

**PROCEEDINGS AT HEARING
OF
NOVEMBER 9, 2020**

COMMISSIONER AUSTIN F. CULLEN

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1

November 9, 2020

2

(Via Videoconference)

3

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

4

THE REGISTRAR: Good morning. The hearing is now

5

resumed, Mr. Commissioner.

6

THE COMMISSIONER: Thank you, Madam Registrar.

7

Yes, Mr. McGowan.

8

MR. MCGOWAN: Yes, the witness today will be

9

Mr. Hiller.

10

THE COMMISSIONER: Thank you.

11

MICHAEL HILLER, a

12

witness called for the

13

commission, sworn.

14

THE REGISTRAR: Please state your full name and spell

15

your first name and last name for the record.

16

THE WITNESS: My name is Michael Richard Charles

17

Hiller, spelled M-i-c-h-a-e-l. Surname is

18

spelled H-i-l-l-e-r.

19

THE REGISTRAR: Thank you very much.

20

EXAMINATION BY MR. MCGOWAN:

21

Q Good morning, Mr. Hiller.

22

A Good morning.

23

Q Can you hear me okay?

24

A Yes.

25

Q If at any point that changes, please let us know

1 right away.

2 A Okay.

3 Q Sir, you were a member of the RCMP for some 28
4 and a half years?

5 A Yes.

6 Q And during that tenure with the RCMP you spent a
7 significant portion of your career investigating
8 drug offences and organized crime?

9 A Yes, I did.

10 Q I understand you were assigned for a time to a
11 joint RCMP/Vancouver Police Department heroin
12 enforcement team.

13 A Yes, for two years.

14 Q And then subsequently were moved on to something
15 called a unit 1 team?

16 A Yes.

17 Q What was unit 1 team?

18 A It was later renamed as the Asian narcotic unit.
19 It was a part of the Vancouver drug section
20 where we targeted heroin importing and heroin
21 trafficking within North America. Later on
22 precursors, when precursors became prevalent, we
23 also investigated precursors coming from China.

24 Q Okay. Was that predominantly a focus on
25 organized crime importing?

1 A Yes.

2 Q I understand from 2001 to 2005 you were the
3 sergeant in charge of RCMP's Criminal
4 Intelligence Section with a focus on Asia.

5 A With the focus of gathering information of Asian
6 organized crime and also initiating
7 investigations of organized crime.

8 Q You ultimately retired from the RCMP in 2008?

9 A Yes.

10 Q And joined BCLC as an investigator in February
11 of 2009?

12 A Correct, yes.

13 Q And your entire career with BCLC was as a casino
14 investigator; is that right?

15 A The latter years I was jointly a casino
16 investigator and a lottery investigator. That
17 would have been probably 2017 until 2019.

18 Q Okay. You started your career with a posting at
19 the River Rock Casino in 2009?

20 A Yes.

21 Q And moved to Starlight in 2011?

22 A Yes.

23 Q And then back to River Rock in September of
24 2014?

25 A No. I moved back to River Rock in late

1 February -- probably March 1st, 2014, and I
2 remained there until September of 2014.

3 Q Okay. Thank you. And you finished up your
4 career with a posting on the Island?

5 A Yes.

6 Q And when you were in the Vancouver --
7 transferred to the Vancouver Island facilities,
8 did you still have a lens into what was
9 happening in the Lower Mainland casinos?

10 A Yes. Through the casino program that we use at
11 BCLC, through iTrak mainly, but also through
12 just contact with other investigators.

13 Q Okay. And as an investigator assigned in
14 Courtenay, would you have cause or reason to be
15 looking into transactions that were occurring in
16 the Lower Mainland casinos?

17 A Yes, I did. Especially in the first two years
18 when I was transferred to Courtenay. When the
19 reporting was -- got to an extent where they
20 needed more help in the Lower Mainland, I was
21 able to assist remotely from my location on the
22 Island.

23 Q When you say "assist remotely," would that be by
24 reviewing reported transactions and compiling
25 reports and forwarding those on to the

1 appropriate recipients?

2 A Yes. Reviewing reports, reviewing the video
3 footage and then determining whether it was a
4 substantiated UFT, unusual financial
5 transaction, or an unsubstantiated UFT, and then
6 reporting accordingly.

7 Q In your role as a casino investigator at the
8 River Rock and Starlight, who did you report to?

9 A Initially I reported to our manager, Doug
10 Morrison, and Assistant Manager Gord Friesen.
11 By 2011 I was reporting to -- and that's the
12 time I went to Starlight, I was reporting to
13 Gord Friesen as our manager and John Karlovcec
14 as our Assistant Manager.

15 Q If I wonder if you'd just take a moment and
16 explain to the Commissioner your understanding
17 of what your roles and responsibilities were as
18 a casino investigator insofar as it related to
19 matters that are under consideration in this
20 commission.

21 A Yes. In relation to suspicious transactions,
22 which concerned the large amounts of cash
23 buy-ins at the casinos, the service provider
24 surveillance would make the observations,
25 usually the day before or the night before, and

1 then they would record their observations in an
2 iTrak report. When I came to work the next day,
3 whether it was after the weekend or the very
4 next day, I would review all the reports, and it
5 was my responsibility then to seek out further
6 information if it was required and submit a --
7 determine whether it was a suspicious
8 transaction or not, and if it was a suspicious
9 transaction, then I would send off a report.

10 Q Okay. And if you determined a transaction to be
11 suspicious and you've sent off a report, who
12 would you send it to?

13 A FINTRAC is the initial centre. Then I would
14 send the content of the circumstances to the
15 GPEB investigator that was assigned to -- in
16 this case when I first started, River Rock, and
17 I'd also send it to the local RCMP detachment.
18 There were contacts that we were supposed to
19 send it to, and I would send it to them.

20 Q Okay. Were there times when there were other
21 law enforcement recipients as well?

22 A Yes, later on. The recipients of the report
23 changed quite a bit. Later on it was the
24 Integrated Proceeds of Crime Unit and also at
25 times it was called the Federal Serious and

1 Organized Crime Unit or something to that
2 nature.

3 Q You speak -- and I'm going to just ask you, sir,
4 you have -- in an effort to prepare some of your
5 evidence and assist the commission, prepared an
6 affidavit where've you set out some of your
7 experiences and observations during your time
8 with BCLC; is that correct?

9 A Yes.

10 Q And that affidavit is some 25 pages in length
11 with a number of exhibits appended to it?

12 A Yes, it is.

13 MR. MCGOWAN: Mr. Commissioner, I wonder if that can
14 be the next exhibit, please.

15 THE COMMISSIONER: Very well. That will be
16 exhibit 166, Madam Registrar.

17 THE REGISTRAR: Exhibit 166.

18 THE COMMISSIONER: Thank you.

19 **EXHIBIT 166: Revised final affidavit #1 of**
20 **Michael Hiller**

21 MR. MCGOWAN:

22 Q And in your affidavit, sir, you speak
23 extensively about the preparation of iTrak
24 reports and Suspicious Transaction Reports. And
25 am I correct that many of these reports that you

1 prepared related to large cash buy-ins at Lower
2 Mainland casinos?

3 A Yes, they did.

4 Q And I wonder if you could just take a moment and
5 explain to the Commissioner what caused you as
6 an investigator to identify a cash suspicion
7 [sic] as suspicious as opposed to one that
8 wasn't suspicious. I'm talking specifically of
9 cash buy-ins.

10 A Yes. First off, the large quantity of \$20 bills
11 which were frequently involved in these large
12 cash transactions. But it didn't just be -- was
13 \$50 bills. It could be -- or \$20 bills. It
14 could be \$50 bills and \$100 bills, but certainly
15 the large quantity of \$20 bills, they were
16 consistently bundled in a similar manner with
17 elastic bands. There were other indicators such
18 as deliveries of such cash to the casino and/or
19 passing of such cash to the casino.

20 There are indicators such as a VIP player
21 already playing with chips, losing all the
22 chips, making a cellphone call and then another
23 delivery of money occurred. There were some
24 times when I knew from my video review that the
25 VIP player was out of chips at the table, had

1 lost everything, met up with somebody in a
2 nearby washroom on the floor, reappeared at the
3 table and now had cash or chips to buy in again.

4 Circumstances where a VIP player would leave
5 the casino for a very short amount of time, get
6 into a vehicle, drive a very short distance --
7 and I should say prior to getting into the
8 vehicle that player was without cash or chips,
9 had lost maybe in the casino, but after driving
10 a short distance, maybe around the block or just
11 up the street, returned to the casino and now
12 had a bag of cash to buy in. Those are some of
13 the circumstances in which I would have
14 reported.

15 Q And with what degree of regularity were you
16 seeing these types of transactions that you've
17 just explained to the Commissioner?

18 A Definitely several times within a week that I
19 would make a report of such a nature.

20 Q Okay. And I gather that over time the frequency
21 and amount of these buy-ins, there was some
22 development in that regard?

23 A Yes, it increased especially during my return to
24 River Rock between March and September of 2014.
25 The number of such buy-ins and the frequency of

1 submitting Suspicious Transaction Reports
2 certainly increased.

3 Q I wonder if you can just explain to the
4 Commissioner your observations of -- in terms of
5 the value and frequency of large cash buy-ins,
6 the development of that at both the River Rock
7 and Starlight that you observed.

8 A Yes. Initially when I arrived at River Rock in
9 2009 most of the reporting from my recollection
10 was cash buy-ins approximately \$80,000 and
11 upwards. Sometimes it could be several hundred
12 thousand dollars by one player.

13 Later on there were some policies set where
14 the surveillance was reporting buy-ins of
15 \$50,000 and greater, and so of course that would
16 have increased the amount of reporting because
17 there's now more buy-ins at that level as well.

18 During my time at River Rock and at
19 Starlight Casinos the VIP rooms expanded
20 greatly, and the amount of cash coming in and
21 the amount of buy-ins by these VIP players
22 accelerated as a result.

23 Q By the time you got to 2014, what was a typical
24 high-limit cash buy-in that you were seeing?
25 What was the range of -- maybe the range --

1 A I would say -- I remember now the reporting was
2 \$50,000 upwards, so the range would have been
3 \$50,000, but at times it wasn't unusual to see
4 150,000, maybe 200,000. Anything above \$200,000
5 in one particular buy-in was not as frequent,
6 but I did see them, of course. But the average
7 range was somewhere closer to 100,000.

8 Q And you say -- in a single buy-in would you see
9 high-limit players buy in for that amount more
10 than one time in a single day?

11 A I'm -- I was speaking cumulative -- buy-ins that
12 accumulated over the time that they were there.
13 Quite often they would come in with, yes,
14 \$100,000 now all in one particular buy-in. But
15 there were times when they bought in smaller
16 amounts and then lost and then either through a
17 delivery or some sort obtained more money. So
18 I'm talking about the series of buy-ins when I
19 talk about the average being around 100,000.
20 Quite often. I hate to use "average" because it
21 varied on every report.

22 Q Yes. And if the average was around -- or
23 typical was around \$100,000, what would be
24 considered, say, in your time at Starlight and
25 your later time at River Rock, what would have

1 caught your attention as a particularly high
2 buy-in in cash?

3 A Anything over \$100,000 would catch my attention,
4 but certainly one that I saw was \$460,000. That
5 certainly grabbed my attention.

6 Q Okay. You mentioned that the cash that was
7 coming in was typically or often wrapped in
8 elastic bands. Did you have -- through your
9 experience in law enforcement, did you come to
10 understand how cash was typically packaged in
11 the drug trade as compared to how it is
12 typically packaged from a bank?

13 A Typically in the drug trade, yes, it is elastic
14 bands or something similar to that, but from a
15 bank it's wrapped in paper wrapping, bundles of
16 cash.

17 Q You talked a little bit about your experience at
18 River Rock and Starlight Casinos. When you were
19 a casino investigator during those years did you
20 also have a lens into other Lower Mainland
21 casinos and what was happening in those casinos
22 with respect to development of cash buy-ins?

23 A Yes, I often -- also worked at Edgewater when
24 people were away on vacation or, you know, and a
25 manpower increase was needed. It was usually

1 because somebody was away that I would then
2 cover the Edgewater Casino. I also visited the
3 Villa Casino and talked to investigators there,
4 so I was aware of what was happening in what
5 I'll call the major five casinos.

6 Q Okay. And I wonder if you could just take a
7 moment and explain to the Commissioner whether
8 they were all sort of developing in the same way
9 with respect to cash buy-ins or whether there
10 were outliers or those where the issue didn't
11 seem to be developing?

12 A Generally the Edgewater and the Villa were also
13 obtaining cash buy-ins similar to what I spoke
14 about, but I would say to a lesser degree. The
15 more poplar casino, the most poplar casino was
16 River Rock. The second most poplar casino for
17 these VIP players was Starlight Casino and then
18 the other ones fell somewhere below Starlight.
19 But yes, the reporting was similar. It seemed
20 like the bigger, higher-roller-type VIP players
21 were mainly at River Rock.

22 Q As you were observing these increasing-in-value
23 large cash transactions, often in \$20 bills, did
24 you form a view as to the likely source of the
25 funds being used to buy in?

1 A Yes, I was concerned right from the beginning
2 when I started to observe this type of cash
3 coming in at the casino. I was concerned
4 organized crime was involved, and I remained
5 concerned about that throughout my time at BCLC.

6 Q You say "concerned." What was your concern?

7 A My concern was that we, as a provincial
8 organization, are obtaining money for revenue
9 purposes from organized crime.

10 Q You were assigned when you joined BCLC to --
11 into a role where you had some responsibility to
12 liaise with law enforcement; is that right?

13 A Yes. That took place almost -- initially when I
14 started in February 2009.

15 Q And did that interaction with law enforcement go
16 beyond the filing of -- or forwarding of
17 Suspicious Transaction Reports or the contents
18 of reports about activities that were taking
19 place at the casino?

20 A Yes. Part of my role was to ensure that BCLC
21 and law enforcement were in continued contact
22 with each other, so there were times when I
23 would meet with law enforcement to enhance the
24 relationship. That happened quite often.

25 There were a lot of times when my contact

1 with law enforcement was to follow up on
2 something on their half -- on their behalf as a
3 request and -- but quite often my contact with
4 law enforcement was to speak about my concerns
5 with the bags of money coming into the casinos,
6 that sort of thing. But my overall role was to
7 maintain a continued contact with law
8 enforcement when and if we could help them or
9 they could help us.

10 Q And did you remain in that liaison position
11 throughout your time in the Lower Mainland?

12 A Yes, I did. And I should mention that there
13 were two of us assigned to that position in that
14 period.

15 Q Thank you. Who was the other?

16 A The other one was a BCLC investigator Duncan
17 Gray.

18 Q Thank you. You talk in your affidavit about a
19 meeting you had at River Rock with the
20 Integrated Proceeds of Crime Unit in 2009 where
21 you put them in the surveillance room and, I
22 gather, showed them some of the capabilities of
23 casino surveillance.

24 A Yes. I took them also on a tour of the VIP area
25 and also showed them how the iTrak reporting

1 system functions.

2 Q Did you during that meeting discuss with members
3 of the IPOC Unit your concerns about the source
4 of cash coming into casino?

5 A Yes, I did. And I also offered that should they
6 ever be able to do any surveillance or further
7 investigation, I was available to work whatever
8 shift would coincide with theirs.

9 Q To your understanding were you ever made aware
10 of anything that came of that meeting or that
11 offer in terms of an investigation?

12 A No, I was never asked to assist in any
13 surveillance and I wasn't aware of any
14 surveillance that they conducted as a result.

15 Q Okay. And did you continue to provide
16 information and expressions of concern
17 throughout your time in the Lower Mainland in
18 your position as liaison with law enforcement?

19 A Yes, I did.

20 Q And in addition to IPOC, are there any other
21 units or detachments you provided the
22 information to?

23 A Certainly my former team on the criminal
24 intelligence section at Vancouver headquarters,
25 the Asian probe team. I certainly relayed my

1 concerns to them and had hoped that they could
2 assist; however, that didn't come about. Then I
3 also mentioned the -- I think it's called -- it
4 was a name that I wasn't familiar with. The
5 name of a unit, federal serious crime in RCMP
6 headquarters. I related that when I had
7 discussions with them as well.

8 Q You say in your affidavit, speaking about the
9 issue of communicating with patrons, that you
10 never personally interviewed a player about the
11 source of money they brought into a casino. Was
12 that the result of a direction you were given by
13 somebody?

14 A That was a result of my understanding when I
15 initially became a casino investigator at River
16 Rock while talking with my fellow casino
17 investigators, there were two others that were
18 investigating jointly with me at River Rock at
19 that time, and it also became my understanding
20 when I spoke to the General Manager at River
21 Rock. His name was Rick Duff. He made it quite
22 clear that he didn't -- that we shouldn't have
23 this expectation of visiting -- or speaking to
24 VIP players. And I understood his point and
25 never did talk to them directly.

1 Q Mr. Duff wasn't your superior. He was -- worked
2 for Great Canadian; correct?

3 A He was the -- yes, he was the casino General
4 Manager for River Rock Casino.

5 Q If somebody was coming into a casino during your
6 time as investigator with \$100,000 in \$20 bills
7 and you were concerned about the source of that,
8 wouldn't one logical step be to ask the patron
9 where the funds came from?

10 A Well, that would certainly be a logical step,
11 but I must say that most times when these
12 buy-ins occurred, we were really not aware of it
13 until the next day when we read the report. But
14 even if we were on the floor and saw it, I
15 wouldn't approach them because I understood that
16 we were not to approach VIP players for that
17 purpose.

18 Q When you were assigned to the River Rock and
19 Starlight Casinos or when you worked at other
20 casinos, you were stationed physically at the
21 casino; is that right?

22 A Yes, that's correct. At each of the casinos we
23 had an office upstairs.

24 Q During your time as a BCLC investigator when you
25 were working in the Lower Mainland did you ever

1 or did you ever become aware of any BCLC
2 investigator or other employee giving a
3 direction to a service provider in respect of
4 whether they could or could not accept a
5 suspicious cash transaction?

6 A There were conditions placed on players which
7 would have been an indirect direction to the
8 service provider that they cannot conduct --
9 allow a buy-in to occur based on the conditions
10 that were placed. That occurred at -- probably
11 2014, 2015.

12 Q Okay. Prior to that are you aware of any
13 intervention by BCLC to prevent any player from
14 buying in with cash, whether it be 20s or other
15 denominations?

16 A No, I'm not aware of any prior to that. No.

17 Q You talk in your affidavit about the expansion
18 of the VIP room at River Rock and the expansion
19 of the VIP program. I wonder if you could just
20 explain to the Commissioner any observations you
21 made about changes that followed that expansion.

22 A Well, at River Rock the entire upper floor used
23 to have a subsequently -- substantially smaller
24 VIP room during the time I was there, or
25 sometime during the time I was at Starlight I

1 increases.

2 A Yes. The table wagering increased substantially
3 in March of 2012 from -- I believe it was
4 45,000. Now the table limit became 90,000.
5 That occurred at River Rock first at that time.
6 And I became aware of it, yes.

7 Q Okay. And what was your reaction when you
8 learned of that bet increase?

9 A My reaction -- personally I was stunned. I
10 didn't believe that it had occurred. I was
11 being told that by a table manager at Starlight,
12 and I said that we, BCLC investigators, would
13 have been notified if that took place. But I
14 offered the table manager, I said well, I'm
15 going to check this out and get back to you.

16 Q And did your checking out confirm that the
17 increase had in fact happened?

18 A Yes. I immediately contacted Steve Beeksma, who
19 was working at the River Rock Casino that day,
20 and he sent documentation that confirmed that
21 there was approval for the River Rock Casino to
22 increase the table wagering to 90,000.

23 Q And did a similar increase eventually happen at
24 Starlight?

25 A Yes. And I -- yes, it did, but I don't recall

1 what time frame that took.

2 Q You told us that you had concerns, told the
3 Commissioner you had concerns about the source
4 of these funds and were concerned that they may
5 be from organized crime. Did you have -- let me
6 ask you this: when the players were coming in
7 with this cash, were they predominantly putting
8 that money at risk and often losing it?

9 A Yes, I considered them to be legitimate VIP
10 players that put the money at risk and quite
11 often they lost everything.

12 Q Did you have a theory as to what was going on,
13 what the potential involvement of organized
14 crime might have been?

15 A Yes. My theory was that these VIP players were
16 being provided this cash by organized crime and
17 they were simply being used as a vehicle to --
18 for organized crime to get rid of this money
19 and -- through the money laundering process.

20 Q Did you have a theory as to how the repayment
21 was being made?

22 A I believed it was being made sometimes locally.
23 That would have happened, of course. But I also
24 believed that the higher-level VIP players that
25 were borrowing hundreds of thousands of dollars

1 were repaying it to the organization in China.

2 Q And did you come to this view in part based on
3 your experience with the RCMP, investigating --

4 A Partly. Partly as a result of that, yes.

5 Q You -- did you -- when did you first come to
6 this theory as to how the cash might be involved
7 with organized crime and casinos? Do you
8 recall?

9 A I think I believed it -- are we -- audio?

10 I believe I was already equipped with that
11 theory before I joined BCLC, and I believed it
12 right from the beginning.

13 Q Okay. Did you communicate that theory to your
14 superiors?

15 A Yes, I did. Several times we had monthly
16 meetings. They were well aware of my viewpoint.

17 Q You talk about monthly meetings. These are
18 monthly investigator meetings in BCLC?

19 A That's correct, yes.

20 Q So once a month you and the other investigators
21 would get together to have a meeting, a
22 briefing; is that fair?

23 A Yes. It was once a month, but I can't say it
24 consistently happened month after month.

25 Sometimes there were two or three months that we

1 would go without a meeting, but generally maybe
2 eight times a year.

3 Q Okay. Who attended these meetings?

4 A Certainly the manager of casino investigations.
5 That would be Gord Friesen. In the earlier
6 years the manager of casino investigations was
7 Doug Morrison. In later years after 2011 the
8 Assistant Manager of Investigations would have
9 been John Karlovcec and he would have attended.
10 All BCLC investigators in the Lower Mainland
11 attended the meetings. Though the BCLC
12 investigators that were stationed, say, in
13 Kelowna or elsewhere in the province attended
14 the meetings remotely by way of telephone. And
15 at times the Vice President of BCLC security and
16 surveillance would attend. And in that time, of
17 course, the Vice President changed -- throughout
18 my time at BCLC had changed to three different
19 VPs.

20 Q Okay. And would you at these -- did you at
21 these monthly investigator meetings raise
22 concerns about the source of the cash that was
23 coming into British Columbia casinos?

24 A Yes, I did.

25 Q With what regularity?

1 A I would say with more regularity in the first
2 two years of my employment with BCLC. After
3 that there was no doubt that they knew my
4 viewpoint on it, and it was -- you know, I just
5 felt that I can't sound like a broken record and
6 repeat myself all the time, so I sort of laid
7 off in the later years.

8 Q Did other BCLC investigators echo your concerns
9 at these meetings?

10 A I'm sure some of them did. Not as frequently as
11 myself, but they certainly agreed with my
12 viewpoint. I don't recall ever meeting another
13 BCLC investigator that was dealing with these
14 Suspicious Transaction Reports that didn't agree
15 with my viewpoint.

16 Q Did you explain to your superiors at these
17 meetings why you were concerned?

18 A I don't know whether I said specifically why,
19 but I believed what I was saying was that I
20 don't believe we, as an organization, should be
21 taking money from organized crime.

22 Q Did you explain during these meetings your
23 theory as to where the cash was coming from and
24 how it might be being repaid?

25 A I don't -- I would have explained that or talked

1 about that to certain VIPs or -- but I don't
2 know that I specifically mentioned that. I
3 don't recall. I'm not saying I didn't; I just
4 don't recall now 12 years later.

5 Q You said you would have explained it to certain
6 VIPs. Do you mean within --

7 A Sorry, sorry. Certain VPs of the BCLC.

8 Q Sorry. Did --

9 A I've explained that to them, yes.

10 Q Sorry. I think I just spoke over you as you
11 were giving your answer.

12 A Yes, I apologize. I didn't mean VIPs; I meant
13 the Vice President of BCLC security and
14 surveillance.

15 Q Okay. I'm going to ask you about some
16 individuals that I believe were your superiors
17 at BCLC, and I'm going to ask you if you
18 discussed with them your concerns and, if so,
19 what the reaction was.

20 I'll start first with Mr. Friesen. He was
21 a superior of yours for a period of time?

22 A Yes, he was, and I would have discussed it with
23 him.

24 Q Do you recall what his reaction was?

25 A Well, he certainly listened. He didn't -- he

1 didn't say that -- anything to say that he
2 didn't believe it, but he didn't also say
3 anything affirmative in that regard. I believe
4 he listened. He -- and provided little comment
5 that I recall now.

6 Q Okay. Mr. Karlovcec, did you express his
7 concerns with him?

8 A With Mr. Karlovcec, he would have been present
9 during the same times, and again little comment.
10 I don't recall ever that they expressed an
11 opinion as anywhere near the opinion that I was
12 providing them.

13 Q Okay. And Mr. Towns, did you express your
14 concerns to him at any point?

15 A Yes, I did.

16 Q And what was his reaction?

17 A You know, his reaction to me was that VIP
18 players are under video surveillance while
19 they're in the casino; they quite often lose all
20 their money when they're playing; how is that
21 money laundering; what person would put all the
22 money at risk and lose it all; how does that
23 established money laundering? And I would reply
24 to him that it's not the VIP player that's so
25 much the money launderer. The VIP player is a

1 vehicle for money laundering.

2 I believed the VIP players that were
3 bringing in this sort of money were legitimate
4 VIP players with substantial occupations or
5 business occupations that enabled them to spend
6 this type of money, but I believed they did not
7 have the access to this type of money in Canada.
8 They were mainly Chinese nationals and that they
9 were obtaining this money from organized crime.
10 So they were, in essence, a vehicle of the money
11 laundering process.

12 Q And what was Mr. Towns' reaction to you
13 responding with that theory?

14 A Well -- and I agree with Mr. Towns' response to
15 me. He said there's -- you know, those are
16 suspicions, but we have not proven that to be
17 the case. And he emphasized with me that it's
18 my job and other BCLC casino investigators' job
19 to observe and report; we have no authority to
20 investigate beyond the casino and without any
21 knowledge of that, we can't start refusing these
22 funds to the casino without really proving that
23 it's coming from organized crime.

24 I remember on one occasion I said that
25 well, we'll end the conversation there with

1 agreeing to disagree.

2 Q Was that a common sentiment that you heard from
3 your superiors that it's unlikely to be money
4 laundering because the players are putting the
5 money at risk and losing it?

6 A I did hear that as well. Not so much hear that
7 but read that in a document produced by the next
8 Vice President, Brad Desmarais.

9 Q Okay. Yes. I'll come to that document in just
10 a minute.

11 Did you express your concerns of the type
12 you've communicated to the Commissioner to
13 Mr. Graydon?

14 A No, I did not ever express my concerns directly
15 to Mr. Graydon. I had a conversation with the
16 Vice President Terry Towns as a result of a
17 presentation Mr. Graydon made, but I never spoke
18 directly to Mr. Graydon.

19 Q Okay. I'll come to that presentation in a
20 moment. Was Mr. Alderson your superior for a
21 time?

22 A No, he was never my superior. He was a fellow
23 casino investigator for a short time while I was
24 at River Rock. I believe I replaced him when I
25 returned to River Rock.

1 Q Did you discuss your concerns with him?

2 A Yes, I think Mr. Alderson was on the -- had the
3 same idea as I did while he was a casino
4 investigator.

5 Q Mr. Desmarais, did you -- he was a Vice
6 President for a time?

7 A Yes.

8 Q Did you discuss your concerns with him? I know
9 you've made some comments about some articles
10 that were written, but did you have verbal
11 communication with him where you expressed your
12 concerns?

13 A Yes, I did. Maybe not in the same -- to the
14 same extent that I expressed by concerns with
15 Mr. Towns, but I certainly did express my
16 concerns and he was well aware of my concerns in
17 that regard.

18 Q And what was his response to you?

19 A I think the conversation ended with, please send
20 me a report and I'll review it. And it was a
21 report that I had referred to while I was
22 talking to him about my concerns.

23 Q Are you thinking of a specific meeting you had
24 with Mr. Desmarais?

25 A It was a private meeting in March of 2015 prior

1 to the presentations of that particular
2 conference. We were in Kamloops at the time.

3 Q Okay. And what do you recall of that meeting?

4 A Well, I had expressed concerns that during the
5 previous day's presentations our CEO, Jim
6 Lightbody, had a presentation to all of us at
7 the two-day conference, and he went on quite a
8 bit about the increased revenues from table
9 games during 2014 and how that was good for our
10 business, and it was -- you know, he was quite
11 happy with those results. But he didn't mention
12 the increased Suspicious Transaction Reports
13 that we were submitting during that same period
14 in 2014 and the increased cash that was coming
15 into -- specifically I was working at the River
16 Rock Casino at that time. He didn't mention
17 that. In fact, there was something in his
18 presentation that -- I would have to refer to
19 his notes, the speaker's notes now, but there
20 was something in his presentation that upset me.
21 That's why I talked to Brad Desmarais the next
22 day.

23 Q Okay. And what did Mr. Desmarais say in
24 response to your concerns about the
25 presentation?

1 A I don't think we really -- he really said
2 anything in response to the presentation. That
3 was my initial reason for talking to him
4 about -- about talking to him, but we talked
5 about then my belief that, you know, the bags of
6 money are coming in and it's my belief it's
7 organized crime. That's how we got talking
8 about the report and him asking me to send it to
9 him.

10 Q Okay. What was he -- what was his response to
11 your expression of concerns about the bags of
12 cash that were coming in?

13 A I believe he listened, of course. He listened.
14 I don't recall any specific response to that.
15 Like I say, the conversation ended with, please
16 send me that report.

17 Q Okay. You indicated some concern about a
18 presentation made by Mr. Lightbody. Did you
19 have a conversation with Mr. Lightbody or
20 correspondence with Mr. Lightbody where you
21 expressed your concerns about the source of the
22 cash?

23 A No, I did not.

24 Q Did you ever --

25 A I believe in going up the chain and going --

1 speaking to people within -- you know, within
2 the chain of command. I don't necessarily go
3 right to the top.

4 Q Did you have conversations or correspondence
5 with Mr. Kroeker about your concerns?

6 A To a lesser degree, for sure. And I don't
7 recall Mr. Kroeker ever saying anything to the
8 effect that he didn't have the same point of
9 view. I don't know that he did. But he often
10 talked about the initiatives we had taken, that
11 BCLC had taken, in the last couple of years. So
12 my conversation with Mr. Kroeker would have been
13 closer to the end of my career with BCLC.

14 By that time we had implemented an AML team.
15 We had consistent -- the AML team had consistent
16 contact with an investigative unit. We had --
17 BCLC had put in conditions on buy-ins, had sort
18 of tried to step up the programs for getting
19 away from cash -- from cash buy-ins. So you
20 know, he mainly talked about those things. And
21 I agreed, all those these things took place and
22 were improving the situation.

23 Q Okay. Aside from forwarding reports on
24 suspicious transactions, did you ever express
25 the concerns you've been speaking about to

1 individuals in GPEB?

2 A Oh, yes, quite often. We -- the GPEB
3 investigators, whether they be assigned to River
4 Rock or Starlight and/or at times when I was at
5 Edgewater, we often had conversations about the
6 Suspicious Transaction Reports and the amount of
7 cash coming in. They were well aware of my
8 belief on the amount of cash and the suspicions
9 around that.

10 Q Did you ever have occasion during your time with
11 BCLC to speak about your concerns with anybody
12 in government?

13 A No. No.

14 Q I'm not suggesting that would be your role. I'm
15 just --

16 A No.

17 Q You talked about your involvement as the police
18 liaison receiving information and providing
19 information to police forces. Would you receive
20 requests for information from IPOC and other law
21 enforcement agencies?

22 A Yes, quite frequently.

23 Q What were the nature of those requests?

24 A The majority of the requests that I received
25 from IPOC were initiated -- they would first

1 mention in their request that there were a
2 couple of Suspicious Transaction Reports that
3 they were -- that they received on a certain
4 person. And then they would ask for -- I'll
5 call it financial data such as the date of the
6 first transaction. When I say "first
7 transaction," large cash transaction that was
8 registered to FINTRAC. The date of that -- the
9 amount of -- total amount of buy-ins from that
10 transaction until the present time, the total
11 amount of disbursements and I believe also
12 the -- no, I think that was pretty much it.
13 They may have had asked for the number of
14 Suspicious Transaction Reports, but I believe
15 that that was not part of the request.

16 Q And were you ever made aware of what was done
17 with the information you provided or whether it
18 led to any investigation beyond the provision of
19 information by you?

20 A No, I was not.

21 Q Once the IPOC units were disbanded did you
22 continue to receive similar requests from any
23 other unit?

24 A Yes. Once the -- well, they became -- I thought
25 they became the Federal Serious and Organized

1 Crime Section at the RCMP headquarters, so yes,

2 I continued getting requests from them.

3 Q And you answered those requests?

4 A Yes, I did. In the same manner, and I wasn't
5 aware of what action they took in those as well.

6 Q Okay. Were you ever provided information from
7 IPOC or other police units about patrons?

8 A Yes. I can specifically remember being provided
9 information about some loan sharking activity
10 and they asked for me to look in within our
11 iTrak file system and see if I could provide
12 them with further information.

13 Q And what year was that? Do you recall?

14 A That was while I was at River Rock initially, so
15 that would have been probably 2009, 2010.

16 Q Do you recall who the individual was?

17 Individual or individuals.

18 A On the one report I recall it was Constable Yim
19 from Richmond detachment.

20 Q And do you recall who the respective loan sharks
21 were?

22 A No, I don't now any longer. No.

23 Q Do you recall ever being provided information by
24 IPOC or another police unit about a Paul Jin?

25 A I -- well, first off, I became aware of Paul Jin

1 while I was working at the Starlight Casino
2 during the summer and fall of 2012. I don't
3 believe that IPOC ever inquired about him during
4 that period, so my initial knowledge of Paul Jin
5 came from casino reports.

6 Q And did you provide information to IPOC or other
7 law enforcement units about Paul Jin?

8 A Yes, I did. Whether or not it was one of those
9 reports, whether you're asking when was the
10 first transaction. I don't believe it was one
11 of those reports, but I don't recall
12 specifically whether I did in that regard.
13 There was another report that I -- that has been
14 redacted, and I don't -- I'm not permitted to
15 talk about right now.

16 Q Okay. There were a number of Suspicious
17 Transaction Reports and similar reports created
18 with respect to Mr. Jin and individuals believed
19 to be Mr. Jin's associates over the years?

20 A Yes. Yes. I was responsible for generating
21 some of those reports because they involved
22 Suspicious Transaction Reports.

23 Q And those would have been forwarded to law
24 enforcement?

25 A Oh, yes, yes.

1 Q And when --

2 A Both proceeds of crime and the GPEB
3 investigator, yes.

4 Q And when was the first -- when did Mr. Jin first
5 come on your radar such that Suspicious
6 Transaction Reports would have been generated
7 and forwarded to law enforcement and GPEB?

8 A Specifically from me it would have been in
9 October of 2012. But he came to -- basically to
10 my attention through BCLC investigator Stone Lee
11 around the same time, which would have been the
12 fall of 2012. And that was in relation to
13 suspicious activity that was happening at River
14 Rock. However, at that time I was working at
15 Starlight.

16 Q Okay. Thank you. You told us about a meeting,
17 and in your affidavit you speak of a meeting in
18 July -- or pardon me, June of 2014, a meeting at
19 River Rock with CFSEU members where they advised
20 you of an intention to begin a major
21 investigation into alleged casino cash
22 facilitators?

23 A Yes. That was -- more or less the purpose of
24 the meeting was to discuss the possibility that
25 CFSEU members would be conducting an

1 investigation.

2 Q Were you advised that the investigation was
3 being commenced because of a report that had
4 been filed -- forwarded by BCLC?

5 A Was I advised whether it was based on a report?
6 I'd have to say that at that time I wasn't in
7 contact with CFSEU to any extent. Daryl
8 Tottenham was now the manager of AML
9 investigations on behalf of BCLC. Anything that
10 related to the initiation of that meeting
11 probably went through himself and John
12 Karlovcec, who by that time either was the
13 Director or the manager of AML investigations.

14 So to answer your question, CFSEU didn't
15 reach out to me specifically about any one
16 report.

17 Q Okay. You were at this meeting with, among
18 others, Miranda Law?

19 A In June of 2014?

20 Q Yes.

21 A We might be talking about a separate meeting.

22 Q Okay. I wonder if you can tell the Commissioner
23 as much as possible what you remember being told
24 about the investigation that you understood to
25 be planned.

1 identifying people involved in cash
2 facilitation.

3 Q Are you aware of whether any charges flowed from
4 that investigation?

5 A I became aware that charges did flow from that
6 investigation. Now, I would not have had a lot
7 of knowledge about that investigation because I
8 transferred to the Island in September of 2014.

9 Q Okay. You talk in your affidavit, and I think
10 you've alluded to it today, about a cash buy-in
11 of \$460,000 in \$20 bills in 2010?

12 A Yes.

13 Q This was a transaction that caught your
14 attention?

15 A Very much so, yes.

16 Q What did you do in response to becoming aware of
17 this transaction? And I should say this was at
18 the River Rock Casino?

19 A This occurred at the River Rock Casino. I
20 immediately made a request of the surveillance
21 at the River Rock Casino to -- for me to review
22 the video footage, save the video footage so I
23 could review it. I also immediately checked the
24 large cash transactions to confirm that yes, a
25 \$460,000 buy-in did occur. And as a result of

1 my request to surveillance, I subsequently
2 reviewed the video footage, advised that an
3 incident report on iTrak would have to be
4 submitted by surveillance.

5 I then followed up based on my observations
6 and wrote a suspicious transaction report to
7 FINTRAC, which I had copied the circumstances of
8 that report to the GPEB investigator and to the
9 local RCMP at the time.

10 MS. WRAY: Mr. Commissioner, this is BJ Wray for the
11 Attorney General of Canada.

12 THE COMMISSIONER: Yes, Ms. Wray.

13 MS. WRAY: I'm sorry, but this is just a reminder
14 that we have consistently been objecting to
15 testimony with respect to specific suspicious
16 transactions and whether or not those reports
17 were filed with FINTRAC. And I note that this
18 testimony appears to have gone there as well.

19 MR. MCGOWAN: Yes.

20 THE COMMISSIONER: All right.

21 MR. MCGOWAN: That wasn't the intention of my
22 question.

23 MS. WRAY: Thank you.

24 THE COMMISSIONER: Thank you, Ms. Wray.

25 MR. MCGOWAN:

1 Q Mr. Hiller, just to align you or explain to you
2 what's just occurred. Counsel for Canada has
3 raised an objection to witnesses communicating
4 that a Suspicious Transaction Report was filed
5 in respect of a specific incident. That's a
6 report to FINTRAC. And I'm not seeking to have
7 you give that information in relation to this
8 incident. It's not a prohibition on discussing
9 the filing of Suspicious Transaction Reports
10 generally or what the practice was, just so you
11 can bear that in mind as we go forward.

12 A Yes, indeed.

13 Q Prior to you becoming aware of this incident,
14 had the service provider communicated to you an
15 indication that this was suspicious by filing to
16 BCLC an unusual financial transaction report?

17 A Prior to me being aware, there was no incident
18 report created by the service provider, so there
19 was no indication to myself or any of the other
20 investigators at River Rock, BCLC investigators,
21 that such circumstances occurred.

22 Q And did you have communication with River Rock
23 staff about the fact that such a report had not
24 been created?

25 A Yes. I spoke with the Surveillance Manager

1 about this after reviewing the video footage and
2 told them that an incident report will have to
3 be submitted so that I can review their
4 observations.

5 Q Were you provided an explanation for why an
6 incident report had not been created prior to
7 your request?

8 A The Surveillance Manager stated that this
9 particular VIP player quite often plays at a
10 high level. There were no delivery of cash; the
11 person brought the cash to the casino. There
12 was nothing suspicious about the buy-in as far
13 as delivery or cash facilitation, and he didn't
14 find it suspicious.

15 Q Did you disagree?

16 A I disagreed. I said that even though the VIP
17 player brought the amount of cash to the casino
18 without any cash hand-off by any other person,
19 the mere fact that it was \$460,000 in bundles of
20 \$20 bills bound by elastic bands was enough for
21 them to report it to us, and then we will review
22 that and make our determination whether it's
23 suspicious or not. But they're obligated to
24 make such an incident report on the initial
25 occurrence.

1 Q Did you discuss this transaction with your
2 superiors?

3 A Yes, I did.

4 Q Tell the Commissioner about that, please.

5 A Well, during a subsequent -- whether it was a
6 subsequent or the same conversation with the
7 Surveillance Manager, the Surveillance Manager
8 will ask well, if it's suspicious, what is the
9 threshold, a dollar amount that we should be
10 writing reports on; is it \$50,000; what is it?
11 And I basically said that the reports, the
12 incident reports should be created and reported
13 to us based on the suspicious nature of the
14 circumstances. That I wasn't aware of a
15 threshold but that I would check with my
16 manager, Gord Friesen, to ensure that there's no
17 threshold.

18 Subsequently I contacted Mr. Friesen, and he
19 confirmed that it's based on suspicious
20 activity, suspicious circumstances, not a
21 threshold.

22 Q Was there a time when one or more service
23 providers appeared to be operating or were
24 operating on the basis of a \$50,000 threshold?

25 A Or even greater. I think when I initially got

1 to River Rock, I don't remember seeing many
2 transactions, suspicious transactions reported
3 to us that were \$50,000 or less, or maybe it was
4 somewhere in that area, but we certainly didn't
5 see those reports. And it was mainly
6 higher-limit cash buy-ins at that time.

7 Q Okay. Do you have any recollection about an
8 issue arising at some point about service
9 providers operating perhaps on the basis of some
10 communication they had received on the basis
11 that buy-ins of \$50,000 -- buy-ins under \$50,000
12 in \$20 bills did not have to be reported?

13 A I don't recall them mentioning any
14 correspondence to that degree, no.

15 Q Okay. You told the Commissioner you became
16 aware of Mr. Jin in approximately 2012 when you
17 were working at Starlight. And you became
18 aware -- or did you become aware that he was --
19 received a one-year ban for cash dropoffs,
20 essentially?

21 A Yes. I was made aware of that by BCLC
22 investigator Stone Lee.

23 Q Okay. And did you become aware of -- through
24 your review of reports and footage of potential
25 violations of that ban?

1 A Yes, I did.

2 Q Okay. And tell the Commissioner what you
3 observed in that regard and what you did about
4 it, please.

5 A Well, there were several violations of that ban,
6 but there were also two specific incidents that
7 happened at the Starlight Casino that involved
8 Mr. Paul Jin. And knowing that he was already
9 barred, he shouldn't be in the casino or on the
10 property. I understood that, and so I reviewed
11 all circumstances of his violations. I reviewed
12 the two incident reports where he in fact
13 attended the casino property at Starlight. I
14 reviewed the video footage and then I further
15 reported from my observations and sought a
16 five-year BCLC barring of Mr. Jin as a result.

17 Q And was that five-year barring granted?

18 A Yes, it was.

19 Q And did you communicate the existence of the ban
20 to Mr. Jin?

21 A That gets communicated by way of letter. But
22 subsequent to him receiving the letter he made a
23 complaint to our BCLC consumer services line
24 that he wanted to talk to an investigator about
25 the barring. And as a result of that, that

1 particular complaint was my responsibility to
2 respond to, so I contacted him as per his
3 request in the complaint, yes.

4 Q Okay. And if you can recall, what year and
5 month was that communication?

6 A That was on December the 3rd, 2012.

7 Q Okay. And during the call did he communicate to
8 you that he was aware of the ban?

9 A Yes, he did. He indicated he received the
10 letter that -- and acknowledged the five-year
11 ban letter that he received.

12 Q Okay. And did you become aware of any
13 violations subsequent to that conversation?

14 A I don't recall now any longer, no.

15 Q Did the issue of Mr. Jin and his associates
16 delivering cash to casinos continue to be an
17 issue of concern after the five-year ban was put
18 in place? Did you become aware of that?

19 A Yes, I believe there were some incidents at
20 River Rock for sure after that, but I'm vague on
21 my memory of that.

22 Q Was this a topic of conversation that came up at
23 the monthly investigators meetings?

24 A Would have likely have been, for sure. That
25 would've been the type of topic we would've

1 Manager -- the manager was Gord Friesen and my
2 Assistant Manager John Karlovcec -- aware that
3 the incident report has been completed for their
4 review.

5 Q Okay. And where was the incident report stored?

6 A In the iTrak system, casino iTrak system, which
7 is the BCLC reporting system.

8 Q Okay. And do all investigators and managers and
9 Vice Presidents, for example, have access to
10 iTrak?

11 A Yes, they do.

12 Q And they did at the time?

13 A Yes.

14 Q Did Mr. Friesen or Mr. Karlovcec have any
15 response to what you communicated to them?

16 A I don't recall --

17 Q Did you just tell them the report existed or did
18 you tell them the contents of your communication
19 with the source as well?

20 A I told them the report existed and I expected
21 them to read it.

22 Q Okay. Was there any further communication with
23 either of them about the report?

24 A No, there wasn't, and I regularly checked the
25 report to see whether they've added any comments

1 or acknowledged the report or anything like
2 that, and there was never any comments put on by
3 a manager or anybody above.

4 Q Was it the practice in BCLC if a manager read a
5 report from an investigator that they would
6 comment on it?

7 A No, it was not the routine for the manager to
8 comment on all reports or several of the
9 reports. They would not make a comment.
10 However, a report of this significance I
11 expected there to be a comment.

12 Now, managers later -- and when I say
13 "managers," certainly the manager of AML
14 investigations, Daryl Tottenham, always
15 commented on reports of UFTs, whether
16 substantiated or unsubstantiated. He
17 reported -- he documented his comments on every
18 one of those reports. So that may have become a
19 standard much later, but it wasn't during my
20 time. I just felt that the significance of this
21 report, that there should be some comment from
22 either a manager or a director or a Vice
23 President, whatever.

24 Q In addition to communicating the existence of
25 the report to Mr. Friesen and Mr. Karlovcec, did

1 you communicate it to any other superior, the
2 existence of the report?

3 A Yes. Later during a visit by our Director,
4 Kevin Sweeney, and at that time it was the
5 manager of AML investigations, Ross Alderson.
6 They had visited the River Rock Casino while I
7 was there. I brought their attention to the
8 report at that time, and certainly they -- I
9 believe that they read it as a result of me
10 talking to them about it. I brought it to the
11 a -- I brought the same report to the attention
12 of later, later in time, to our Vice President
13 Brad Desmarais and much later in time to our
14 Vice President Rob Kroeker.

15 Q Did you receive a response or feedback from any
16 of those individuals about the report?

17 A Certainly from Brad Desmarais. In an email
18 exchange he reported to me that he had read that
19 report before and -- that email exchange that
20 went on about interest rates and such that --
21 his belief on interest rates and things. That
22 is a document that I recently read, so -- but
23 there was never any comment on the actual iTrak
24 incident report by any of these people.

25 Q Okay. And in each case did you just communicate

1 the existence of the report or did you
2 communicate the contents of the report to any of
3 those individuals?

4 A Certainly with Gord Friesen and John Karlovcec I
5 received permission to follow up on this
6 information by Gord Friesen, so -- and he knew
7 the report was coming. And when I completed the
8 report, I don't recall exactly what he -- what I
9 said, but he would have known that the report
10 consisted of some information of importance to
11 our agency.

12 Q Okay. One possible mechanism whereby a casino
13 could be used to launder funds that has been
14 proposed is a player coming in with cash,
15 purchasing chips, playing minimally and cashing
16 out for a cheque. During your time as a BCLC
17 investigator, with the higher value buy-ins did
18 you ever see conduct that led you to believe
19 that this form of using a casino to launder
20 funds was occurring?

21 A I don't recall ever seeing such an occurrence
22 where they could buy in and the service
23 provider -- buy in with little or no play and
24 then try to cash out and receive a cheque. The
25 service provider on all occasions would not in

1 those circumstances provide them with a cheque,
2 and I don't recall ever seeing that to be an
3 occurrence. I know that -- I read stories from
4 the media that suggested that occurred, but I
5 don't recall that ever occurring in my time.

6 Q You talk in your affidavit about a presentation
7 from a Jonathan Manthorpe?

8 A Manthorpe, yes.

9 Q And did -- I wonder if you can just share with
10 the Commissioner the contents of that
11 presentation and what your reaction was to it,
12 just in brief.

13 A Yeah, the -- I attended two presentations by
14 Mr. Manthorpe. The first one was in March, I
15 believe, of 2012. I forget the date, but around
16 that period. If I break down the content of the
17 presentation that I recall specifically, it was
18 about the amount of cash that Chinese nationals
19 were bringing into the Vancouver airport in
20 their luggage. There was, you know, a greater
21 extent to the presentation, but that was the one
22 thing that stuck out in my mind about that
23 presentation.

24 Q And what was your reaction to that or response
25 to that?

1 A Well, that presentation lasted over a lunch
2 period, so we took a break during the lunch
3 period. And first off, my own general
4 impression was this doesn't make sense that
5 Chinese nationals are bringing in bundles of
6 cash bound by elastic bands in their suitcases
7 and that this is the same bundles of cash that
8 we are receiving at the cage. So I kind of
9 disbelieved that portion of the presentation.

10 I also didn't believe that portion of the
11 presentation because, in my knowledge, globally
12 US dollars is the main currency that would be
13 transported if a person was about to bring money
14 in -- cash into the country by way of suitcase.
15 Suitcases.

16 So during the lunch break I contacted a
17 Canada Border Services Agency colleague of mine.
18 His name was Colin McDouall and I asked him
19 about the previous year, basically occasions
20 when Canada Border Services Agency had the
21 occasion to search and determine cash that was
22 being brought in by Chinese nationals. He
23 advised me that yes, that was approximately
24 \$12 million in total during that previous year.
25 He also advised me the majority of the cash was

1 US currency; however, there was some Canadian
2 currency.

3 And based on that information, it kind of
4 confirmed what I had already been thinking, and
5 when I returned to -- after lunch to partake in
6 the presentation as it continued, there was a
7 question and answer session at the end of it
8 where Mr. Manthorpe asked if anybody had any
9 questions. I related to Mr. Manthorpe at my --
10 at that time my inquiry that I'd just made with
11 Canada Border Services Agency, and that I was
12 told that the majority of the currency is US
13 currency.

14 I also asked him whether the charts that he
15 had in his presentation which had been
16 converted -- which were in Canadian dollars
17 was -- I asked him something to the effect, was
18 it converted to Canadian dollars for the
19 purposes of the presentation, and he replied
20 that it was.

21 Q And what was the context of Mr. Manthorpe giving
22 a presentation to BCLC investigators?

23 A The concept was basically explaining to us that
24 there are other alternatives of the cash coming
25 to our cage. I believe that was the concept.

1 It was providing a viewpoint that the cash
2 coming to the cage has this possibility of
3 suitcases of money coming from China.

4 Q Who arranged for the presentation? Do you know?

5 A I believe Gord Friesen arranged for the
6 presentation, or at least he introduced the
7 speaker, so I'm suspecting that he did.

8 Q Was there a newsletter, internal newsletter
9 within BCLC called the Yak?

10 A Yes, there is.

11 Q And I wonder if you could just you briefly tell
12 the Commissioner what that newsletter was and
13 who it was distributed to.

14 A Well, the Yak -- the Yak articles are posted on
15 our internal website for all employees to read.
16 So everybody that's employed at BCLC who is on
17 the BCLC internal website can read a Yak
18 article.

19 The initial Yak article of concern to me was
20 in May of 2013. It was posted by our then VP
21 Brad Desmarais. I believe that article was
22 entitled "Money Laundering? Not Really."

23 Q Is that the document that's exhibit S to your
24 affidavit? S as in Sam.

25 A Yes, it's attached to -- at tab S. My copy, I

1 cannot see the table -- yes, I see the date.

2 May 21st, 2013.

3 Q Yes. And the title, you'll see -- I'm sure
4 you'll agree with me -- is "Money Laundering in
5 BC Casinos? Not Really."

6 A That's correct, yes.

7 Q And the opening line of the article:

8 "One of the most talked about myths
9 involving BC casino is that money
10 laundering is rampant."

11 A Yes, that's the opening line. Yes.

12 Q And the article goes on to discuss money
13 laundering and some of the components of it and
14 also expresses some alternate explanations for
15 cash coming into British Columbia casinos?

16 A Yes, it does.

17 Q It addresses the Canada border service report of
18 millions of dollars of cash entering the country
19 every year?

20 A Yes, it does.

21 Q It references the fact that some cultural
22 groups, or the belief that some cultural groups
23 favour the use of cash?

24 A Yes, it does.

25 Q And it identifies the existence of legitimate

1 cash-based businesses?

2 A Yes.

3 Q What was your response to reading this article,
4 sir?

5 A Well, I was notably upset by the article in the
6 this fact. That some of these alternative ways
7 of getting cash to Canada or possibly getting
8 cash to the casinos certainly could and probably
9 do exist, but it didn't mention at all what I
10 believed to be the greater possibility: that
11 organized crime was involved in supplying this
12 cash. So that's the upsetting part that I was,
13 you know, concerned with.

14 Q And what did you do, if anything, as a result of
15 that concern?

16 A On this particular occasion -- I remember there
17 were two Yak articles. I believe I wrote
18 something in response to the second Yak article.

19 Q Following on the -- following on this Yak
20 article, though, was there another Yak article,
21 sir?

22 A Yes. It was in November of 2014.

23 Q I want to go back to the 2013. After you read
24 that article, did you express your views about
25 what was missing from the article to anybody

1 within BCLC that you recall?

2 A Well, certainly to my fellow BCLC investigators.
3 I would have been working at River Rock at the
4 time. All three of them plus the compliance
5 officer would have heard my opinion on this
6 article, yes.

7 Q Did you raise your opinion about the article at
8 the monthly meeting?

9 A I don't recall if I did.

10 Q There was a subsequent Yak article which you
11 spoke about in 2014; correct?

12 A Yes.

13 Q The possibility of money laundering in British
14 Columbia casinos?

15 A Yes.

16 Q And was it expressing similar sentiments to the
17 one we just reviewed?

18 A Yes. Correct, yes.

19 Q And that second article is exhibit T to your
20 affidavit?

21 A That's correct, yes.

22 Q Not expressing the same concerns in every
23 respect. It did address alternate explanations
24 for cash coming into casinos in the face of
25 recent media reports about cash coming into

1 casinos?

2 A Yes, it did. It mentioned several methods, yes.

3 Q What was your response to the second Yak
4 article, November 3rd, 2014?

5 A Again, I was very concerned that -- of a
6 viewpoint that was likely correct to some degree
7 that these were possibilities of cash coming
8 into the casino, but I was concerned about the
9 article because it didn't contain -- the most
10 likely concern is that the money was coming from
11 organized crime. So I was concerned enough to
12 write a reply to this article.

13 Q And how did you write the reply and who did you
14 send it to?

15 A Yes. What I did was cut excerpts from the
16 article into a Word document, and then following
17 the excerpt, which was highlighted in my Word
18 document, I provided my comments as to the
19 comments made by our VP, Brad Desmarais. So
20 there were certain excerpts that I cut and
21 pasted into the Word document, highlighted and
22 then I commented on that excerpt. Then I would
23 cut another excerpt from the article and then
24 comment, and that -- provide my comments to that
25 excerpt.

1 I then forwarded my WordPerfect document to
2 my Assistant Manager, Bruno Gatto. I was on the
3 Island at that time. I was stationed on the
4 Island and he was in the Vancouver BCLC office.
5 And in my comments to Bruno Gatto, I mentioned
6 that he has my blessing -- maybe not the exact
7 words -- to pass this along to other managers
8 and the like, and I'll leave that decision up to
9 him.

10 Q And were you ever advised whether he did pass it
11 on to anyone else?

12 A Yes. I reviewed an email where he had forwarded
13 it to my manager, Kris Gade, and to my director,
14 Kevin Sweeney.

15 Q Your response to the Yak article is exhibit U to
16 your affidavit?

17 A Yes. My response is dated November 7th, 2014.
18 And that is my response.

19 Q I'm just going to read one paragraph from your
20 response. It's under the bolded word
21 "integration," the first paragraph after that:

22 "Considering that we should suspect that
23 most high-level Asian cash buy-ins are
24 coming from the underground economy, does
25 It not make the VIP player a 'vehicle' for

1 laundrying money? Especially, since it is
2 a likely scenario that the underground
3 economy includes the criminal element who
4 are trying to launder their money, and it
5 is my understanding that most Asian
6 players likely have an agreement to repay
7 the money in Asia, where they can actually
8 access their wealth. Supplying our VIP
9 players with cash works to the benefit of
10 the underground economy because they can
11 rid themselves of bundles of cash and, in
12 doing so, has moved their cash off shore
13 when repayment occurs."

14 A Those are my comments that I typed into this
15 document.

16 Q Did you ever receive a response from any of your
17 superiors to that comment or any of the other
18 comments in this document?

19 A No, not that I recall.

20 Q You spoke earlier in your evidence, sir, about
21 some measures that were implemented, and you
22 spoke about measures that were implemented that
23 you discussed with Mr. Kroeker, and I gather
24 those were AML measures designed to address the
25 issue of cash coming into casinos?

1 A Yes. And some of them were implemented while
2 Brad Desmarais was Vice President. And then
3 others were implemented as -- when that change
4 to Rob Kroeker being the Vice President, yes.

5 Q What was the -- in 2015 do you recall certain
6 players being placed on cash conditions such
7 that they couldn't buy in with unsourced cash?

8 A Yes. I would regularly see those comments added
9 to their subject profiles within the iTrak
10 system.

11 Q Okay. And to your observation, what impact did
12 the imposition of source of cash conditions on
13 certain players have to the quantity of cash and
14 suspicious cash buy-ins that were occurring at
15 Lower Mainland casinos?

16 A Certainly it eliminated cash buy-ins by some of
17 those persons and certainly reduced the overall
18 revenue for cash buy-ins for table play.

19 Q In the face of source of cash restrictions being
20 implemented and -- initially on a few player and
21 then more, did there -- despite that did there
22 continue to be a volume of large cash buy-ins
23 that were occurring at Lower Mainland casinos?

24 A Yes. Any player that didn't have conditions.
25 And they were more likely to be brand new

1 players that just arrived from China that we
2 were not aware of previously therefore there
3 were no conditions set in iTrak. They were
4 allowed to buy in with large cash -- with large
5 amounts of cash until such time as maybe one,
6 two or three incidents occurred and we were able
7 to document the suspicious nature of those
8 transactions. And then the AML team would then
9 become aware of that and put conditions on those
10 players as well.

11 Q Were you still having a lens into the degree of
12 large cash buy-ins in British Columbia's Lower
13 Mainland casinos at the time following the
14 implementation of Dr. German's interim
15 recommendation about source of cash and BCLC's
16 addition of the receipting requirement?

17 A Yes, I certainly would. The iTrak reporting
18 system is available to me at all times, so there
19 was often times I would review some incidents
20 that were going on at River Rock and Starlight
21 just for my own information. Of course I was
22 aware of what was going on.

23 Q What happened to the number of large cash
24 buy-ins at Lower Mainland casinos after the 2018
25 implementation of Dr. German's recommendation

1 and the receipting requirement that accompanied
2 it?

3 A Well, the large cash transactions were almost
4 diminished to a minimum by then because
5 everything \$10,000 or greater had to be
6 accompanied by a receipt or some kind of
7 documentation where the money was derived from.
8 Most of the players that I had observed over the
9 many years weren't about to bring in cash with
10 receipts, so certainly the revenue pretty well
11 diminished from that -- from what had previously
12 been the case.

13 MR. MCGOWAN: Mr. Commissioner, those are my --

14 THE WITNESS: I should add that the VIP rooms became
15 very quiet as a result.

16 MR. MCGOWAN: Thank you. Thank you for answering my
17 questions, sir. Some of the other counsel will
18 have questions for you.

19 THE COMMISSIONER: Thank you, Mr. McGowan.

20 Ms. Harlingten on behalf of the province and
21 GPEB has been allocated 25 minutes.

22 MS. HARLINGTON: Thank you, Mr. Commissioner.

23 MR. SMART: Sorry. Just before we start, I wonder,
24 Mr. McGowan -- no, I'm just joking -- Mr. Hiller
25 wondered if he could -- we could take the break

1 cash transactions and cheat at play?

2 A Yes, I did.

3 Q Did you consider patron barrings to be an
4 effective tool for managing patron activities?

5 A Yes. Because, first off, it sent a message that
6 BCLC would not put up with whatever activity
7 they were involved in, secondly that it gave a
8 tool for the service provider to turn them away
9 at the door.

10 In respect to BCLC barrings for things like
11 cash facilitation or things like that, it was
12 effective but quite often whoever was prohibited
13 based on the barring was replaced by somebody
14 else. And so to that effect it was maybe not as
15 effective.

16 Q And you say in your affidavit, Mr. Hiller, that
17 when you first started at BCLC, that barring
18 proposals had to be approved by managers or
19 Assistant Managers; is that correct?

20 A That is correct, yes.

21 Q But later in your career when you were what you
22 call an experienced casino investigation, you
23 would have approved barring yourself for things
24 like cheat at play or theft or assault?

25 A That's correct, yes.

1 Q You were not responsible for approving barring
2 requests for large cash transactions, were you?

3 A I don't think there were ever any barrings based
4 on just a large cash transaction. I think
5 you're talking about money facilitation? Cash
6 facilitation?

7 Q Yes.

8 A No, by that period of time the manager of AML,
9 Daryl Tottenham, would have been responsible for
10 approving those barrings.

11 Q In your time as a casino investigator,
12 Mr. Hiller, did you observe any difference in
13 approach taken by BCLC management between
14 barring for cash facilitation, as you've
15 clarified, and patrons who engaged in other
16 activities like cheat at play?

17 A No. Generally things like cheat at play, or
18 I'll call it other criminal -- lesser criminal
19 activity that was criminal offences, the length
20 of term would be based on the circumstances, but
21 generally cash facilitation, if there was enough
22 incidents relating to it, it was -- generally a
23 five-year term was sought almost throughout my
24 time and throughout what I saw Mr. Tottenham
25 approving.

1 Q Did you observe any difference in the response
2 of service providers to patron barrings for cash
3 facilitation or loan sharking as compared to
4 other criminal activities as you've clarified?

5 A No. They would have been treated in the same
6 manner. If any of those people who were
7 provincially barred attended the property and
8 then -- and they were observed by the service
9 provider, they would be immediately turned
10 around and escorted off the property.

11 Q I suppose my question was not that clear,
12 Mr. Hiller. My apologies. Did the service
13 providers react differently to barrings proposed
14 for different activities?

15 A Not to my knowledge, no.

16 Q At paragraph 71 of your affidavit, Mr. Hiller,
17 you speak about a proposed -- oh, sorry, please
18 feel free to go there.

19 A Yes. Go ahead.

20 Q So you're speaking there, Mr. Hiller, about a
21 proposed five-year barring for loan sharking
22 that you attempted to have implemented in 2009
23 as part of your efforts while stationed at the
24 River Rock; is that correct?

25 A Yes. I submitted the request and it was

1 approved. Yes.

2 MS. HARLINGTEN: Madam Registrar, may I please have
3 the witness refer to document BCLC0011939.

4 MR. SMART: It may be visible on the screen.

5 MS. HARLINGTEN: Pardon me. It should be 938.

6 THE REGISTRAR: Sorry, counsel, can you please repeat
7 the number again.

8 MS. HARLINGTEN: Yes, of course. BCLC0011938.

9 THE REGISTRAR: Thank you.

10 THE WITNESS: I'm at tab 11, which -- it contains my
11 notes in February 2009.

12 MS. HARLINGTEN:

13 Q And May 29th, 2009?

14 A Correct, yes.

15 Q Do you recognize this as your own notebook,
16 Mr. Hiller?

17 A Yes, I do.

18 Q And you would have kept these notes
19 contemporaneous with your duties?

20 A Yes.

21 THE COMMISSIONER: I'm just wondering -- I'm sorry,
22 Ms. Harlingten. I'm just wondering if we can
23 get the document before.

24 MS. HARLINGTEN: Apologies, Mr. Commissioner.

25 Q And you have it in front of you as well,

1 Mr. Hiller?

2 A Yes, I do.

3 MS. HARLINGTEN: I'm so sorry, everybody. I've
4 actually taken you to the wrong notebook. I was
5 correct the first time. It's 0011939, not 38.
6 My apologies. Sorry, Madam Registrar.

7 THE WITNESS: Yes, I'm at that particular notes, and
8 it's dated -- my notes are dated June the 1st,
9 2009, to June the 16th, 2010.

10 MS. HARLINGTEN: Yes, that's correct. And I see
11 Madam Registrar has it there for me now. Thank
12 you, Madam Registrar. Apologies for that.

13 Q So, again, you would have kept these notes --
14 and this was your notebook. You would have
15 taken these contemporaneous [indiscernible].

16 A Yes, I would have.

17 Q Can I have you please turn to the entry that is
18 found at 1193.008, so it should be page 8 of
19 that notebook.

20 A I believe the date on the top right corner is
21 June 29, 2009.

22 Q Yes, that's correct. I'd like to draw your
23 attention to the July 3rd, 2009 entry,
24 Mr. Hiller.

25 A Yes.

1 Q And you'll see there that you've written -- and
2 I'm just going to read it to you to make sure
3 that it's correct:

4 "Rick Duff --"

5 You have an iTrak number there, 2009-0025876.

6 And you say:

7 "Rick Duff into your office to speak with
8 Rick and I."

9 I understand that's Rick Pannu, who was another
10 investigator with you at the time?

11 A Yes.

12 Q "Was upset about BCLC barrings for LCT
13 players. He will discuss further with
14 Doug Morrison. Rick Duff also mentioned
15 that if this is how BCLC investigators are
16 going to do business, then he will
17 instruct surveillance to do things
18 differently. We discussed that wasn't a
19 good idea and pointed out that the
20 offenders have incidents at varying sites
21 with Starlight and [River Rock Casino]
22 about equal."

23 Do you see that there?

24 A Yes, I do.

25 Q And then over onto the next page, the entry

- 1 dated July 7th, 2009.
- 2 A Yes.
- 3 Q You there see you're speaking again about
- 4 2009-0025876?
- 5 A Yes.
- 6 Q And you say:
- 7 "Five year barring rescinded by Doug
- 8 Morrison. After he and Gord Friesen had a
- 9 meeting with the GM Rick Duff."
- 10 Then you make a note about counterfeit dollars
- 11 being picked up by security.
- 12 A Yes.
- 13 Q Is it correct to say that your manager rescinded
- 14 that barring you recommended after having a
- 15 discussion with the General Manager of the River
- 16 Rock Casino?
- 17 A Yes, that's correct. And that's pretty much the
- 18 only occasion that I'm aware of that this
- 19 happened.
- 20 Q That's the only occasion you're aware of that it
- 21 was rescinded after involvement by a service
- 22 provider?
- 23 A Yes. That I am aware of. Yes.
- 24 Q To continue in this notebook. I understand,
- 25 Mr. Hiller, from this notebook that although

1 this might be the only occasion on which a
2 barring you proposed was rescinded, that this
3 issue with Mr. Duff continued on for a fairly
4 extended period of time. Do you recall that?

5 A Yes, it did. The barring concerned a number of
6 individuals but specifically two individuals
7 that were well-known to me from my previous
8 experience with the RCMP.

9 Q Before I take you to the next passage,
10 Mr. Hiller, in your experience did service
11 providers often intervene in BCLC decisions to
12 bar patrons?

13 A No, they didn't. We -- in matters like this we
14 quite often had discussions about the
15 provincial -- the proposal for the provincial
16 barring with the management at the -- service
17 provider management. They would certainly state
18 their viewpoints, but they quite often were not
19 to the extent that a barring would be rescinded.

20 Q Could I have you now turn to page 36 of your
21 notebook, Mr. Hiller.

22 A What's the number at the bottom right corner?

23 Q Yes, that's correct. So you should see
24 11939.036.

25 A I'm at that page. And the date at the top right

1 corner is August 26th, 2009.

2 Q Yes, that's right. Thank you, Mr. Hiller. I'm
3 interested in the notes you make at the bottom
4 at 3:30 p.m. that day. You say you're back at
5 BCLC River Rock Casino. Do you see that there?

6 A Yes, I do.

7 Q And you're speaking about a different incident
8 this time, 2009-0033938, and you write --

9 A Yes.

10 Q Sorry. And you write:

11 "390,000 chip passing incident. Rick
12 Pannu and I met with GM Duff. I advised
13 my position of reviewing this incident as
14 it looked like major loan sharking by
15 husband and wife team."

16 And you note two patrons there. And:

17 "Duff's position was that chip passing is
18 not illegal, both are valuable customers
19 and their explanation was that they play
20 together. I pointed out BCLC has to
21 attribute the money to somebody and the
22 circumstances do not clearly determine
23 this. We discussed our responsibilities
24 to report to FINTRAC which extend to
25 casino staff determining who owns --"

1 That money, which is the \$390,000. Do you see
2 that there?

3 A Yes, I do.

4 Q And so this is a second incident where it
5 appears that Mr. Duff is not pleased with your
6 proposal to investigate an incident and perhaps
7 bar the patron?

8 A Yes. This looks like another incident where
9 he's not aligned with my thinking, yes.

10 Q And just to be complete for this particular
11 incident, if you'll just turn over the page for
12 me, Mr. Hiller.

13 A The next page is dated August 28, 2009.

14 Q Yes, that's right. And there should be an
15 expert at the bottom that says "re" three
16 patrons names 2009-0033938, do you see that
17 there?

18 A Yes, I do see that.

19 Q Yes. And so in this particular circumstance you
20 note to yourself:

21 "An explanation was [received] via email
22 from [River Rock Casino employee] (Ray
23 Sam) which explains this chip passing
24 incident and no longer makes suspicious."

25 So in that particular circumstance you were

1 satisfied that the circumstances were not
2 suspicious it seems from your notes?

3 A Yes. Correct. Just let me verify that we're
4 talking about the same incident. I'll turn back
5 for a moment.

6 Q Of course.

7 A Yes, your observations of my notes are correct.
8 I was no longer convinced that the incident was
9 suspicious.

10 Q Thank you, Mr. Hiller. This particular
11 discussion, I'll call it, that you were having
12 with Mr. Duff didn't stop at this point. Is
13 that your recollection?

14 A You broke up when you said that last sentence.

15 Q Apologies. I'll repeat myself. This discussion
16 about loan sharking and barring large cash
17 transaction patrons, this conversation with
18 Mr. Duff continued on. Is that your
19 recollection?

20 A Yes. I believe we would have had other
21 conversations for sure.

22 Q Staying within the same notebook, Mr. Hiller,
23 I'll have you now turn to page 77. So .077 on
24 the bottom.

25 MS. HARLINGTEN: Thank you, Madam Registrar.

1 And at around the same period of time The
2 Vancouver Sun ran a front-page article which
3 mentioned both of those individuals and related
4 quite a history of their criminal involvement.
5 I brought that article to the attention of
6 Mr. Friesen, and he basically told me that had I
7 brought that article to his attention earlier,
8 maybe we wouldn't have rescinded the barring.

9 I oppose that kind of thinking because I
10 like to base my barring on the activities that
11 happen in the casino, not based on my past
12 knowledge in the RCMP and not based on a
13 Vancouver Sun article. So I just wanted to with
14 make that point.

15 Q Yes. Fair enough. Thank you very much,
16 Mr. Hiller. So we're both on the same page,
17 November 9th, 2009?

18 A Yes.

19 Q And you'll see you're speaking here with your
20 partner Rick Pannu and you're back at the River
21 Rock. And just skipping past the first line
22 there you say:

23 "Discussion with GM Rick Duff (Rick Pannu
24 and myself)."

25 And you note that it's a different patron. A

1 BCLC barring. You put in parentheses:

2 "Ineffective warning by security) Tables
3 and surveillance are not reporting as per
4 their LCT training.

5 Duff's comment - warnings for chip
6 passing will not be strongly worded, i.e.
7 BCLC may bar the patron if the patron does
8 not stop - because there is no BCLC 'chip
9 passing policy.'"

10 And then you discussed another example, you'll
11 see there, of another patron.

12 "Self-generated by BCLC - extensive
13 dealings with loan sharks to obtain buy-in
14 money.

15 Not being reported by table/
16 surveillance."

17 You raise the possibility of BCLC barring this
18 patron "for extensive use of loan sharks," and
19 that's to be discussed. Just over to the next
20 page, Mr. Friesen -- Mr. Hiller.

21 A Yes.

22 Q You'll see there:

23 "Rick Duff stated it is not an offence to
24 deal with loan sharks.

25 Duff thinks BCLC should work on the

1 loan sharking themselves, not LCT players.
2 His concern is BCLC barring hurts revenue.

3 I stated always going after the
4 smaller delivery loan sharks not properly
5 dealing with the LCT player creates a
6 'revolving door' scenario. Next month
7 we're dealing with the same LCT player and
8 new loan shark delivery persons.

9 I advised that I intend to submit a
10 BCLC barring request for --"

11 This patron you're discussing.

12 "... but I will discuss it first with Gord
13 and Doug.

14 In the meantime, I asked Rick
15 Duff to think about it and we can
16 meet next week to discuss an
17 alternative way to deal with this
18 patron."

19 "Rick Duff is sure GCGC [management] will
20 side with his view and object to any BCLC
21 barring for an LCT player merely for
22 dealing with loan sharks.

23 Being pressed by BCLC to increase
24 revenue according to Duff.

25 We also discussed dealer supervisors ...

1 not reporting [suspicious] transactions.
2 Rick Duff advised the floor manager's
3 responsibility to report. He doesn't want
4 his table staff doing it."

5 A Yes.

6 Q And so you'll agree with me, then, Mr. Hiller,
7 that this conversation you're having with
8 Mr. Duff, it's fair to say that he is opposed to
9 barring LCT patrons?

10 A Yes, he is opposed to it. And I think
11 eventually I agreed with his thinking on this
12 subject and the person was not -- I did not
13 submit a provincial barring for this person.
14 Instead later on I did speak to this patron
15 with, of course, Mr. Duff's knowledge. I spoke
16 to him and warned him about the situation.

17 I did, however, provincially ban the person
18 that was facilitating the cash to this
19 particular VIP player and that provincial
20 barring was for five years.

21 Q And so this would be one of the only times you
22 spoke with a patron, as you say in your
23 affidavit at paragraph 27?

24 A Well, that reference to the only time -- not
25 speaking to a patron was about a particular cash

1 buy-in. This was more about a series of cash
2 buy-ins where he or she potentially could have
3 been provincially barred. I never spoke to
4 patrons about the origin of their cash.
5 However, in this case I did know the origin of
6 the cash; it was the other person facilitating
7 cash to that person.

8 So when I say I didn't speak to patrons
9 involved in large cash buy-ins that is true, but
10 after the fact when you're dealing with
11 potentially a BCLC barring and it's decided to
12 warn the person instead, yes, I spoke to this
13 person.

14 Q And when you say "decided to warn the person
15 instead," is it your understanding that that
16 discussion about whether to warn or to bar would
17 be decided between service providers and BCLC?

18 A Yes. Not just at my level. I'm sure that Doug
19 Morrison and Gord Friesen were also involved in
20 that decision.

21 Q All right. Is it fair to say your understanding
22 at the time was that Duff was opposed to the
23 barrings you were proposing because of revenue
24 concerns?

25 A I just missed who was opposed, but I agree with

1 your statement, but I don't know who you're
2 referring to.

3 Q Well, I'll clarify. It was Mr. Duff I was
4 speaking of.

5 A Yes. He would have been opposed to that, yes,
6 for revenue purposes, for sure.

7 Q You mentioned in response to my question,
8 Mr. Hiller, that you eventually agreed with
9 respect to this patron. I take it from your
10 answer that you didn't agree with the general
11 proposition that LCT patrons should not be
12 barred?

13 A No, I think I came about and did agree with
14 that. After all the discussions that we had, I
15 agreed that no, it should be the cash
16 facilitators or anybody working with the cash
17 facilitators but not the VIP player who was
18 receiving the cash. But I did believe it was
19 appropriate to let him know my viewpoint in a
20 warning on this particular occasion.

21 Q Okay. We'll turn now in your notebook,
22 Mr. Hiller, to page 83. Pardon me. Let's start
23 at page 82.

24 A Yes, I'm looking at that note and in the top
25 right corner it's dated November 14, 2009.

1 Q Yes. And I'm interested in the November 16th,
2 2009 entry, which starts at 9:00 a.m.

3 A Yes.

4 Q You'll see there that you've written:

5 "Rick Duff GM into our office. I asked
6 him about last week's request for a
7 meeting with [River Rock Casino] managers
8 [regarding a] lack of reporting
9 [suspicious] activity/properly warning LCT
10 player so they do not continually deal
11 with loan sharks.

12 I [advised] I will proceed with a
13 BCLC barring against --"

14 And you'll see that's the same patron you were
15 discussing earlier.

16 "... unless me and RRCR managers come up
17 with a more effective means of telling him
18 his actions cannot continue."

19 Over on the next page you note that:

20 "Rick Duff is away next week in China. He
21 advised he will not include RRCR managers
22 in such a meeting. Instead he would like
23 the GCGC directors and himself to meet
24 with BCLC managers/director."

25 And you agreed to try to arrange that meeting

1 for Thursday at BCLC.

2 And you note that:

3 "Rick Duff's main point is that we cannot
4 BCLC bar [this patron] because dealing
5 with loan sharks is not an offence and not
6 on contained in any policy."

7 You reminded him that this patron's play
8 "doesn't comply with FINTRAC reporting
9 requirements." And then:

10 "Duff said our intended actions will only
11 send LCT players elsewhere."

12 And you mentioned you need to work towards a
13 balance of revenue in suspicious transaction
14 reporting.

15 Do you see that there?

16 A I do see that, and this is the point I made
17 earlier that I eventually did agree with
18 Mr. Duff on this, that we shouldn't proceed with
19 barring. Whether that was just my decision, but
20 it certainly would have involved the manager and
21 the Assistant Manager as well. It would have
22 been -- certainly that would have been the
23 conclusion that was -- we came to at some point.

24 Q And you came to that conclusion even though
25 you've mentioned in your notes that that

1 particular player's play didn't comply with
2 FINTRAC reporting requirements?

3 A Yeah, I guess I worded that in a -- in not such
4 an effective way. What I meant there was all
5 the actions of this large cash transaction --
6 all the large cash transactions involving this
7 player led to several Suspicious Transaction
8 Reports. And so when I say didn't comply with
9 the guidelines, I meant that it led to a lot of
10 suspicious activity.

11 Q All right. So if I understand your evidence
12 about the 2009 notes, Mr. Hiller, you say that
13 eventually you came around and you agreed with
14 Mr. Duff about his view of barring LCT patrons;
15 is that right?

16 A That's correct. And further along in my notes
17 -- I'm not sure what the date is, but there
18 would be a notation where I, through a
19 translator, spoke to this particular VIP player
20 and warned him about the activities.

21 Q After your initial assignment --

22 MS. HARLINGTEN: I'm finished with that particular
23 notebook.

24 Mr. Commissioner, may we have that notebook
25 marked the next exhibit, please.

1 THE COMMISSIONER: Yes, Very well. That will be
2 exhibit 167.

3 THE REGISTRAR: Exhibit 167.

4 **EXHIBIT 167: Copy of Mike Hiller's notebook**
5 **dated June 1, 2009, to June 16, 2010**

6 MS. HARLINGTEN: Thank you.

7 Q And I'll just return now to my question.
8 Apologies for that, Mr. Hiller.

9 After your initial assignment to the River
10 Rock, you were an investigator at the Starlight
11 until 2014; is that right?

12 A Yes. Somewhere, I'll say, from March 2011 until
13 March 2014.

14 Q And so you returned to the River Rock in March
15 of 2014?

16 A Correct.

17 Q And stayed there until September of 2014?

18 A Correct.

19 Q And while you were at the River Rock at that
20 time you continued to investigate large cash
21 transactions?

22 A Yes. It was the busiest time for investigating
23 those type of incidents.

24 Q And you continued to recommend BCLC barrings to
25 deal with those issues?

1 A Not large cash transactions, but certainly in
2 relation to any cash facilitator, yes.

3 Q I would like to take you now to BCLC document
4 0004198.

5 MS. HARLINGTEN: Madam Registrar, that's quite a
6 lengthy document. It contains a number of
7 documents that I don't intend to take the
8 witness to. I'm specifically interested in
9 pages 106 to 108.

10 THE WITNESS: I'm looking at a document -- not the
11 same one. I'm looking at the document at tab 2
12 that -- the "River Rock Casino Resort" at the
13 top and dated June 9th, 2017.

14 MS. HARLINGTEN: Yes. So it's quite a lengthy
15 document. So if you turn all the way almost to
16 the end, please, Mr. Hiller, you should find
17 BCLC0004198.107. That's where I'll start.

18 MR. SMART: Can you say the numbers again.

19 MS. HARLINGTEN: Of course, Mr. Smart. 0004198.107.

20 MR. SMART: Thank you. Have you found that, Mike?

21 THE WITNESS: Yes, .107. I think the title at the
22 top is an email to myself from -- and copied to
23 the other investigators at the -- to other
24 investigators. I'm not sure the date. It's in
25 August of 2014?

1 MS. HARLINGTEN:

2 Q Yes. And so let's start with the email that you
3 sent. You'll see there that you sent it on
4 Monday, August 18th, 2014, just before 9:00 a.m.
5 in the morning.

6 A Yes.

7 Q And August 2014 would have been while you were
8 still assigned to the River Rock Casino?

9 A Yes, that's correct.

10 Q And so you say here in your subject line it's
11 about a particular patron "buy-ins with no
12 play." You say:

13 "Good morning, Jim."

14 I understand you're writing to Jim Wall, who was
15 the General Manager at the River Rock?

16 A Yes.

17 Q You list there three names, and then you say
18 all:

19 "... have all been involved together with
20 major buy-ins with no play. The common
21 factor in the incidents is that they are
22 taking the chips back to hotel rooms on
23 site. The money and chips have been
24 carried back and forth in a backpack."

25 You name one person, who "is the prominent

1 offender" and the other "seems to be his
2 assistant," and the third "was involved in one
3 of the buy-ins, but also seems to be involved in
4 some manner with everything that is happening."

5 "The 4 buy-ins now total \$840,270.00 with
6 no play."

7 And you note the incident numbers there. Then
8 you say:

9 "This activity cannot be tolerated and I'm
10 surprised that casino management has not
11 taken any action to date, or at least
12 talked to [the one patron]. I am inclined
13 to proceed with a 14-day BCLC barring for
14 all 3 of them until I can put all the
15 details together for a more substantial
16 BCLC barring."

17 And then you ask one of them to come by to
18 discuss. Do you see that there?

19 A Yes, I do.

20 Q And so you've just indicated that you no longer
21 considered barring for LCT patrons to be a
22 particularly useful to approach, but that
23 doesn't seem to be true in this particular
24 email, does it?

25 A It certainly doesn't. And the reason for that

1 is that they were buying a substantial amount of
2 chips and there was no play involved, and they
3 were taking it to a hotel room at the River Rock
4 Casino.

5 I was aware from previous incidents not
6 involving these three individuals per se, but I
7 was certainly knowledgeable of previous
8 incidents where the hotel room, a hotel room on
9 different occasions was being used by VIP
10 players, and they were being supplied with chips
11 once they visited the hotel room and then
12 returned to the gaming floor.

13 That's very similar to VIP players
14 obtaining chips while they go to the washroom
15 with a cash or chip facilitator. So what I was
16 afraid of -- and remember that I state here that
17 I'm going to do a 14-day barring for the purpose
18 of further investigation. That's a pretty
19 standard thing for us to do as a BCLC
20 investigator is to sort of stop the action of
21 these buy-ins with no play and the fact that
22 they're taking it to the rooms so we can further
23 investigate and determine whether there should
24 be a provincial barring.

25 Now, buying that quantity of chips and not

1 being involved in play, I was suspecting at that
2 point that these players might be supplying
3 chips to other VIP players. I wasn't certain,
4 but I -- based on the circumstances, that was my
5 belief at that point.

6 Q Yes, I see that from your email. You'll note --
7 MS. HARLINGTEN: I should stop there.

8 Mr. Commissioner, I've been advised that I'm
9 out of time. I would just kindly ask for
10 another five minutes to finish this line of
11 questioning.

12 THE COMMISSIONER: All right. Thank you,
13 Mr. Harlingten. You have another five minutes.

14 MS. HARLINGTEN: Thank you very much,
15 Mr. Commissioner.

16 Q So you had sent this email to Jim wall,
17 Mr. Hiller, and I see he responded to you
18 directly the same day at 3:30 p.m. And he says
19 to you -- I'm sorry. Do you see that there,
20 Mr. Hiller?

21 A Yes, I do.

22 Q So he says:

23 "I feel compelled to respond to a portion
24 of your email that, frankly, I find to be
25 somewhat disrespectful.

1 The reason why casino management has
2 not taken 'any action to date' is, as you
3 should be aware, we do not have access to
4 any reports regarding these incidents.
5 They are all listed as SFTs/UFTs and
6 Operations does not have access to these
7 files. That said, I have confirmed with
8 Surveillance that all of these incidents
9 were reported to BCLC/GPEB. We have
10 reported these incidents as required."

11 He goes on to discuss what management and
12 surveillance is doing, but concludes just by
13 saying:

14 "I think [River Rock] has done a
15 tremendous job of reporting and
16 investigating incidents, especially
17 considering the volume of play we have
18 here.

19 I can emphatically say that should
20 this be determined to be illegal activity,
21 [River Rock} is in full support of a BCLC
22 barring, as we have been in similar
23 incidents in the past."

24 And I suppose my question for you, Mr. Hiller,
25 is coming off of the 2009 notebooks, would you

1 agree with me that this indicates a pattern of
2 service providers disputing barrings for large
3 cash transaction patrons?

4 A Yes, I do agree with you on that point. And I
5 just want to add that what I was proposing was a
6 14-day barring. It didn't -- it wasn't
7 initiated, but I was proposing that 14-day
8 barring may be set. But I was also asking for
9 discussion on this so I could better understand
10 the circumstances of three players buying chips
11 with no play and taking them to a hotel room.
12 The potential was with that quantity of chips
13 that they could facilitate other players.

14 Q Yes. And it seems -- is it fair to say from
15 Mr. Wall's response that he didn't consider your
16 concerns sufficient to warrant that kind of
17 response from BCLC, that is a barring?

18 A I would agree with you on that point, yes.

19 MS. HARLINGTEN: Taking into consideration that I'm
20 already over my time, Mr. Commissioner, I'd just
21 like to mark that document as an exhibit.

22 THE COMMISSIONER: Very well. That will be
23 exhibit 168.

24 THE REGISTRAR: Exhibit 168.

25 MS. HARLINGTEN: Thank you. And Madam Registrar,

1 just pages 106 to 108 of that document is fine,
2 but I'm in your hands as to what would be
3 easiest.

4 THE COMMISSIONER: Yeah. No, I think if that's all
5 you've referred to, let's leave it at that, 106
6 to 108.

7 MS. HARLINGTEN: Thank you, Mr. Commissioner.

8 THE COMMISSIONER: All right. Thank you.

9 **EXHIBIT 168: Series of emails between Mike**
10 **Hiller and Jim Wall dated August 18, 2014**
11 **(pages 106 to 108)**

12 MS. HARLINGTEN: I just have one last question for
13 the witness and then I will be finished.

14 Q Mr. Hiller, at paragraph 46 of your affidavit
15 you reference that GPEB investigators have
16 Special Provincial Constable status. Do you
17 recall that?

18 A Yes, I see that there.

19 Q Is it your understanding, Mr. Hiller, that
20 Special Provincial Constables have more limited
21 powers than perhaps an RCMP member would have?

22 A Did you say more limited powers?

23 Q Yes, limited powers.

24 A Limited powers as compared to the RCMP. Yes,
25 correct.

1 MS. HARLINGTON: Thank you, Mr. Hiller, for answering
2 my questions.

3 Those are all my questions, Mr. Commissioner.

4 THE COMMISSIONER: Thank you, Ms. Harlington.

5 I'll now turn to Ms. Harmer on behalf of the
6 Great Canadian Gaming Corporation who's been
7 allocated 15 minutes.

8 MS. HARMER: Thank you, Mr. Commissioner.

9 **EXAMINATION BY MS. HARMER:**

10 Q Mr. Hiller, I'm counsel for Great Canadian
11 Gaming Corporation. My name is Melanie Harmer.
12 Can you hear me okay?

13 A Yes.

14 Q If at any time you have difficulty hearing me,
15 please let me know.

16 A Yes.

17 Q Mr. Hiller, in your affidavit you describe in
18 some detail how large and suspicious
19 transactions are brought to the attention of
20 BCLC investigators. And you base this on your
21 time at River Rock and Starlight. Do you recall
22 that?

23 A Yes, I recall that.

24 Q And your affidavit explains that one of the ways
25 the transactions are brought to the attention of

1 types of documentation and reporting
2 outside of iTrak, and conversations with
3 Service Provider staff."

4 Yes.

5 Q And can you describe for the Commissioner what
6 other type of documentation your referring to
7 there.

8 A It was definitely outside of iTrak, so it could
9 have been a police request for assistance where
10 they described circumstances. Other
11 documentation relating to large cash
12 transactions might be a document prepared by the
13 service provider cage people that noted the size
14 of -- and amount of denominations that were used
15 for a buy-in. Those are examples.

16 Q And do you recall what those documents created
17 by the cage staff were called?

18 A No, I don't. But I used them to confirm the
19 denominations and amount of the buy-in
20 sometimes.

21 Q Does a drop sheet or a cashier drop buy-in
22 tracking sheet sound familiar?

23 A It sounds like a good possibility, yes.

24 Q And you mentioned that those sheets set out the
25 denominations of the buy-ins?

1 A I can say from my experience, I didn't review
2 them on all transactions. In fact I reviewed
3 them on only those transactions where I was
4 unsure from my video review or the video footage
5 saved of the exact number of bills and the
6 denominations. So I would say that it was a low
7 percentage for me to review that document. I
8 know that the other investigators at River Rock
9 used that document more often than I did, but I
10 can't say how often.

11 Q And they were made available to BCLC --

12 A Yes.

13 Q -- investigators?

14 A Yes. Somebody dropped them off at our office.
15 I can't remember if it was daily or weekly.
16 Yes.

17 Q I'm going to suggest there was a practice that
18 it was dropped off at your office daily. Do you
19 recall that?

20 A Like I say, I don't recall if it was daily or
21 weekly, but I suspect that you are correct that
22 it was daily.

23 Q You also mentioned reviewing surveillance video.
24 What were you able to see on that surveillance
25 video specifically of the cash cage?

1 A Well, I could -- when I reviewed video footage
2 at the cash cage, lots of times it was in the
3 private cash cage for larger buy-ins. I would
4 see the patron, the player come in, empty
5 whatever receptacle he or she used to bring in
6 that cash buy-in, empty it on the counter in
7 front of the cage, stack it up there, and then
8 I -- so I could see the denominations and how
9 those bills were bundled.

10 And then I would review the cashier taking
11 each bundle, taking off the elastics, putting
12 them through a counter, and most often I
13 wouldn't sit and review the total amount as they
14 go through the counter; I would look for the
15 total amount that would show up on the screen on
16 the counter, that sort of thing.

17 Q But you were able to see the denominations. You
18 were quite clear about that?

19 A Yes, for sure. Yes.

20 Q And it seems to me that if a River Rock staff
21 member for some reason missed filing an unusual
22 financial transaction report in iTrak, that BCLC
23 investigators would still have information
24 available to them that would show the size of
25 the buy-in and the breakdown of the

1 appropriately filed by the Service
2 Provider."

3 Q And the two incidents that you're referring to
4 in the paragraphs above that part of your
5 affidavit, those were incidents that were in
6 2009 and 2010?

7 A Yes, that's correct. It refers to those dates.

8 Q And were large cash transactions reports, so LCT
9 reports, were those filed by the service
10 provider in each of those instances?

11 A Yes, large cash transaction reporting were filed
12 in each of those incidents.

13 Q Mr. Hiller, you talk in your affidavit about
14 raising the issue of accepting large cash
15 buy-ins at meetings of BCL investigators, and
16 Mr. McGowan asked you some questions about that
17 this morning. Do you recall that?

18 A Yes.

19 Q And were there any Great Canadian employees or
20 representatives at those meetings?

21 A Remind me again. Which specific meetings are
22 you talking about?

23 Q I'm referring specifically -- I understand there
24 were quite a few meetings. I'm referring
25 specifically to the BCLC investigator meetings.

1 You described meetings where people like
2 Mr. Friesen or Mr. Karlovcec were there and your
3 fellow investigators were at those meetings from
4 around the Lower Mainland. There were no Great
5 Canadian employees or representatives at those
6 meetings?

7 A I don't -- not as a general rule, and I don't
8 recall any meeting which would be our monthly
9 BCLC investigators meeting were any service
10 provider staff attended. I doubt that that
11 happened.

12 Q To your knowledge, Mr. Hiller, prior to the cash
13 conditions being imposed on specific players,
14 did BCLC ever direct service providers to refuse
15 large cash buy-ins?

16 A I don't recall that they did, no.

17 Q Mr. Hiller, you say in your affidavit that you
18 had some concerns about the volume of cash that
19 was coming in. But I think earlier today you
20 told Mr. McGowan that that was a theory of
21 yours.

22 A A theory, a strong suspicion. Yes, something
23 along that line.

24 Q And that your superiors at BCLC didn't consider
25 there to be enough evidence yet that your theory

1 was correct; is that fair?

2 A I think that's fair.

3 Q Or at least that was your understanding of their
4 position?

5 A I agree.

6 Q You were a liaison between BCLC and the police?

7 A Yes, I was.

8 Q And I would expect that you wouldn't have shared
9 all of the information that you got from the
10 police with service providers; is that correct?

11 A That would be correct, yes.

12 Q And if the police made a request for information
13 from -- of BCLC, would that be shared with
14 service providers on all occasions?

15 A Not on all occasions. We had the capability
16 within iTrak to restrict the circumstances of
17 such a request to BCLC investigators and
18 managers and above, and so the service provider
19 staff would not see the report.

20 Q And Mr. McGowan asked you some questions earlier
21 today about an incident report that you created
22 in 2014, and in that incident report you
23 documented information that you say you got from
24 a confidential source. And it was about --
25 specifically about concerns about loan sharking

1 in casinos. Do you recall that?

2 A Yes, I do.

3 Q And is that the type of incident report that
4 would be shared with service providers?

5 A Most certainly not. They were not privy to that
6 report.

7 Q So it's fair to say during this time period, so
8 around 2014, there was information that BCLC had
9 that service providers did not have?

10 A Yes, I believe so. Yes.

11 Q Mr. Hiller, my friend Ms. Harlingten just took
12 you to your notebook that described some
13 incidents where you spoke with a former employer
14 [sic] of Great Canadian and also another manager
15 at River Rock. And I believe your evidence was
16 that these discussions with management at the
17 River Rock didn't change your decisions; is that
18 fair?

19 A I thought in the end of all the discussions it
20 did change my viewpoint. You're talking about
21 the fact that I was proposing to bar people
22 involved in large cash transactions, or are you
23 talking about the particular incidents involving
24 buy-ins with large amounts of cash and no play
25 and the chips were going to the hotel room? I'm

1 not sure.

2 Q Fair enough. My question might not have been as
3 clear as it could have been. I think your
4 evidence was that your viewpoint might have
5 changed. And perhaps this was a back and forth
6 between you and service providers where you each
7 shared information that you had; is that fair?

8 A Yes, that's fair.

9 Q But if you had made a decision and you'd barred
10 a player, you wouldn't have changed that
11 decision; is that fair?

12 A If I made a decision to bar a person, yes, I
13 would proceed with the barring and seek approval
14 through my manager.

15 Q Mr. Hiller, I just have a couple of last
16 questions for you here.

17 In your affidavit you describe your role as
18 a police liaison for BCLC and there are a number
19 of meetings that you describe in detail with
20 police, and at many of those meetings there were
21 Great Canadian employees, senior Great Canadian
22 employees that were present; is that correct?

23 A Yes. Service provider employees, especially at
24 the manager or upper level were included
25 whenever possible, yes.

Exam by Ms. Harmer

Exam by Mr. Gruber

1 Q Are you aware of any instances where Great
2 Canadian Gaming or its senior management staff
3 didn't cooperate in providing police with
4 information that was requested?

5 A No, I'm not. I think they cooperated fully in
6 those respects.

7 MS. HARMER: Thank you, Mr. Hiller. I have no
8 further questions.

9 THE COMMISSIONER: Thank you, Ms. Harmer.

10 Mr. Gruber on behalf of Gateway Casinos &
11 Entertainment Limited has been allocated
12 10 minutes.

13 MR. GRUBER: Thank you, Mr. Commissioner.

14 **EXAMINATION BY MR. GRUBER:**

15 Q Mr. Hiller, can you hear me?

16 A Yes, I can.

17 Q Very good. In your evidence earlier today you
18 talked about the expansion of VIP rooms, first
19 at the River Rock and then at the Starlight. Do
20 you recall that?

21 A Yes, I do.

22 Q You understood that the casinos are ultimately
23 owned by BCLC; correct?

24 A I believe it's a partnership. That was my
25 understanding. But owned by -- certainly the

1 tables and the slot machines are owned by BCLC.

2 I'm not sure about the property, though.

3 Q Did you understand that ultimately the decision
4 of what tables there would be in a casino was
5 BCLC's decision?

6 A Yes, for sure. I understand that completely.

7 Q So the expansion of the VIP rooms was something
8 that BCLC decided to do; right?

9 A I don't know if they solely decided to do that
10 or it was a joint decision, but I knew BCLC
11 played a major role in that type of decision,
12 yes.

13 Q You on a couple of occasions earlier said that
14 you considered the VIP players who were making
15 the large cash buy-ins to be legitimate players
16 who were putting their money at risk and losing;
17 correct?

18 A Yes, that's correct.

19 Q And it was your suspicion that they were being
20 used as a vehicle by organized crime to launder
21 money. That was your suspicion?

22 A Yes, that's correct. And that's my statement.

23 Q Did you have a view as to whether or not these
24 legitimate VIP players knew that they were being
25 used as a vehicle by organized crime to launder

1 money?

2 A I had no idea whether they knew or did not know.

3 Q And I take it from that that you didn't make any
4 attempt to investigate whether they knew or they
5 did not?

6 A Your voice is breaking up.

7 Q Did you investigate whether or not they knew or
8 didn't know that they were being used as a
9 vector?

10 A As I mentioned previously, I didn't speak to VIP
11 players about the source of their large cash
12 transactions, so I have no idea whether they
13 knew or not.

14 Q Thank you. You moved to the Island in September
15 of 2014; correct?

16 A That's correct. Yes.

17 Q And in paragraph 6 of your affidavit you mention
18 three casinos on the Island at which you served
19 as an investigator?

20 A Three? I think I mentioned more than three.
21 Initially it was Chances in Duncan, the Nanaimo
22 casino, the Chances in Port Alberni, Chances in
23 Courtenay and the Chances in Campbell River.

24 Q Very good. Did any of those facilities have VIP
25 gaming rooms?

1 A No. Only one of those facilities had table
2 games, and that was the Nanaimo casino.

3 Q I see. And so after February -- sorry, after
4 September of 2014, is it fair to say that you
5 did not regularly observe VIP gaming?

6 A Not regularly, but as stated, I sometimes helped
7 in the incident reporting of suspicious
8 transactions that I helped in the Lower Mainland
9 casinos, such as Edgewater, Starlight or River
10 Rock. But it was infrequent assistance from me.

11 Q And when you did assist in that regard, it was
12 by way of reviewing surveillance footage and
13 incident reports?

14 A That's correct. I remotely reviewed the video
15 footage and reviewed the incident reports on
16 iTrak, yes.

17 MR. GRUBER: Thank you, those are my questions.

18 THE COMMISSIONER: Thank you, Mr. Gruber. Mr. McFee
19 on behalf of Mr. Lightbody.

20 **EXAMINATION BY MR. MCFEE:**

21 Q Mr. Hiller, are you able to hear me all right?

22 A Yes, I can.

23 Q Thank you. Now, you had 28 and a half years
24 with the RCMP before you joined BCLC?

25 A Yes.

1 Q And did you understand that your role when you
2 came to BCLC as a casino investigator was to
3 observe, record and report?

4 A Yes, that pretty much sums it up.

5 Q And in contrast to your previous life as an RCMP
6 officer, did you understand as a BCLC
7 investigator that you had any law enforcement
8 powers at all?

9 A I understood that I did not have any law
10 enforcement powers as a BCLC investigator.

11 Q And further did you understand that as a BCLC
12 investigator you didn't have any mandate to
13 investigate matters that occurred outside of the
14 casino properties?

15 A Yes, I understood that as the case. Yes.

16 Q And in response to Mr. McGowan's questions,
17 there was some reference to the interactions you
18 had with GPEB investigators. In your time as a
19 casino investigator how would you describe your
20 relationship with the GPEB investigators?

21 A My relationship and my fellow BCLC's
22 investigators' relationships with fellow GPEB
23 investigators at that level, at the casino
24 level, was very good.

25 Q And as a result of that, you were able to see

1 and observe what your GPEB, the GPEB
2 investigators were doing in the casino, what
3 their activities were?

4 A I very rarely saw that they had any activities
5 in the casino. I remember being involved with
6 them once because a person had breached his
7 prohibition or -- prohibition so many times that
8 they decided to issue a provincial ticket of
9 some sort, so I observed on that occasion. But
10 very rarely would I see what the GPEB
11 investigators were doing on the floor. Most of
12 my contact with them was in our own office at
13 BCLC or possibly for coffee on a weekly basis in
14 the lobby.

15 Q So do I take it correctly from that answer that
16 you did not see the GPEB investigators on the
17 casino floor very often?

18 A I think they attended at least weekly, but I
19 agree with that. I didn't see them on the floor
20 very often.

21 Q Did you understand that the GPEB investigators
22 with their Special Constable status had a
23 broader mandate than you and the other BCLC
24 investigators to investigate the source of cash
25 that the patrons were bringing in?

1 A I understood that to be the case, yes.

2 Q And despite that broader mandate, did you
3 observe the GPEB investigators taking any action
4 to follow up on the Suspicious Transaction
5 Reports and large cash transaction reports that
6 were being filed?

7 A No, I didn't observe any action that they had
8 taken or I really wasn't aware of what action,
9 if any, they were taking.

10 Q And when you saw the GPEB investigators at the
11 casinos, did you observe them speaking with
12 casino patrons?

13 A No. Only on that one instance that I just
14 mentioned a few moments ago.

15 Q And in your affidavit you describe the efforts
16 you made as BCLC's police liaison representative
17 to get law enforcement involved in investigating
18 suspicious or criminal activities that you
19 observed or at least suspected were observing
20 within casinos?

21 A Yes, I made mention of that. Yes.

22 Q And in your affidavit it seems that you made
23 quite extensive efforts over a number of years.
24 Would you agree with that?

25 A I would agree with that, yes.

1 Q And in your affidavit you describe in 2009
2 meeting with the staff sergeant of the
3 Integrated Proceeds of Crime Unit and his team
4 and describing the concerns that you had about
5 cash coming into casinos. Do you recall that?

6 A Yes.

7 Q And do you recall what the reaction of the IPOC
8 staff sergeant was to the concerns you were
9 raising?

10 A At that time I believe he was interested in the
11 possibility of investigating it further and at
12 that time I offered my assistance from the
13 casino perspective as much as I could.

14 Q And despite that expression of interest to your
15 knowledge did anything concrete come out in
16 terms of an investigation being initiated by
17 IPOC or any other police unit?

18 A No, I'm not aware of any investigation.

19 Q And as I understood the tenor of your evidence,
20 when you -- when Mr. McGowan was taking you
21 through the Jonathan Manthorpe presentations,
22 you were unconvinced that one of the sources of
23 funds used for cash buy-ins by casino patrons
24 was suitcases of cash that Chinese nationals
25 were bringing to Canada through the Vancouver

1 airport. Is that a fair summary?

2 A That is a fair summary, yes.

3 Q And you were sceptical in part because you'd
4 phoned a contact at Canada Border Services and
5 he told you that most of the money coming into
6 Vancouver airport was in US denominations. Did
7 I understand that correctly?

8 A That's in part why I was sceptical, yes.

9 Q Did you consider that Chinese nationals could
10 relatively easily convert US currency to
11 Canadian denominations at currency exchanges
12 when they came to Canada?

13 A Yes, I was aware of that, but there was another
14 factor. I would find it hard to believe that
15 all these different individuals bringing money
16 by way of suitcases from China and then
17 converted it from US dollars to Canadian dollars
18 would show up at the cage with almost -- such
19 similar bundles of cash. Like, these are all
20 different people we're talking about, but
21 they're going to show up at the cage with
22 bundles of cash bundled very -- in a similar
23 fashion with elastic bands. It just didn't seem
24 to resonate as a good possibility from my point
25 of view.

1 Q I appreciate that. But you did recognize that
2 the fact that money came in US denominations
3 didn't really stop people from converting it to
4 Canadian currency and bringing it to a casino;
5 correct?

6 A Yes, I believe that is correct. But also with
7 my consultation with the Canadian Border
8 Services Agency officer the majority of cash
9 coming in in suitcases that were seized were
10 predominantly in a lower -- lower quantity, such
11 as, you know, 12-, \$15,000 per suitcase. The
12 money I was concerned about at that time coming
13 into the cage was more \$50,000 and above.

14 Q Fair enough. And in your evidence you, in
15 response to Mr. McGowan, indicated that you
16 raised your concerns about the quantity and
17 volume of cash coming into BC casinos a number
18 of times in the monthly BCLC investigators
19 meetings?

20 A Yeah, sorry, who did you say engaged --

21 Q You raised those concerns a number of times at
22 the monthly BCLC investigators meetings?

23 A Initially, yes. Especially during 2009 and
24 2010. Yes.

25 Q And the concern you raised was that these large

1 amounts of cash were possibly the proceeds of
2 crime; correct?

3 A Probably more so that I said it was possibly
4 originating from persons involved in organized
5 crime.

6 Q Right. But isn't that where we're at? You were
7 suspicious of the source of the patrons' cash
8 but you had no hard evidence?

9 A I believe that's a fair assessment.

10 Q And as a BCLC investigator, you had no authority
11 to conduct an investigation to actually acquire
12 hard evidence; correct?

13 A Yes, you are correct.

14 Q You were left in a situation where you had
15 suspicions but you had to rely on other
16 agencies, particularly GPEB and the police, to
17 conduct an investigation and amass hard
18 evidence; correct?

19 A Yes.

20 Q Now, from your observations at least, you didn't
21 see any investigations being conducted by GPEB
22 or the police despite you raising these concerns
23 frequently; correct?

24 A Yes. I personally didn't see any
25 investigations. However, I know that the AML

1 team at BCLC did engage the police after I left
2 the Lower Mainland. Actually they engaged them
3 before I left, but I didn't see any results of
4 that until after I left.

5 Q And in your police experience it seems you had
6 some unique experience in that you had a fair
7 bit of contact with investigations into Asia and
8 in fact were the RCMP liaison officer in
9 Bangkok, Thailand for three years?

10 A Yes, that's correct.

11 Q And you got to visit various countries in Asia
12 on a number of occasions as a result?

13 A Yes. That -- as a result of my liaison position
14 in Bangkok, but more importantly as my -- in my
15 position as an investigator on the drug section
16 and as an investigator on the Asian intelligence
17 section -- criminal intelligence section of the
18 Asian probe team, I attended meetings in Hong
19 Kong, Beijing. So that was where I would have
20 gained more insight into what you're speaking
21 of. My position in Bangkok didn't relate all
22 that much.

23 Q And as a result of those experience and visits,
24 you came to know that the Chinese economy was
25 largely cash based?

1 A That's what I believed, yes, to some extent.

2 Q And as you set out in your affidavit, for
3 cultural reasons you learned that many Chinese
4 nationals prefer to deal in cash?

5 A Yes.

6 Q And further, I take it that you knew that a
7 possible legitimate source of cash was money
8 service businesses?

9 A The possibility of being -- it being a
10 legitimate source of cash coming from money
11 service businesses existed. Also I believe that
12 the -- those money services businesses also
13 later, I understood, may be responsible for
14 supplying suspicious cash to players as well.

15 Q Right. And you learned that -- or did you
16 learn -- I should ask you this. Did you learn
17 that as a result of those concerns BCLC did an
18 investigation of money service businesses and
19 then stopped accepting funds from money service
20 businesses?

21 A I was only vaguely aware of it, but I was aware,
22 yes.

23 Q And I took it from your evidence that the
24 patrons making large cash buy-ins were typically
25 wealthy Asian business people who appeared to

1 enjoy gambling when they were visiting
2 Vancouver?

3 A That's correct.

4 Q And from your experience as the -- with the
5 Vancouver RCMP Criminal Intelligence Section,
6 the Asian probe team and then when you were
7 travelling in Asia, I take it it didn't surprise
8 you that these wealthy businessmen would be
9 typically carrying and dealing in cash?

10 A You said typically carrying cash?

11 Q Yes. And transacting in cash.

12 A No, it didn't surprise me. No. That's correct.
13 I just don't know whether you're referring to
14 carrying and dealing in cash in Canada or
15 carrying and dealing in cash in China.

16 Q In both instances. The cash was --

17 A Well, I had no -- I had no instance to ever
18 observe them carrying cash in China, but I
19 assume that's possible.

20 Q And from your experience and knowledge in Asia
21 were you also aware that underground banking
22 networks are prevalent in Asia?

23 A Yes, very much so. I was aware.

24 Q Just to be clear so that we're talking about the
25 same thing, underground banking networks being

1 unregistered pools of capital without any
2 storefront presence like a bank or a credit
3 union?

4 A That's correct, yes.

5 Q And from your considerable experience in Asia,
6 were you aware that many underground bankers
7 used sources of cash to facilitate financial
8 transactions without resorting to proceeds of
9 crime?

10 A Likely in my experience I really didn't come
11 across that, but I certainly believed that to be
12 a true statement.

13 Q And you told us when you joined BCLC that there
14 was a policy it seemed, unwritten, I take it,
15 that BCLC investigators weren't supposed to
16 approach patrons.

17 A Weren't supposed to approach VIP players about
18 their large cash buy-ins.

19 Q Right. And what did you understand, if you had
20 an understanding, was the rationale for that
21 unwritten policy?

22 A I think my basic understanding of the rationale
23 was so that we wouldn't interfere with the
24 revenue coming in through these VIP players, and
25 you know, we didn't want to appear to have a

1 police-like presence in VIP rooms. I'll put it
2 that way.

3 Q And I understood from your affidavit that that
4 rationale was conveyed to you by a service
5 provider General Manager; is that accurate?

6 A Yes, that's correct.

7 Q And did you agree with that rationale?

8 A I did, yes.

9 Q And in your time at BCLC did you learn that Jim
10 Lightbody was appointed BCLC's Vice President of
11 Casinos and Community Gaming in 2011?

12 A I knew that he held that position. I just
13 wasn't aware of what dates or what year that
14 occurred.

15 Q And did you become aware that Mr. Lightbody was
16 appointed interim CEO and president on
17 Mr. Graydon's departure in 2014?

18 A Yes, I certainly knew that, yes.

19 Q And in that period of time also you knew that
20 Mr. Brad Desmarais in February of 2013 became
21 BCLC's Vice President of Corporate Security and
22 Compliance?

23 A Yes, I was aware of that.

24 Q Do you recall that relatively soon thereafter in
25 October 2013 BCLC created a dedicated AML unit?

- 1 A Yes.
- 2 Q And did you view that as a positive development?
- 3 A I certainly did.
- 4 Q And do you recall that in 2014 BCLC entered into
5 an information-sharing agreement with the RCMP?
- 6 A Yes, that was probably the second
7 information-sharing agreement that I was aware
8 of. There was one already in place much earlier
9 in 2009, but this was enhanced and probably a
10 better agreement.
- 11 Q And did you view that as a positive development?
- 12 A I certainly did.
- 13 Q And do you recall that in -- commencing in April
14 of 2015 BCLC implemented the source of cash
15 conditions program?
- 16 A Yes, I was aware of that.
- 17 Q And did you view that as a positive development?
- 18 A I certainly did.
- 19 Q In the summer of -- when that program was
20 implemented in the summer of 2005 into the fall
21 of 2015, do you recall that an integral
22 component of that program was BCLC investigators
23 were interviewing patrons to determine the
24 source of their funds?
- 25 A Yes. That was an initiative that came about

1 that year. Prior to that I wasn't aware of any
2 BCLC investigator approaching VIP players, but
3 that became the norm after that, yes.

4 Q And did you view that as a positive development?

5 A I did, yes.

6 Q And you'll agree with me that all of those steps
7 occurred under Mr. Lightbody's leadership?

8 A Yes.

9 Q And in your evidence you referred to a
10 presentation that Mr. Lightbody delivered, and I
11 take it it was March of 2015 to the BCLC annual
12 legal, investigative and compliance meeting?

13 A Yes, correct. I did refer to that.

14 Q Was that in Kamloops?

15 A Yes, it was.

16 Q Do you recall the context of those remarks? Did
17 Mr. Lightbody give opening remarks or closing
18 remarks or what the context was?

19 A In preparation for today's testimony I have read
20 a couple of times the -- I'll call it his
21 opening remarks or his statement that day.

22 Q Right. And when you say in preparation for
23 testimony, you're referring to Mr. Lightbody's
24 speaking notes that you've seen that have been
25 produced by BCLC?

1 A Yes, that's correct. Yes.

2 Q And in fact they're attached to your affidavit
3 as an exhibit?

4 A Yes, they are.

5 Q And you noted that Mr. Lightbody spoke about
6 increased table revenue and expressed some pride
7 with the growing revenues. Is that an apt
8 characterization of your evidence?

9 A Yes.

10 Q And BCLC is a Crown corporation, obviously?

11 A Yes, it is.

12 Q And you understood that BCLC had a mandate to
13 earn revenue and contribute that revenue back
14 into health care, education and community
15 groups, including charities for the benefit of
16 British Columbians?

17 A I certainly understood that, yes.

18 Q And in that context, I take it that it didn't
19 surprise you that members of BCLC's executive
20 were pleased that BCLC was able to generate
21 revenue and fulfill that mandate?

22 A In that context, you're absolutely right. It
23 didn't surprise me that they were very happy
24 about that.

25 Q And although you were concerned that

1 Mr. Lightbody didn't make direct reference to
2 the increase in suspicion transaction report, do
3 you recall that in his remarks that
4 Mr. Lightbody stated that you and other members
5 of the legal, investigative and compliance teams
6 were providing the expertise and support to
7 ensure that BCLC's operations were legal and
8 compliant?

9 A Could you refer me to the exact document so I
10 can review it.

11 Q Go to your exhibit W, please. Are you with me?

12 A Yes, I am. Sorry, what page are we on?

13 Q If you go to the second page of that document,
14 which is 113 in the top right-hand corner,
15 please.

16 A Yes.

17 Q You'll see in the middle of the page you've got
18 a paragraph that reads:

19 "You do this by providing the expertise
20 and support to ensure that our operations
21 are legal and compliant, while fostering a
22 safe and trusted gambling environment that
23 protects players."

24 Have I read that correctly?

25 A That is correct, and I do see that there, yes.

1 Q And do you agree that that was stated by
2 Mr. Lightbody at this meeting?

3 A Yes, I do agree with that.

4 Q Do you see in the next paragraph that
5 Mr. Lightbody already -- also refers to the
6 information-sharing agreement that is now in
7 place with the RCMP?

8 A Yes.

9 Q And that that allows BCLC to work proactively
10 with the RCMP to ban individuals from our
11 facilities that, if they've engaged in criminal
12 offences, are a reasonable threat to the public
13 or belong to organized crime associations? Do
14 you recall those remarks being made?

15 A I certainly recall those remarks, and that was a
16 very good step forward, yes.

17 Q And in fact as an investigator you were engaged
18 in a number of those steps, weren't you?

19 A Yes, I was.

20 Q And you see in the bottom paragraph:

21 "Another area where this team has made
22 progress is in our Anti-Money Laundering
23 tactics."

24 And you took that to be a reference to the
25 various steps that had been implemented that

1 we've just discussed?

2 A Yes, exactly. Yes.

3 Q So although Mr. Lightbody didn't make direct
4 reference to the increase in Suspicious
5 Transaction Reports, as we've seen in these
6 remarks, Mr. Lightbody was certainly making
7 reference to the need to address money
8 laundering and the anti-money laundering steps
9 that had been taken. Would you agree with that?

10 A Yes, I would agree with that until we get to the
11 sentence right at the bottom of the page where
12 he states:

13 "There are a lot of misconceptions out
14 there."

15 Q And was there any discussion at this -- in
16 Mr. Lightbody's remarks as to what
17 misconceptions he was referring to?

18 A I don't recall now any longer whether there was
19 an actual explanation of that particular
20 statement, but I know that his presentation in
21 his speaker notes that day and probably this
22 particular sentence and the fact that he did not
23 address the increased suspicious transactions
24 and the bags of money coming into casinos during
25 2014, the fact that he did not address that

1 specifically upset me and that's the reason I
2 spoke to Brad Desmarais, our VP, the next
3 morning.

4 MR. McFEE: Those are my questions for you. Thank
5 you.

6 THE COMMISSIONER: Thank you, Mr. McFee.

7 Mr. Smart, it appears as though your camera
8 has stopped functioning.

9 MR. SMART: All right. Thank you. Do you want a
10 five-minute break, Mike.

11 Mr. Commissioner, can we have five minutes
12 before we continue?

13 THE COMMISSIONER: Yes, you can.

14 MR. SMART: Thank you.

15 THE COMMISSIONER: We'll stand down for five minutes.

16 THE REGISTRAR: This hearing is stood down for five
17 minutes until 12:41 p.m.

18 **(WITNESS STOOD DOWN)**

19 **(PROCEEDINGS ADJOURNED AT 12:36 P.M.)**

20 **(PROCEEDINGS RECONVENED AT 12:40 P.M.)**

21 **MICHAEL HILLER, a**
22 **witness for the**
23 **commission, recalled.**

24 THE REGISTRAR: Thank you for waiting. The hearing
25 is now resumed, Mr. Commissioner.

1 THE COMMISSIONER: Thank you, Madam Registrar.

2 Yes. Next is Ms. Mainville on behalf of

3 Mr. Kroeker.

4 **EXAMINATION BY MS. MAINVILLE:**

5 Q Hi, Mr. Hiller. You responded to a question
6 from Mr. McFee just now about having observed
7 GPEB investigators interacting with a patron in
8 respect of a prohibition on one occasion?

9 A Yes, I did.

10 Q Could I take you to paragraph 47 of your
11 affidavit, please.

12 A Yes. It's at the bottom of the page, 12.

13 Q If you want to read it with me, there you
14 indicate you observe:

15 "... GPEB investigators frequently spoke
16 to players when incidents involved
17 vandalism to slot machines or thefts of
18 slot machine tickets, wallets, purses,
19 casino chips, or cell phones."

20 And they would:

21 "... speak to patrons regarding other
22 types of incidents, such as extensive
23 violations of their voluntary
24 self-exclusion agreements and possibly
25 violations of BCLC barrings."

1 Does that remain accurate?

2 A Not so accurate in the wording "observed." I
3 guess what I meant was I observed reports or
4 such where they -- I knew that they interacted
5 with these patrons in regards to those offences.

6 Q You were aware, through the reports at least,
7 that they frequently interacted with patrons?

8 A Yes. Especially in relation to these type of
9 offences.

10 Q Right. And indeed at paragraph 48 you go on to
11 say that you are not aware of any GPEB
12 investigators ever speaking to casino patrons
13 regarding a suspicious transaction; is that
14 correct?

15 A That is correct. Yes.

16 Q Did they ever convey to you any concerns they
17 had about interacting with patrons in that
18 regard, in respect of large cash buy-ins or
19 suspicious transactions?

20 A No, I don't believe that was discussed, and I
21 can't imagine why it wouldn't have been, but I
22 don't believe I recall ever discussing that with
23 GPEB investigators.

24 Q And I take it from an answer you gave to
25 commission counsel that you understood Rick

- 1 Duff's position or point regarding BCLC
2 investigators not speaking to patrons?
- 3 A I certainly understood it and eventually agreed
4 with it wholeheartedly, yes.
- 5 Q So do I take it you did not believe that BCLC
6 should have begun interviewing patrons earlier
7 on in time?
- 8 A Yes, without specific direction from my direct
9 manager or specific direction from service
10 provider staff, I believed that we shouldn't
11 approach VIP players about their buy-ins. Yes.
- 12 Q Was it your view that GPEB investigators ought
13 to have been the ones taking the lead in terms
14 of inquiries into source of funds?
- 15 A Yes, that would be my viewpoint based on their
16 Special Constable status.
- 17 Q Now, I believe you recognize that the cash
18 conditions program in 2015 was an important step
19 in terms of AMLs?
- 20 A Yes, it was.
- 21 Q And do you recall player interviews and cash
22 conditions accelerating toward the end of 2015?
- 23 A Yes, I believe that they did certainly. Yes.
- 24 Q And do you recall there was at that time in the
25 fall of 2015 a dramatic dip in cash or large

1 cash buy-ins at the River Rock, certainly?

2 A Yes. That occurred, yes.

3 Q So if I could take you to paragraph 37 of your
4 affidavit.

5 A Yes, I'm there.

6 Q And you talk there about meetings, and you're
7 referencing monthly investigator meetings where
8 you consistently raised your concerns about the
9 large amounts of suspicious cash. And you
10 indicate that in the later years you didn't
11 express your concerns as much because you felt
12 that management were well aware of your position
13 and did not like hearing from you on this
14 subject, and you felt this way because "while
15 they listened, they did not give me the
16 impression that they shared my opinion."

17 Does this paragraph apply to Mr. Kroeker or
18 does that predate him?

19 A That predates him, and it also predates my
20 transfer to Vancouver Island. When I was on
21 Vancouver Island I had less involvement in this
22 sort of issue, so I would have voiced my opinion
23 less by then.

24 Q You indicate -- you indicated in response to a
25 question by counsel to the province that

1 barrings had to be approved by management when
2 it came to cash facilitation. Do you recall
3 that? Or I think the question was put to you,
4 and you agreed.

5 A Yeah, I agree. It was typically management that
6 approved such a barring.

7 Q Can do you agree -- or do you recall, rather,
8 that there was a direction or an email to that
9 effect from Ross Alderson at a certain point in
10 time?

11 A I don't recall such an email, but that would
12 make sense, yes.

13 Q And do you recall that Mr. Kroeker rescinded
14 that in September 2015 when he became VP of
15 Compliance such that investigators were able to
16 initiate barrings of their own initiative?

17 A Well, investigators did initiate barrings on
18 their own initiative. I'm not quite clear
19 whether they're talking about barrings for minor
20 criminal offences, or are you talking about
21 barrings for cash facilitation?

22 Q Cash facilitation. And so my question is that
23 management approval was not required as of
24 September 2015?

25 A I don't recall that piece of correspondence, but

1 that's certainly possible because BCLC
2 investigators, as I stated earlier, the
3 experienced investigators did approve barring
4 requests. I just don't recall whether that also
5 applied to cash facilitation barring requests.

6 Q And indeed in September 2015 you would have no
7 longer been an investigator in the Lower
8 Mainland; correct?

9 A That is correct.

10 Q So you may not have been aware of that
11 direction?

12 A I may not have been, yes.

13 Q Did you understand that prior to 2018, after
14 implementation of the directive relating to
15 Peter German's interim recommendation, that
16 player interviews and source of funds
17 declarations were being obtained on the basis of
18 what's referred to in the industry, I think, as
19 a risk-based model, which is pursuant to FINTRAC
20 guidelines? Did you have some of awareness
21 of -- that that was --

22 A Yes, I had some awareness of the risk-based
23 module, and I have viewed it. I can't recall
24 everything in it now.

25 Q And do you understand that the change that came

1 about in 2018 was effectively that there was a
2 transition to a prescriptive model in respect of
3 source of funds?

4 A There was a transition to what?

5 Q To a prescriptive model. So that a source of
6 funds declaration had to be obtained
7 irrespective of perceived risk but in any case
8 above \$10,000?

9 A Yes. I was certainly aware that you needed
10 to -- the players had to present a -- some kind
11 of receipt of a cash withdrawal or some kind of
12 documentation of same. And it also had to be a
13 recent receipt. Within two days, I believe.

14 Q And do you understand that that was something
15 that BCLC adopted that was not included in the
16 Peter German's recommendation?

17 A That is my understanding, yes. We went above
18 and beyond Mr. German's recommendation.

19 Q And you indicated that you -- prior to the 2018
20 changes to source of funds declaration that you
21 were still concerned because there were maybe
22 one to three incidents that could -- of cash
23 buy-ins, incidents of -- instances of cash
24 buy-ins, large cash buy-ins that could occur
25 before BCLC effectively were notified of this

1 and were able to impose cash conditions?

2 A Yeah. When I mention one to three transactions
3 I'm talking about per VIP player. It would take
4 a few transactions to -- for BCLC to notice the
5 suspicious nature of the transactions.

6 Q And I'm going to suggest that service providers
7 were in fact to refuse any transaction where
8 they believed money laundering could be involved
9 at first instance, and that they did do so.
10 Does that refresh your memory in that regard?

11 A I don't recall that, but you certainly could be
12 correct. Like I say, being on the island and
13 away from this type of work, I was more involved
14 in lottery investigations at this point and so
15 possibly I just didn't pay attention to that
16 fact.

17 Q And are you aware that in fact Peter German's
18 recommendation made an allowance for two
19 transactions per new patron? Are you aware of
20 that?

21 A I wasn't aware of that, no.

22 Q That would be a problem from your perspective,
23 to allow a couple of transactions before
24 determining source of funds?

25 A I'm not sure if it was a problem from my

1 perspective. I don't think the service provider
2 is going to shut down a cash buy-in by a player
3 without some sort of authority from BCLC.

4 Q Well, are you aware that BCLC did not accept
5 that component of Mr. German's recommendation
6 because it exceeded its risk tolerance?

7 A I wasn't aware, but that probably took place.
8 And like I previously stated, I was more -- I
9 wasn't as in tune with the situation as I would
10 be if I was in the Lower Mainland.

11 Q Now, you reference in your affidavit the
12 creation of an iTrak report that you advised a
13 number of people about, and you said you did not
14 receive any feedback on the report.

15 A Yes, I recall -- I recall that. Yes.

16 Q Do you recall Mr. Kroeker being concerned about
17 proceeds of crime entering casinos?

18 A Yes, I believe Mr. Kroeker was concerned about
19 that. Yes.

20 Q And I just want to be clear. Your basis for
21 saying there's no indication that anyone
22 reviewed your report is because there were no
23 comments posted on iTrak; is that correct?

24 A You're partly right. There were no comments
25 posted on iTrak, but certainly in the email

1 exchange between Brad Desmarais and myself, Brad
2 Desmarais did indicate that he had read this
3 before.

4 Q And are you aware that Mr. Kroeker did not -- in
5 his position did not have direct access to
6 iTrak?

7 A I wasn't aware of that until you just told me
8 that. I would expect that he would.

9 Q You're aware that access to iTrak is restricted
10 to those who have an operational need to access
11 the system?

12 A Yes. And I thought -- I just assumed
13 Mr. Kroeker would've had an operational need to
14 access the system.

15 Q So if I tell you that he could request
16 information from it but could not manipulate it
17 directly, that was not something you were aware
18 of?

19 A I certainly wasn't aware that that was the
20 situation.

21 Q And you indicated that you -- much later in time
22 is when you would have told Mr. Kroeker about
23 this report. Do you recall about when?

24 A I'm going to say it was within the last year and
25 a half or two years of my employment, so that

- 1 would have been likely 2018 or thereabouts.
- 2 Q And the report was from the 2014; correct?
- 3 A That's correct.
- 4 Q And you're not aware of what followup he did
5 based on your discussion?
- 6 A No, I'm not.
- 7 Q Mr. Kroeker is the one who called you about
8 participating in Mr. German's review; correct?
- 9 A Yes, that's true.
- 10 Q And you let him know at that time that there
11 would be some adversity from your perspective in
12 respect of what you were going to say about
13 BCLC's handling of large cash transactions?
- 14 A Yes, indeed I did state that to him.
- 15 Q And I understand that Mr. Kroeker encouraged you
16 to speak with Mr. German's associate?
- 17 A He both encouraged me and he just emphasized to
18 tell the truth.
- 19 Q Do you recall asking him if you were required to
20 speak to Mr. Malysh?
- 21 A I don't specifically remember asking him that.
22 I assume if they were asking to speak to me that
23 I was required.
- 24 Q You don't recall Mr. Kroeker saying it was not
25 required but that it was important that you did

1 speak with him and tell the truth?

2 A I don't recall now without referencing my notes,
3 but that's certainly a possibility, yes. That
4 would be it.

5 MS. MAINVILLE: Those are all my questions. Thank
6 you.

7 THE COMMISSIONER: Thank you, Ms. Mainville.

8 Now Mr. Butcher on behalf of Mr. Desmarais

9 MR. BUTCHER: Thank you very much, Mr. Commissioner.

10 Do you have me?

11 THE COMMISSIONER: Yes.

12 **EXAMINATION BY MR. BUTCHER:**

13 Q Mr. Hiller, do you have me?

14 A Yes, I do.

15 Q Okay.

16 MR. MCGOWAN: Mr. Butcher, I'm just going to
17 interject to suggest you move your camera down
18 just a bit. Your head will be chopped off by
19 the nameplate at the bottom.

20 MR. BUTCHER: Is that better?

21 MR. MCGOWAN: Thank you.

22 Q Mr. Hiller ... Mr. Hiller?

23 A Yes, I hear you.

24 Q Thank you. Mr. Hiller, as you know, I act for
25 Brad Desmarais and you've already told us that

1 he came along in February 2013 as the Vice
2 President of Corporate Security.

3 A Yes, that's correct.

4 Q And I'm going to ask you some questions about
5 what happened from that date until the time that
6 you moved to Courtenay, which was in September
7 2014.

8 A Yes, okay.

9 Q And I'm also going to ask you about the email
10 that's been referenced in March of 2015 after
11 Mr. Lightbody's presentation in Kamloops.

12 A Yes.

13 Q But before I do that, I want to ask you some
14 questions about how it was you first got to know
15 or know of Mr. Desmarais.

16 We know that you were an RCMP officer from
17 1980 to 2008. Is that correct?

18 A That's correct.

19 Q And between 1998 and about 2001 you were working
20 on the Asian crime heroin importation unit,
21 primarily?

22 A That's correct, yes. And that was at Vancouver
23 headquarters and that was on the same floor as a
24 proceeds of crime unit.

25 Q Right. That was at 5255 Heather Street in

- 1 Vancouver?
- 2 A Correct. Yes.
- 3 Q I understand that Mr. Desmarais also worked on
4 that floor in the IPOC unit during that time.
- 5 A Yes, that would be the same period that I got to
6 know of him. Yes.
- 7 Q But you and he never worked on a file together?
- 8 A Not that I recall, no.
- 9 Q Your investigations were mainly sophisticated
10 long-term importation investigations?
- 11 A Yes, long-term importation investigations quite
12 frequently involving wiretap investigation.
- 13 Q Wiretap, surveillance, undercover work, that
14 sort of thing?
- 15 A Yes.
- 16 Q Often take years to go from first tip to arrest
17 and prosecution?
- 18 A On occasion it took two years, but sometimes
19 just one year.
- 20 Q Those investigations would result sometimes in
21 seizures of large amounts of cash?
- 22 A Occasionally. I don't recall a huge amount, but
23 yes, I do recall some.
- 24 Q And it was from that experience that you had the
25 perspective of a drug investigator that cash and

1 drugs were interconnected; is that fair?

2 A That's fair. It will have been more than that,
3 but yes.

4 Q The only proceeds of crime training that you
5 received whilst you were in the RCMP was a
6 one-week course at the police college in Ottawa
7 in 1988?

8 A Yes, that's correct.

9 Q You knew Mr. Desmarais more by reputation than
10 anything else at that time?

11 A Correct. Correct. Yes.

12 Q And he had a reputation as being a knowledgeable
13 and diligent proceeds of crime investigator?

14 A I would agree.

15 Q And he certainly had a lot more proceeds of
16 crime and money laundering experience and
17 knowledge than you had?

18 A Yes, I would agree.

19 Q When Mr. Desmarais came to BCLC, you were
20 working at Starlight Casino?

21 A Yes, I was.

22 Q And you moved -- I think we've had this evidence
23 already. You moved back to River Rock for a
24 seven- or eight-month period in -- between
25 February or March 2014 till you went to

1 Courtenay in September; right?

2 A Yes, that's correct.

3 Q During that time, that's from 2013 -- February
4 2013 to September 2014, you would only have
5 occasional contact with Mr. Desmarais?

6 A Yes, that's true.

7 Q He worked in an entirely different place?

8 A Yes. He worked at the BCLC headquarters in
9 Vancouver.

10 Q You might have bumped into him from time to time
11 at Starlight or later at River Rock?

12 A I don't recall in that time frame that he ever
13 was at Starlight or River Rock, but it may have
14 happened.

15 Q Was he involved in encouraging you to move to
16 Courtenay?

17 A No, not at all. Well, I mean, that decision was
18 mine. I don't recall him having any input into
19 that decision.

20 Q Maybe I asked that question poorly. Do you
21 remember him mentioning to you that this
22 situation that had arisen, that there was
23 somebody retiring on the Island and that a
24 position was doing to be available at the same
25 time that you were going to be moving -- you

1 were moving to the Island, thinking of
2 retirement?

3 A Well, that position where somebody was about to
4 retire, that was what prompted me to think about
5 even moving to the Island and taking that
6 position. I don't recall if I had a
7 conversation with Mr. Desmarais about that, but
8 certainly that person retiring -- up until that
9 point I hadn't even given it a thought to move
10 to the Island.

11 Q Okay. Do you remember Mr. Desmarais being
12 supportive of you getting that position?

13 A Oh, I think he was, yes.

14 Q Like some of the other lawyers, I'm going to ask
15 you a question about paragraph 37 in your
16 affidavit.

17 A Yes, I happen to have it open in front of me
18 already.

19 Q You've been taken to this a couple of times, and
20 Ms. Mainville just asked you whether those
21 comments primarily related to the time before
22 her client, Mr. Kroeker, started working at
23 BCLC. But I take it that they really relate to
24 the period of 2008 and 2009.

25 A I think you mean 2009, 2010 and 2011.

1 Q Yes, yes. Yes, you're correct. So really they
2 relate to the period before Mr. Desmarais
3 started working at BCLC as well?

4 A Yes, that is true, although I think he was aware
5 of my concerns during his period as well. But
6 it wouldn't have been as a result of these
7 meetings, I don't believe.

8 Q Now, you've been asked this several times. You
9 brought to your position at BCLC all of your
10 policing experience and the hunches and
11 suspicions that go with that experience; is that
12 fair?

13 A I brought to BCLC many years of police
14 experience, yes. I don't know if I always want
15 to categorize it as hunches and suspicions.

16 Q But the you've expressed several times your
17 thoughts that a lot of the cash that was coming
18 through the casinos was sourced from organized
19 crime?

20 A Are you saying I suspected that it was coming
21 from organized crime?

22 Q Yes.

23 A That is correct, yes.

24 Q And the problem was that you never had any
25 evidence of that.

1 A I wouldn't say never. There were certain
2 players -- certain money facilitators that came
3 to the casino that I knew from my previous
4 experience in drug investigations and I knew
5 them to be high-level persons, and in fact I
6 eventually barred at least two of them. So I
7 wouldn't say never.

8 Q Almost never?

9 A Almost never. I agree with that.

10 Q The problem was that linking your hunches and
11 suspicions to actual evidence would require
12 long-term investigations that BCLC wasn't
13 equipped to do?

14 A I agree with that wholeheartedly, yes.

15 Q You mentioned in your affidavit and you've been
16 asked a couple of questions about the Manthorpe
17 presentations. And I think you actually gave an
18 incorrect date when you referred to the first
19 one. I'm thinking it was probably around
20 February of 2013. Would that be --

21 A That is the correct date, February 2013. Yes.

22 Q That was arranged by Mr. Friesen?

23 A Yes.

24 Q And Mr. Manthorpe had significant insight into
25 the subject of capital flight from China?

1 A I believe he did, yes.

2 Q And you don't take issue with his commentary or
3 knowledge; you just think that that capital
4 flight is not the only explanation for the
5 moneys that were being seen in the casinos?

6 A That's correct. Specifically when he referred
7 to suitcases of money coming to the Vancouver
8 airport.

9 Q I want to ask you a little bit about the liaison
10 with police agencies that you've referenced with
11 Duncan Gray. I take it that you took on that
12 role early in -- well, in 2009 when you arrived
13 at BCLC.

14 A Yes. Very early. Probably within the first
15 month.

16 Q And for a number of years that liaison was
17 conducted on an informal basis?

18 A Yes, you're correct. Yes.

19 Q You mentioned in your evidence at one point a
20 2009 agreement. What was that?

21 A You're talking about the information-sharing
22 agreement between the RCMP and service
23 providers?

24 Q Well, I'm aware of one in 2014, but was there
25 on -- you mentioned something about one in 2009.

1 A Yes, I believe one existed even before I
2 started, and there was an agreement. It was
3 revised later in 2014, I believe.

4 Q Did the 2014 agreement provide for much more
5 robust cooperation between BCLC and the RCMP?

6 A I'm not sure that it provided for that, but it
7 clarified a lot of points, I think. Yes. I
8 would say that for sure.

9 Q What were the points that it clarified?

10 A When I say that, I know it was a lengthier
11 document, so it did clarify a number of points,
12 but I don't recall --

13 Q Fair to say --

14 A I don't recall without seeing the document
15 itself.

16 Q Is it fair to say that it made the exchange of
17 information much more formal and much more
18 effective?

19 A I would say so, yes.

20 Q You've mentioned several times the benefit of
21 the AML unit.

22 A Yes, I did.

23 Q That was created in 2013?

24 A Yes.

25 Q You're aware that Mr. Desmarais had a

1 substantial role in the creation of that unit
2 and in the development of the
3 information-sharing agreement in 2014 with the
4 RCMP?

5 A Yes, totally aware that he was very much
6 involved in that, both of those things.

7 Q Now, I'm going to suggest -- you've made mention
8 in your affidavit about a meeting with CFSEU in
9 June of 2014. Do you remember that?

10 A Yes, I do remember that.

11 Q Do you remember meeting with Mr. Desmarais at
12 the BCLC offices three days before that meeting
13 to prepare for it?

14 A I remember there was preparation about three
15 days earlier. I'd have to refer to my notes
16 whether Mr. Desmarais was there, but if your --
17 it seems likely.

18 MR. BUTCHER: I'm new to this, so I don't know how we
19 pull up BCLC document 11943.

20 MR. MCGOWAN: I think you've just done it,
21 Mr. Butcher.

22 Madam Registrar.

23 MR. BUTCHER: And specifically to page 14. Page 14.

24 THE WITNESS: Yes, I'm at that spot in my notes now,
25 and I can confirm that Mr. Desmarais was at that

1 meeting.

2 MR. BUTCHER:

3 Q That meeting was, I'm going to suggest, the
4 fruits of the work that had been done in 2013
5 and 2014 to develop the anti-money laundering
6 team to develop the further cooperation with the
7 police.

8 A You're quite possibly right, but my notes don't
9 indicate to that extent. But I think I would
10 agree that that would have been discussed and
11 would have been part of it, yes.

12 Q And is it fair -- do you remember that at the
13 meeting with CFSEU BCLC provided them with a
14 number of names of potential targets for them?

15 A I don't specifically remember now any longer,
16 but that would make sense.

17 Q And are you aware of CFSEU picking up on that
18 information and taking it and conducting
19 investigations?

20 A Yes, I was certainly made aware of that after
21 the meeting, after the meeting that we had with
22 CFSEU. And I'm not sure how much -- how many
23 months had transpired, but I was certainly aware
24 of it, yes.

25 Q So you would see that development as a very

1 positive development that followed

2 Mr. Desmarais's hiring?

3 A I would say that development was the most
4 positive development that I experienced in that
5 time frame.

6 Q Now, another initiative that was created by
7 Mr. Desmarais was a drive to qualify the
8 investigators as anti-money laundering
9 specialists. Do you remember that?

10 A I certainly do, and I became qualified myself as
11 a result of that.

12 Q In March of 2015?

13 A That sounds to be the right date, yes.

14 Q What anti-AML training had you had at BCLC
15 before 2013?

16 A I don't recall specifically any such training
17 before 2015 at BCLC.

18 Q You did also go on an investigators course at
19 JIBC for a week in December 2013 or -- hang on a
20 sec. Do you remember going off on a week-long
21 investigators course at JIBC?

22 A At the Justice Institute. It certainly was a
23 one-week investigators course. I don't remember
24 the date.

25 Q It was -- I'm going to suggest it was December

1 the 15th to 19th, 2014.

2 A December 2014 I would have been on the Island.

3 I think it happened before then.

4 Q Well, if we can go to the same book, page 86.

5 Do you see that?

6 A Yes, you are correct. It occurred during the

7 week of December 15th to the 19th in 2014.

8 Q So it's fair to say that there was a much

9 greater emphasis put on training and

10 professionalization of the investigators after

11 2013?

12 A There certainly was, yes.

13 Q Now, you've made some comments about the two Yak

14 articles that Mr. Desmarais wrote. Do you

15 remember that?

16 A Yes, I did.

17 Q You felt that those articles maybe understated

18 the involvement of organized crime and

19 overstated the potential legitimate sources of

20 cash in the casinos. Is that a fair summary of

21 it?

22 A That's a fair summary, yes.

23 Q And if I can take you to the first one of those.

24 That's at tab S to your affidavit.

25 A Yes, I have tab S.

1 Q You'll see at the bottom Mr. McGowan took you
2 through part of this document, but at the bottom
3 there's clearly reference to increasing
4 analytical capacity, getting to know the
5 customers and developing stringent anti-money
6 laundering programs? The last two or three
7 paragraphs at the bottom of the page.

8 A Yes, I see that paragraph now, yes.

9 Q This was written about three or four months
10 after Mr. Desmarais had arrived at BCLC?

11 A Yes, that's correct.

12 Q And you did not respond to this article at all?

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

14 Q The second article at tab T did trigger the
15 response that you set out, which is now
16 exhibited to your affidavit as exhibit U?

17 A Yes, that's correct. It was the second article
18 that triggered the -- my response.

19 Q And you have no knowledge one way or the other
20 whether that response ever made it back to
21 Mr. Desmarais?

22 A No, I don't know whether it did or not.

23 Q Now, the -- I get the impression that you were
24 also a little disappointed with the May 2015
25 presentation by Mr. Lightbody and that that

1 triggered some email -- a couple of emails
2 between yourself and Mr. Desmarais that are
3 found at exhibit M to your affidavit.

4 A Yes. I'm looking at the email exchange and yes,
5 you are correct. The presentation by the CEO,
6 Mr. Lightbody, did -- was -- this email exchange
7 was a direct result of that.

8 Q Now, would I be correct in saying that the
9 meeting that I referenced in June of 2015,
10 June the 16th, 2015, was the only time that you
11 actually met with Mr. Desmarais and discussed
12 matters of business, matters of importance?

13 A Are you talking about the June 2014 meeting?

14 Q The meeting before the CFSEU meeting. Yes, it
15 would be June 2014. Sorry.

16 A Yeah, I infrequently had any kind of direct
17 involvement with Mr. Desmarais in meetings.
18 Certainly that June 2014 meeting is one that I
19 recall, and I likely didn't have any more, and
20 then I was -- until such time as I met with him
21 in March, referenced the email exchange here.

22 Q And I have to tell you, I looked through your
23 notes for 2013 to the end of 2015, and didn't
24 find any other notes recording any meetings with
25 Mr. Desmarais other than the one in June of

1 2014. So would it be fair to assume that you'd
2 have made a note of any other meeting with him?

3 A It would be fair to assume that. And I think
4 you are correct, I probably had not met him in
5 between those periods.

6 Q And what about email exchanges? Is this email
7 at exhibit M to your affidavit the only email
8 you ever remember exchanging with him?

9 A Yes, it's probably the only email that is a
10 direct exchange between myself and him.

11 Q All in all fair to say that there was very
12 little communication between the two of you
13 while you both worked at BCLC?

14 A I think that's a fair assessment, yes.

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

16 THE COMMISSIONER: Thank you, Mr. Butcher.

17 And now Ms. Tweedie on behalf of the BC
18 Civil Liberties Association has been allocated
19 five minutes.

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

21 **EXAMINATION BY MS. TWEEDIE:**

22 Q Good afternoon, Mr. Hiller. You have
23 significant experience with the illegal drug
24 market given your time in drug investigations
25 with the RCMP; that's correct?

1 A Yes, it is.

2 Q And you had -- you testified today that you had
3 a specific focus on heroin importation and Asian
4 drug trafficking?

5 A Yes.

6 Q And as part of that role, you were involved in
7 investigating major heroin importations and
8 trafficking coming from Asian countries; is that
9 correct?

10 A Yes.

11 Q As well as organized crime activity related to
12 drug trafficking in the Lower Mainland?

13 A Well, in North America.

14 Q Yes.

15 A Because there were a common corridor of drugs
16 going between Toronto and Vancouver, New York
17 and Vancouver, that sort of thing.

18 Q Okay. And given your experience you would agree
19 that the illegal drug market resulting from drug
20 prohibition is a major source of profitability
21 for organized crime?

22 A Yes, I would agree.

23 Q And you would agree that the illegal drug market
24 fuels social harm such as gang activity,
25 violence, corruption and death; correct?

1 A Yes, that's certainly a possibility. Yes.

2 Q And that significant police resources are
3 dedicated to combatting the illegal drug market
4 and its resulting harms?

5 A Yes, there has been in the past and probably
6 currently. Yes.

7 Q Is it fair to say that the cash you saw coming
8 into casinos that you viewed as suspicious, the
9 cash that you testified that you thought was
10 likely the proceeds of crime, is it fair to say
11 that this cash was likely generated by the
12 illicit drug trade?

13 A That was my viewpoint, yes.

14 Q And in your days of working as a drug
15 investigator you came to know certain figures in
16 Asian organized crime; is that correct?

17 A Yes, I was very familiar with a great number of
18 persons involved in the drug trafficking and
19 organized crime rings.

20 Q And to confirm, you would see some of these
21 figures in casinos?

22 A On occasion. Not so often as one might expect,
23 but on occasion, yes.

24 Q On occasion. And some of these figures you knew
25 to be involved in high-level heroin importation?

1 A Yes.

2 Q And you would report their presence to your
3 superiors?

4 A Not necessarily. You know, I did report them.
5 I think I mentioned earlier today about a
6 Vancouver Sun article in response to the
7 decision to rescind a provincial barring that I
8 had requested.

9 MS. TWEEDIE: Those are all my questions for you
10 today. Thank you.

11 THE WITNESS: Thank you.

12 THE COMMISSIONER: Thank you, Ms. Tweedie.

13 Yes, Mr. Smart for BCLC.

14 MR. SMART: I'll just be brief --

15 MR. MCGOWAN: Mr. Smart -- Madam Registrar, I
16 understand that there may be an issue on the
17 live stream where the witness is not being shown
18 but there's an indication that a document's
19 being displayed. I don't have it before me, but
20 I've been passed a note.

21 IT SUPPORT: It's working.

22 MR. MCGOWAN: Thank you.

23 THE COMMISSIONER: Yes, Mr. Smart.

24 MR. SMART: Thank you. I'll be brief, Mr. Commissioner.

25 **EXAMINATION BY MR. SMART:**

1 Q Mr. Hiller, you've -- in answer to questions
2 from the different lawyers you've told the
3 commission that the job of BCLC investigators in
4 the time period 2009 to 2014 when you were in
5 the Lower Mainland was with respect to the
6 suspicious cash transactions. The
7 responsibility was to observe, record and
8 report?

9 A Yes, that's correct. Yes.

10 Q And you've told the commission that you reported
11 those by way of suspicious cash transactions to
12 FINTRAC and reports to GPEB and reports to
13 various law enforcement agencies?

14 A Yes, that's correct.

15 Q And you understood it was their responsibility
16 to investigate the source of this cash and
17 determine in fact whether it was the proceeds of
18 crime?

19 A Yes, that was my understanding.

20 Q Yes. And in addition to reporting, in your
21 affidavit -- in your evidence you have told the
22 commission that you as a liaison between BCLC
23 and law enforcement actually reached out and
24 contacted law enforcement from time to time to
25 try to get them engaged in investigating these

1 suspicious cash transactions?

2 A Yes, that's true.

3 Q And in 2009 you even tried to engage your former
4 unit, the Asian crime unit to investigate?

5 A The Asian probe team of the Criminal
6 Intelligence Section at Vancouver headquarters,
7 yes.

8 Q And you tried -- I appreciate that in 2013
9 Mr. Tottenham took over your role as liaison
10 with police.

11 A He took over my role as liaison in relation to
12 all AML matters, yes.

13 Q Okay. But it sounds from your evidence you had
14 no evidence -- you had no indication between
15 2009 and 2014 that your efforts to engage law
16 enforcement were successful?

17 A That's correct, I had no indication that it was
18 successful during that period.

19 Q Were you ever given an explanation from any law
20 enforcement as to why?

21 A I believe the explanation was a manpower issue.
22 There were other priorities at the time.

23 MR. SMART: All right. Those are my questions,
24 Mr. Commissioner. Thank you.

25 THE COMMISSIONER: Thank you, Mr. Smart.

1 Anything arising, Ms. Tweedie?

2 MS. TWEEDIE: No, thank you.

3 THE COMMISSIONER: Mr. Butcher?

4 MR. BUTCHER: Sorry. No, thank you.

5 THE COMMISSIONER: Thank you. Ms. Mainville?

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

7 THE COMMISSIONER: Mr. McFee?

8 MR. McFEE: Nothing arising, Mr. Commissioner. Thank
9 you.

10 THE COMMISSIONER: Mr. Gruber?

11 MR. GRUBER: Nothing arising.

12 THE COMMISSIONER: Ms. Harmer?

13 MS. HARMER: Nothing arising. Thank you.

14 THE COMMISSIONER: Ms. Harlingten?

15 MS. HARLINGTON: The nothing arising, Mr. Commissioner.
16 thank you.

17 THE COMMISSIONER: Thank you. Mr. McGowan?

18 MR. MCGOWAN: No, I have nothing further,
19 Mr. Commissioner.

20 THE COMMISSIONER: Thank you. Thank you, Mr. Hiller.
21 You are excused from further testimony.

22 **(WITNESS EXCUSED)**

23 THE COMMISSIONER: I take it that's the evidence that
24 you anticipate calling today, Mr. McGowan; is
25 that correct?

1 MR. MCGOWAN: That's correct.

2 THE COMMISSIONER: Thank you. We will adjourn, then,
3 until tomorrow morning at 9:30.

4 THE REGISTRAR: This hearing is adjourned until 9:30
5 a.m. on November 10th, 2020. Thank you.

6 **(PROCEEDINGS ADJOURNED AT 1:32 P.M. TO NOVEMBER 10,**
7 **2020)**

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