

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA

The Honourable Mr. Austin F. Cullen, Commissioner

**REPLY SUBMISSIONS ON BEHALF OF RETIRED GAMING POLICY
ENFORCEMENT BRANCH (GPEB) EXECUTIVE DIRECTOR OF COMPLIANCE
LEONARD MEILLEUR DURING THE PERIOD OF DECEMBER 2014 TO
NOVEMBER 2017**

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1. GPEB, during Mr. Meilleur's tenure as Executive Director of Compliance, understood that BCLC was implementing AML measures. It was his view that more needed to be done. The approach taken by BCLC was a risk-based approach. Implicit in this approach is an accurate assessment of the risks of money laundering and imposition of measures appropriate to address that risk. During Mr. Meilleur's time as Executive Director of Compliance, GPEB consistently urged BCLC to consider mandatory source of funds inquiry in regard to large cash transactions.¹ This goal was not achieved while Mr. Meilleur was at GPEB.
2. In his meetings with BCLC's Mr. Alderson and Mr. Kroeker, Mr. Meilleur raised additional AML measures that should be implemented, such as a threshold on the amount of cash that could be accepted, or a requirement to identify the source of funds over a certain limit, and better know your client processes, including asking foreign nationals whether they had a bank account in Canada. However, BCLC consistently responded that they had adequate measures in place.²

Mr. Lightbody's Closing Submissions at Paragraph 46

3. A risk-based approach includes having established criteria and thresholds. A risk-based AML framework does not become prescriptive simply because a dollar threshold is established above which source of funds inquiry is required.³ While BCLC did implement cash conditions for a limited number of patrons in 2015 after steps had been taken to engage the police to investigate money laundering in casinos, there was no source of funds policy implemented until after Mr. Meilleur's retirement from GPEB.⁴

¹ Exhibit 711 of the Cullen Commission at page 1; Exhibit 587 of the Cullen Commission, Affidavit No 1 of Mr. Meilleur at Exhibit DDD.

² Exhibit 587 of the Cullen Commission, Affidavit No 1 of Mr. Meilleur at para 136.

³ Exhibit 587 of the Cullen Commission, Affidavit No 1 of Mr. Meilleur at Exhibit K; Exhibit 505 of the Cullen Commission – Affidavit No. 1 of Mr. Lightbody at Exhibit 48.

⁴ The Province's Closing Submission at paragraph 156; Mr. Lightbody's Closing Submission at paragraph 50.

4. While the number of STRs and LCTRs declined as BCLC banned some patrons and imposed cash conditions on others, the Patron Gaming Fund deposits increased substantially.⁵ GPEB audits and reviews showed that provincially banned cash facilitators continued to operate in and around gaming facilities.⁶ Mr. Meilleur also voiced a concern over source of funds for where there were buy in on the basis on bank drafts. Although bank drafts would indicate the purchaser, they would not speak to source of the funds.⁷
5. There were certainly disagreements between GPEB and BCLC regarding how best to address AML issues in casinos, however, both organizations were of the view there needed to be dedicated police contingent taking an active role in investigation and preventing money laundering offences in casinos. As Mr. Meilleur has outlined in his affidavit and *viva voce* evidence, he and other GPEB investigators embraced fully the opportunity to work with the police, and eventually JIGIT, on E-Pirate and E-Nationalize.
6. Evidence heard by the Commission, is that after Mr. Meilleur's retirement, significant changes have been made to GPEB including amendments to the *Gaming Control Act* and the establishment of an independent enforcement section with 12 additional investigators.
7. Mr. Meilleur raised his concerns about money laundering with Mr. Mazure and Ms. Wenezenki-Yolland, but little was done by senior leadership in government to provide directives or guidelines with respect to source of funds.⁸ Mr. Meilleur was pushing the need for change up to the senior government, and telling them that GPEB needed assistance, such as a directive in terms of a threshold, or a change to the *Gaming Control Act*.⁹ There was no ability during Mr. Meilleur's tenure, as there is now after legislative amendments to the *Gaming Control Act*, for the General Manager to issue a directive to BCLC without Ministerial Approval. Mr. Meilleur was encouraged with a regime change, and he "hoped

⁵ Exhibit 904 of the Cullen Commission at page 25.

⁶ Exhibit 781 of the Cullen Commission, Affidavit No. 1 of Anna Fitzgerald at para 59.

⁷ Ultimately, the police were looking at this issue in Project Athena, see: Exhibit 144 of the Cullen Commission, Affidavit of Ken Ackles at paras 39 to 41.

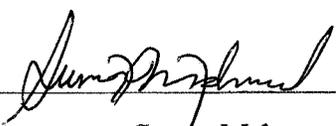
⁸ Exhibit 587 of the Cullen Commission, Affidavit No 1 of Mr. Meilleur at para 145.

⁹ Examination of Mr. Meilleur on March 10, 2021 at pages 26-27, 64-65.

Minister Eby would help bring a new perspective to GPEB and solutions to the money laundering issue.”¹⁰

ALL OF WHICH IS RESPECTFULLY SUBMITTED, this 8th day of October, 2021.


Michael Bolton, Q.C.


Sumra Mahmood

¹⁰ Exhibit 587 of the Cullen Commission, Affidavit No 1 of Mr. Meilleur at para 182.