from redeeming
15 casino chips from any facility other than
16 where they were initially purchased."

17 Does that -- I appreciate again many, many years
18 ago, but you've no reason to doubt that you made
19 those statements?

20 A So those statements would be quotes attributed
21 to me in a press release which I would have
22 signed off on. Yes.

23 Q All right. And then it states:

24 "The ministry will report its findings
25 publicly by the end of February."

1 What do you understand that to be a reference
2 to?

3 A That was a reference to the work that I had
4 identified plus the Kroeker report which was to
5 go in and take a look at all of these aspects
6 and how we can improve everything to do with
7 gaming in British Columbia. And the Kroeker
8 report did come in around the end of February
9 and it was accepted by government and it was to
10 be fully implemented.

11 Q All right. And to then ask you the same
12 question my friend Mr. Martland did, in your
13 opinion would you consider the statements you
14 made in this article on January the 8th to be
15 downplaying concerns or attempting to sweep
16 Inspector Baxter under the rug and out of the
17 way?

18 A No, I think it was clearly telling people that
19 we were prepared to do whatever it took to
20 continue to get better and how we managed gaming
21 in British Columbia.

22 MR. CAMERON: Thank you. Those are my questions.
23 Thank you.

24 THE COMMISSIONER: Thank you, Mr. Cameron. And thank
25 you, Mr. Coleman, for returning to deal with the

1 outstanding matters. You're excused now.

2 **(WITNESS EXCUSED)**

3 THE COMMISSIONER: And, Mr. Martland, I think we're
4 now in a position to adjourn to I think July 6th
5 for oral submissions; is that correct?

6 MR. MARTLAND: Yes, Mr. Commissioner. We have
7 three days set aside for closing submissions and
8 that's the 6th, 7th, 8th of July and at this
9 point we can adjourn to the start of that block.
10 Thank you.

11 THE COMMISSIONER: All right. That you. We will
12 adjourn.

13 THE REGISTRAR: The hearing is now adjourned until
14 July 6, 2021, at 9:30 a.m. Thank you.

15 **(PROCEEDINGS ADJOURNED AT 1:48 P.M. TO JULY 6, 2021)**

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