

**PROCEEDINGS AT HEARING  
OF  
APRIL 16, 2021**

**COMMISSIONER AUSTIN F. CULLEN**

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**April 16, 2021**  
**(Via Videoconference)**

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

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

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

MR. ISAAC: Yes. The next witness today, Mr. Commissioner, will be Superintendent Brent Taylor. Superintendent Taylor will be swearing today.

**BRENT TAYLOR, a witness  
called for the  
commission, sworn.**

THE REGISTRAR: Please state your full name and spell your first name and last name for the record.

THE WITNESS: Brent Richard Taylor. First name is spelled B-r-e-n-t, last name T-a-y-l-o-r.

THE REGISTRAR: Thank you.

THE COMMISSIONER: Yes, Mr. Isaac.

MR. ISAAC: Thank you.

**EXAMINATION BY MR. ISAAC:**

Q Superintendent Taylor, can you see and hear me okay?

A Yes, I can.

1 MR. ISAAC: Thank you. Madam Registrar, if you could  
2 bring up, please, a copy of Superintendent  
3 Taylor's CV, please.

4 Q Superintendent Taylor, I'm going to begin with  
5 questions just to review your background and  
6 experience. Do you recognize that document as a  
7 copy of your CV?

8 A Yes, I do.

9 MR. ISAAC: Thank you. If we could please mark that  
10 as the next exhibit.

11 THE COMMISSIONER: Very well. 862.

12 THE REGISTRAR: Exhibit 862.

13 **EXHIBIT 862: Curriculum Vitae of Superintendent**  
14 **Brent Taylor**

15 MR. ISAAC: Now if we can bring that document down,  
16 please, Madam Registrar.

17 Q Superintendent Taylor, you have over 30 years of  
18 service with the RCMP, almost 20 years of which  
19 have been spent focused on the investigation of  
20 financial crime, including money laundering and  
21 the proceeds of crime; is that right?

22 A Yes.

23 Q And since October 2018 you have been the officer  
24 in charge, or OIC, of "E" Division Federal  
25 Serious and Organized Crime, that's FSOC,

1 operations in financial integrity; is that  
2 right?

3 A Yes.

4 Q And in that role you provide management,  
5 leadership and support to all federal policing  
6 in the province of British Columbia focused on  
7 financial crimes?

8 A I do.

9 Q And from -- this currently includes the  
10 "E" Division's money laundering teams, the  
11 Combined Sensitive Investigations Unit and the  
12 Integrated Market Enforcement Team?

13 A Yes.

14 Q And from April 2015 to October 2018 you were the  
15 officer in charge for "E" Division FSOC  
16 prioritization and protective policing; is that  
17 right?

18 A Yes.

19 Q And then prior to your joining "E" Division in  
20 2015 you were the officer in charge of "D"  
21 Division in Manitoba, the commercial crime and  
22 proceeds of crime money laundering, you held  
23 that role from 2012 till April 2015; is that  
24 right?

25 A Yes.

1 Q Prior to that you were the operations NCO in the  
2 Saskatoon Integrated Proceeds of Crime, or IPOC,  
3 unit from September 2008 until February 2012?

4 A Yes. Sorry, February 2012.

5 Q Thank you. And you've held various other  
6 positions going back to first joining the force  
7 in 1990. And I see from your CV that you've  
8 been involved in excess of 600 drug and  
9 proceeds-related investigations over the course  
10 of your career, that you continue to provide  
11 guidance and advice to investigative teams  
12 involved in criminal investigation.

13 A Yes.

14 Q Is that all right?

15 A Yes.

16 Q And you've been qualified and accepted as an  
17 expert in cash bundling, packaging concealment,  
18 denominations used, integration and proceeds in  
19 exchange of denominations?

20 A Yes.

21 Q In addition to a number of other topics as well?

22 A Yes.

23 Q Thank you. So perhaps we could -- to begin with  
24 just asking you to explain what your role is as  
25 the officer in charge overseeing FSOC's

1 financial integrity unit.

2 A So my role is as it was stated, to provide  
3 support to the officers that are in charge of  
4 the units that are what we refer to as FSOC  
5 group 1 and FSOC group 2. And I know yesterday  
6 there was testimony given by Staff Sergeant Kurt  
7 Bedford who is the acting inspector for the IMET  
8 program, the Integrated Market Enforcement Team,  
9 and the Sensitive Investigation Unit. And so  
10 with my knowledge and background with respect to  
11 financial crimes and dealing with those matters,  
12 I provide a support, not necessarily just  
13 administratively but operationally, providing  
14 guidance and advice and monitoring the progress  
15 and activities, ensuring that we end up having  
16 the resourcing and the funding to do the  
17 investigations that are mandated in those areas.

18 Now on the other side of the group,  
19 group 2, we had Inspector Farahbakhchian, who is  
20 now with the Surrey Police Service. He was the  
21 officer in charge of the money laundering teams.  
22 And there, again, I would end up monitoring and  
23 ensuring that they had the resources and funding  
24 to the best that I could based on what I am  
25 provided by my superiors to use.

1 Q Okay. And I think you've helpfully provided us  
2 with a presentation.

3 MR. ISAAC: Madam Registrar, if you could pull up,  
4 please, Superintendent Taylor's presentation.

5 Q Do you see that on the screen, Superintendent  
6 Taylor?

7 A I do.

8 Q Okay. And we're not going to go -- clearly a  
9 lot of work went into preparing this. We're not  
10 going to go through every slide slide by slide  
11 but sort of make our way through it sort of  
12 picking and choosing a little bit. But this is  
13 a slide deck that you prepared to address  
14 various issues that you've encountered and sort  
15 of provide a bit of background in terms of the  
16 units that are under your command?

17 A Yes.

18 MR. ISAAC: Okay. If we could please mark this as  
19 the next exhibit.

20 THE COMMISSIONER: Yes, very well. 863.

21 THE REGISTRAR: Exhibit 863.

22 **EXHIBIT 863: Presentation - Briefing for the**  
23 **Cullen Inquiry, Superintendent Taylor**

24 MR. ISAAC: Thank you. If we could go, please, to  
25 the next page, page 2.



1           Q     And you'll see here this is -- just comments on  
2                   the governance and structure.  So without going  
3                   through perhaps every point, Superintendent  
4                   Taylor, and you were touching on this earlier,  
5                   but can you just situate us in terms of where  
6                   your reporting lines are and how you're situated  
7                   with respect to the federal policing lines?

8           A     So within the federal policing program -- let me  
9                   just start off with respect to the RCMP in  
10                  general.  We find ourselves in a situation where  
11                  we've got three levels of service, one is at the  
12                  federal level, one is at the provincial level  
13                  and one is at the municipal level.  My  
14                  responsibility is looking after the federal  
15                  level.  But that doesn't preclude me from being  
16                  involved with or providing guidance and advice  
17                  with those things that happen at the provincial  
18                  or the municipal level.

19                         What we try to do, though, obviously -- and  
20                         you'll hear me talk about this issue of mandate  
21                         and prioritization is we try and make sure that  
22                         the federally funded resources maintain those  
23                         focused efforts on the mandates that the federal  
24                         government gives us.

25                                 The federal policing program has a Deputy

1 Commissioner of federal policing in Ottawa at  
2 national headquarters and we also report to the  
3 commanding officer of the division where we are  
4 currently working, and so here in British  
5 Columbia. And so that's why I've put the RCMP  
6 national headquarters and then the BC RCMP with  
7 respect to BC RCMP and the commanding officer.  
8 I'm indicating that we report to both national  
9 headquarters and to the commanding officer of  
10 the division.

11 And within that we do have the Police  
12 Services Board with the BC government that is  
13 part of our provincial accountability and  
14 responsibility dealing with the sensitive  
15 investigations and there are investigations  
16 where they are more of a provincial mandate as  
17 opposed to a federal mandate. And in order to  
18 be accountable we provide information to the  
19 Police Services Board as well on what federal  
20 policing is doing so that British Columbia knows  
21 what federal policing is and what they're  
22 working on.

23 Q And with respect to that, the commission has  
24 heard from some witnesses from the PSB, from the  
25 provincial side of things.

1                   In terms of the federal policing, the  
2                   priorities and resources that are there, those  
3                   are matters that are set and determined by  
4                   national headquarters for the RCMP, the federal  
5                   policing lines; is that right?

6           A       So the focuses for which Federal Serious and  
7                   Organized Crime and federal policing carry out  
8                   their activities is identified by Ottawa. But I  
9                   will say there is some leeway in the divisions  
10                  based on regional concerns and issues that they  
11                  can focus efforts on other matters. We have a  
12                  fentanyl crisis in British Columbia, and so  
13                  therefore we would end up looking at money  
14                  laundering and proceeds derived from the  
15                  fentanyl trafficking that's going on in the  
16                  province.

17          Q       And how does that -- sort of the regional  
18                   latitude that you've described, how does that  
19                   make its way into the operations? How is that  
20                   communicated and how does that occur?

21          A       Well, we still maintain the priorities which are  
22                   set by Ottawa with the mandate that given to us.  
23                   And organized crime, in particular transnational  
24                   organized crime or serious organized crime, are  
25                   one of the major components. There's another

1 slide that's further along that speaks to our  
2 priorities, but there is a lot of cross over  
3 because we're working here in British Columbia,  
4 the Lower Mainland has several police agencies  
5 dealing with gang violence and drugs.

6 And so where we can, we end up trying to  
7 assist in those efforts. However, because of  
8 the international scope of the federal policing  
9 program, we often end up focusing our efforts  
10 mainly on the international aspect of federal  
11 policing, working with our US, Australian and  
12 European partners.

13 MR. ISAAC: Madam Registrar, if we could go to page 4  
14 of this document. Thank you.

15 Q Thank you. And I think you were referencing,  
16 Superintendent Taylor, that there was a portion  
17 that would situate us. If you could just  
18 explain, please, what's shown here, but in  
19 particular where money laundering -- I see  
20 that's under a priority focus -- how money  
21 laundering appears and fits within what we're  
22 looking at here in terms of federal operations  
23 and scope of service elements and priority  
24 focuses.

25 A So for clarity, this is an older slide that was

1 put together, and it's obviously showing G7, but  
2 I wanted to keep it because it spoke to one of  
3 the issues where we have a draw on resources  
4 from financial crimes that I could get at,  
5 speaking to protective policing later which is  
6 also a federal mandate. But as you see at the  
7 top left under "Federal Operations," financial  
8 crime is listed as one of the top mandates along  
9 with serious organized crimes, cybercrime,  
10 national security and then protective policing.

11 And then the service elements that are  
12 within deal with those concerns that we have  
13 nationally. The threat to Canada's economic  
14 integrity would be the issue that financial  
15 crimes would be looking at, but that's not to  
16 say that there isn't financial crime issues  
17 dealing with serious and organized crime. Cyber  
18 crime, we know that there's a large amount of  
19 funding that's being laundered through  
20 cryptocurrencies. So cyber-enabled criminal  
21 activity and national security with respect to  
22 terrorist financing.

23 And then I'd left in the piece there with  
24 regards to priority focus because it did speak  
25 to money laundering and terrorist financing.

1                   But as you know, they're not the only things  
2                   that generate proceeds of crime derived from  
3                   illegal activity and some of the priority  
4                   focuses that were part of the government's  
5                   mandated efforts for us were dealing with cyber  
6                   fundamentals, suspected terrorists, market  
7                   enforcement, the opioid crisis and the issue  
8                   regarding outlaw motorcycle gangs. And down at  
9                   the bottom there is a list of other pieces that  
10                  deal with more of a support service and  
11                  specialized policing service piece dealing with  
12                  those areas of intelligence, technology, human  
13                  resources, the policy development that deals  
14                  with looking at how we end up enforcing the laws  
15                  and the financial management.

16                Q    And Superintendent Payne is testifying this  
17                    afternoon and will likely go into a little bit  
18                    more detail in terms of the prioritization that  
19                    occurs, the triaging. But would it be correct  
20                    that these -- what we're looking at here in  
21                    terms of scope of service elements and these  
22                    priority focuses, those are sort of  
23                    operationally expressed through the tiering  
24                    process in terms of deciding what files should  
25                    be resources and how they fit within these

1 priorities? Is that a fair distillation?

2 A Yes. Our goal is to go after the highest levels  
3 of organized crime. And because it's complex,  
4 obviously there's several avenues that we could  
5 end up investigating these organized crime  
6 groups. But there are many challenges obviously  
7 with the size and scope of the criminal activity  
8 that many of these groups are involved in. And  
9 financial crimes is sometimes one of those areas  
10 that can be exploited. Sometimes it's drug  
11 trafficking, sometimes it's human trafficking.  
12 It depends.

13 But there, again, we have these mandates  
14 that are kind of provided to us. But each  
15 region, as I said, has challenges and sometimes  
16 there will be a need for a readjustment. And as  
17 a result, federal policing ends up being called  
18 upon to assist in other areas where it may take  
19 us off of our mandated priorities. Major event  
20 is one thing that I was going to refer to with  
21 regards to, you know, being involved in G7  
22 security, major national security events, but  
23 provincially and municipally, social unrest and  
24 different groups protesting for different  
25 reasons, forest fires, floods, they draw on

1 resources from federal policing. And right now  
2 we're in the middle of a pandemic, and federal  
3 resources are being asked to assist the Public  
4 Health Authority of Canada with respect to  
5 tracking and tracing and ensuring that people  
6 are being kind to one another.

7 Q This was something I had anticipated perhaps  
8 touching on later, but you have brought it up.

9 If we could go to page 9, please, of the  
10 presentation.

11 This question of the other duties. You  
12 know, appreciating you're the officer in charge  
13 of financial crime, but where the other draws  
14 are on your resources and why the sort of total  
15 force numbers are not necessarily what you have  
16 always at your disposal. Can you just explain  
17 what this slide addresses and how it connects  
18 with what you were describing in that regard.

19 A So within the contract between the provinces and  
20 the RCMP, the provincial contracts will  
21 sometimes have -- well, they all have a clause  
22 within where they can ask for resources from the  
23 federal side of the house to assist with states  
24 of emergency. And in the last couple of years  
25 we've seen unprecedented years where we've had



1           significant wildfires and we've also had issues  
2           with regards to people asserting their right  
3           over land and concern over the environment with  
4           respect to the pipelines that are being built in  
5           the province. And it takes a significant amount  
6           of resources and personnel to deal with these  
7           situations effectively and the province just  
8           doesn't have enough, so the federal policing  
9           side of the house ends up being called upon.

10                    So, for example, if we have 600 people in  
11           federal policing and they want to draw on  
12           10 percent, that would be 60 persons, 60 police  
13           officers or other personnel, that would end up  
14           assisting in that capacity. So it could end up  
15           as a result -- and I have that in other slides,  
16           but I think you had a little bit of a  
17           presentation from the Combined Forces Special  
18           Enforcement Unit on what it takes to do an  
19           investigation. It's significantly creates an  
20           issue with our capacity to stay focused and keep  
21           the momentum on ongoing investigations dealing  
22           with transnational organized crime groups if we  
23           have to take 60 people off of what they were  
24           doing to be involved in a provincial state of  
25           emergency.

1                   But I want to preface that in saying that  
2                   while we -- while I'm stating this, we also see  
3                   it as being important to the province and the  
4                   people of British Columbia because we're here to  
5                   serve, and so we do end up having the people  
6                   made available for those purposes. Major  
7                   events.

8           Q       Sorry, go ahead.

9           A       I was just going to speak to the issue of major  
10           events. And dealing with major events like the  
11           G20 or Olympic Games or Pan Am Games or other  
12           significant events where internationally  
13           protected people end up coming to the province  
14           of British Columbia, there's a draw on federal  
15           resources, specifically for trained personnel to  
16           work those major events. There, again, the  
17           priorities of the government would have us  
18           protecting these internationally protected  
19           persons and sites, as we should, and leaving,  
20           then, the municipal and provincial police  
21           service personnel to do the policing that is  
22           part of the core contract, municipal contract  
23           policing requirements.

24                   But we have a give and take here where we  
25                   will also have personnel from units like CFSEU

1                   and municipal units, municipal detachments  
2                   assisting us with those events. So there is a  
3                   give and take between federal, municipal and  
4                   municipal contract lines.

5           Q       And you've referred here in the slide that  
6                   there's a 10 percent sort of potential draw on  
7                   federal policing for provincial priorities and  
8                   then there's potentially a hundred percent draw  
9                   where there are federal sponsored initiatives.  
10                  Is this one of the sort of significant  
11                  resourcing challenges that you face,  
12                  particularly given the length of time we've  
13                  heard that financial crime investigations can  
14                  take and the uncertainty around that of these  
15                  sorts of draws on your force availability?

16           A       It does end up being a challenge but in most  
17                   cases because we know that there's a lot of  
18                   planning that takes place with regards to a  
19                   major event, we end up having advanced notice,  
20                   and we try and plan our operations around those  
21                   dates that are given and provided for the major  
22                   event that's going to take place.

23                               Wildfires and floods aren't necessarily  
24                               something we can plan for and neither can civil  
25                               disobedient acts. We sometimes scramble and do

1                   what we can to try the provide the resources  
2                   necessary for the contribution that's required.  
3                   That ends up being a challenge for us, but, you  
4                   know, I have to say we do the best we can with  
5                   what we've got.

6                   Q     If we could go to page 6, please, of this  
7                   presentation. And the commission has heard some  
8                   evidence of the impacts of the federal  
9                   re-engineering and related matters in 2013, and  
10                  then this is what this slides appears to  
11                  address. Could you -- with reference to this  
12                  slide, could you just please explain for the  
13                  Commissioner what the impacts of the federal  
14                  re-engineering were as well as the other factors  
15                  that you're referring to here on this slide.

16                 A     So there was two durations, two series of the  
17                   deficit reduction action plan that took place in  
18                   2012 and 2015. In 2012 I believe this was what  
19                   created the deficit reduction in the -- well, I  
20                   know this is what created the reduction in the  
21                   funding to the RCMP. It created a situation  
22                   where we had to become cleaner and more focused,  
23                   and as a result the federal policing  
24                   re-engineering resulted.

25                                 So many of the divisions took that on and

1           realigned their federal policing resources from  
2           what was a drug unit or an IPOC unit or a  
3           customs and excise unit to become a Federal  
4           Serious and Organized Crime unit. And some  
5           regions, some divisions had everything covered  
6           from protective policing to national security to  
7           financial crimes and federal and serious  
8           organized crime, but not all regions did. But  
9           focusing on BC, BC is a large province and it  
10          had all of the -- all of those areas covered.

11                        With that there was another initiative that  
12          took place in 2015, and efforts were being made  
13          at the time to try and bring federal policing to  
14          a position where they could be more effective.  
15          And so between 2012 and 2015 the different  
16          provinces were re-engineering and realigning  
17          their resources, reviewing what they had for  
18          funds and trying to make sure that they could  
19          allocate the resources and funding to those  
20          priorities that were identified and mandated by  
21          the federal government to the RCMP.

22                        So as a result of having less funding and  
23          the cost of policing going up, we ended up being  
24          in a situation where if we had 600 positions, we  
25          might only be able to afford 400. And so we had

1           to refocus what we were able to do with the  
2           bodies we had. So there was a number of  
3           discussions in Ottawa where we discussed what we  
4           were going to do and how we were going to do it,  
5           and each division was kind of identified as  
6           having a set amount of federal funding.

7                        So British Columbia, for example, gets about  
8           \$100 million a year for federal policing. And  
9           with that there is money that's there for  
10          training, for operations, salary pay, support,  
11          specialized policing services. And that is the  
12          package that we get and we make do with what  
13          we're getting for those amounts of money that  
14          we've received for our budget.

15                       Some of the things that happened with the  
16          deficit reduction action plan caused some people  
17          to rethink their career paths. Many people in  
18          the financial crimes world were accredited with  
19          accounting, law degrees. Many of them had  
20          business backgrounds. So some of the members  
21          that were in the old IPOC program looked at  
22          other areas to perhaps try something different.  
23          And we had a number of people go to a group  
24          which was part of the prioritization and  
25          protective policing area.

1                   And we have within prioritization, FSOC  
2                   prioritization, a group of people that are part  
3                   of an operational support group. They basically  
4                   provide administrative support to all of federal  
5                   policing. So training, staffing, health and  
6                   wellness. We end up having fleet unit  
7                   procurement team and we have a team of people  
8                   that look after helping us track our finances.

9                   We also have an intake unit. The intake  
10                  unit takes files from all over the world and  
11                  locally and processes them. So there's quite an  
12                  infrastructure and it's quite complex with all  
13                  the different workings that the federal policing  
14                  program brings with it.

15                 With that we had to try and make do with  
16                 what we had as far as the budget. So I know  
17                 I've got a couple spots here where I talk about  
18                 training gaps. We had to find ways to overcome  
19                 some of the areas in -- sorry -- some of the  
20                 areas in the training that we used to offer. We  
21                 went to try online training opportunities as  
22                 opposed to in person to cut down on costs. And  
23                 locally we ended up doing a lot of our own  
24                 in-house training and had people come in for  
25                 conferences. But we just had to be smart with





1                   Chilliwack, and it was a really good course, and  
2                   it was decided that something new and different  
3                   would be tried. And we had these courses kind  
4                   of combined and put into a module program that  
5                   was offered online. So not only would members  
6                   within the specialized policing programs be  
7                   allowed to get access to it, members from the  
8                   detachments and other policing areas could end  
9                   up having access to these training  
10                  opportunities.

11                  So with that we also ended up looking at  
12                  other options. The ACAMS program was one that  
13                  was being considered. And it can be quite  
14                  costly, but it was worth the training effort  
15                  that was put into it. The members were given  
16                  opportunities. And so currently right now we  
17                  have a number of people with ACAMS  
18                  accreditation.

19                  And another program that we had was one  
20                  dealing with the -- I'm sorry, I'm just -- so  
21                  Manchester CF was another training program that  
22                  we ended up looking at after. And what it is  
23                  it's 12 online modules that allow a person to  
24                  become more knowledgeable with regards to  
25                  dealing with financial intelligence, money

1                   laundrying and proceeds of crime.

2                   The training gaps that we end up finding, we  
3                   were always trying to find ways to fill in with  
4                   in-house training. Sometimes we'd get a Crown  
5                   counsel, PPSC lawyer or somebody who had  
6                   previous experience in financial crimes, and  
7                   they'd come in and we'd have -- we'd have an  
8                   in-house conference to enhance the training --  
9                   sorry, that didn't work.

10                  So with all that training that was being  
11                  offered, we were also doing checks to determine  
12                  whether the training was of value so that we  
13                  were making sure that with that we were getting  
14                  people that were able to actually get the  
15                  training that was necessary for them to be  
16                  successful. Otherwise it was going to be a  
17                  waste of money and it wasn't useful.

18                  Q     So you refer here to saying:

19                                 "Do less with less, not more with less."

20                  Can you just briefly elaborate on -- maybe it  
21                  was covered already by what you were describing  
22                  here in terms of the impact of these various  
23                  cuts and restructuring, but what do you mean by  
24                  that?

25                  A     So I'm glad you asked that question because it

1                   was something that was brought up from the  
2                   beginning that police officers hate to say no  
3                   and police officers continue to look for  
4                   criminal activity and we hate to not investigate  
5                   crimes that are there in front of us, especially  
6                   money laundering and proceeds of crime  
7                   investigators.

8                   We like to reverse engineer, we like to deal  
9                   with the challenge, but the problem that we were  
10                  facing is that there weren't -- because of the  
11                  deficit reduction action plan there weren't  
12                  going to be extra resources and extra funding at  
13                  the time. Because of that, we were going to  
14                  have to say no to some things and some of those  
15                  things ended up being those files dealing with  
16                  frauds or other lower-level financial crimes  
17                  activities that were illegal and focus on the  
18                  higher levels.

19                Q   And I appreciate we probably won't go through  
20                  all of them today, but I appreciate that there  
21                  are a number of business cases that we've seen  
22                  that are referred to in a narrative document  
23                  we'll look at later regarding a gap that appears  
24                  to have emerged following the re-engineering  
25                  below the level of sort of nationally

1                   significant financial crimes, but above the  
2                   level of the capacity of municipalities and  
3                   detachments, something where the commercial  
4                   crimes section that existed prior to the  
5                   re-engineering used to sort of sit in that  
6                   space.

7                   So I just pause there. Is that a gap that  
8                   you could just comment on? Is it one that you  
9                   agree existed following the re-engineering and  
10                  these sorts of files, are those the ones that  
11                  you're saying, you know, weren't picked up  
12                  necessarily by the RCMP during this period?

13                 A    So there were some files that had been worked on  
14                   prior to the re-engineering that took place.  
15                   And as a result of the personnel that were once  
16                   in the commercial crime sections provincially  
17                   and federally, there was a time for a couple  
18                   years there where they were still working on  
19                   some of these files to try and make something  
20                   out of them. And as you know, there were some  
21                   that were reviewed and they did end up getting  
22                   approvals for continuation in terms of them  
23                   being investigated further for the offences that  
24                   were potentially identified within.

25                   And because we had focused now on a higher

1 level of organized crime groups and not on the  
2 middle and lower levels, there was a gap that  
3 was created because the provincial unit had been  
4 collapsed, the provincial commercial crimes  
5 section had been collapsed, and it became the  
6 sensitive investigations unit looking out for  
7 political corruption and financial crime  
8 activity that was happening within the political  
9 realm. And so there was nobody with the  
10 training unless somebody from a detachment or  
11 larger unit had the ability to take on some of  
12 these middle level files.

13 And as a result we had suggested on a  
14 couple of occasions that perhaps a provincially  
15 funded commercial crime fraud unit with the  
16 ability to deal with money laundering and  
17 proceeds at the lower levels would be of  
18 benefit.

19 Q And those proposals, I think -- would I be right  
20 in saying that those emerged in and around 2016  
21 from "E" Division? Is that right?

22 A So there were several iterations and efforts to  
23 start a proposal. And it had started off even  
24 earlier than that, but by the time the actual  
25 business cases were put together, it was decided

1                   that a small unit of about 15 or so people would  
2                   be necessary to deal with it.

3                   This kind of created a little bit of a  
4                   discussion obviously and ended up developing  
5                   into a larger business case that was created.  
6                   And so that original business case kind of  
7                   morphed into the one that was the latest version  
8                   going in 2018, 2019, and it was identified also  
9                   within there that, you know, everything from  
10                  nuts to bolts. The original one wasn't as  
11                  comprehensive in that the ask was just for  
12                  bodies and it did speak to some salary and costs  
13                  for operations, but the most recent one was very  
14                  in depth, very effective at pointing out the  
15                  actual costs over a five-year term and really  
16                  showed what those costs were going to be.

17                 Q       And just so we can situate the significance of  
18                   this gap for commercial crime, as a  
19                   profit-generating crime, there are likely money  
20                   laundering and proceeds related aspects of those  
21                   crimes. It's not just a matter of, I don't  
22                   think -- referred to as commercial fraud or  
23                   matters, but there are proceeds and money  
24                   laundering charges that might be associated with  
25                   those sorts of activities. Is that right,

1 Superintendent Taylor?

2 A Yes. So there are instances obviously where  
3 ill-gotten gains are derived from the criminal  
4 activity, and so we would consider those  
5 proceeds of crime. And any effort to deal with  
6 those, to hide those proceeds, would be  
7 considered an effort at money laundering. And  
8 that's why we ended up with the current version  
9 of a holistic financial crimes investigation  
10 group provincially funded as opposed to one that  
11 was just dealing with fraud.

12 Q And I'd like to, if we can, please, move to the  
13 next page in the presentation. And this is a  
14 point where we'll touch on a couple of the  
15 points at the top and then I'm going to leap out  
16 of the presentation and we'll go to a different  
17 set of documents. But there's a heading there  
18 "Funding" at the top.

19 A M'mm-hmm.

20 Q Can you just explain, please, what -- you know,  
21 you say it's set by national headquarters and  
22 then there's referenced fenced versus regular.  
23 Would you just explain what's set out in those  
24 three first bullet points, please.

25 A So every year Treasury Board provides the Royal

1 Canadian Mounted Police with a budget, and that  
2 budget is determined through consultations at  
3 headquarters, identifying how much each division  
4 is going to get. And it's usually based on the  
5 number of personnel and tier 1, 2 and 3 files  
6 that that division deals with to try and make  
7 sure that they have the funding for them to stay  
8 on mandate and on target with those priorities  
9 that the government has given them.

10 So like I said, the budget for the RCMP for  
11 federal policing in British Columbia is about  
12 \$100 million, give or take a million. There's  
13 fenced funding and there's regular funding. So  
14 with fenced funding -- it may not be the best  
15 term that's used but it's often the one that's  
16 used. In a sense there's kind of certain amount  
17 of money that's ear marked for a specific  
18 program like the Integrated Market Enforcement  
19 Team. That is funding that's considered fenced.  
20 It's money that's earmarked for a specific  
21 program and it can't be used for anything else.

22 Then -- now we've got the IMLIT team, the  
23 Integrated Money Laundering Investigation Team.  
24 It's also considered to have fenced funding.  
25 Then there's expectations that reporting back to



1 Ottawa shows value for dollar. So there's an  
2 accountability piece not only to government but  
3 to the public.

4 Q And the Integrated Proceeds of Crime unit that  
5 existed prior to 2013, that was also throughout  
6 its duration was a fenced funding unit as well?

7 A Yes, the old IPOC teams were fenced funded.

8 Q Aside from the IMLIT initiative, is the funding  
9 fenced for financial integrity?

10 A No. The only funding within financial integrity  
11 that's fenced is right now for IMLIT and for  
12 IMET.

13 Q And of the 100 million plus or minus \$1 million,  
14 how much of that is currently put towards  
15 financial integrity?

16 A You got me there. I'd have to look at my  
17 sheets. Off the top of my head I think  
18 financial crimes might end up being somewhere  
19 around 5 or 6 million.

20 Q Okay. So I'd like to just turn for a moment --  
21 and, Madam Registrar, we can bring down this  
22 document -- to the development of the money  
23 laundering and proceeds investigative capacity  
24 within FSOC since the federal re-engineering.

25 And the commission has heard some evidence

1                   that when IPOC was disbanded and FSOC was first  
2                   created in 2013 that there were no dedicated  
3                   financial integrity teams or units within FSOC  
4                   aside from a small one-person asset forfeiture  
5                   team. That was the state of affairs more or  
6                   less until around 2015.

7                   Is that your understanding? When was the  
8                   financial integrity group created within FSOC  
9                   division?

10                A    So I think there's a misunderstanding in  
11                   interpreting the number of personnel that were  
12                   actually working on financial crimes files or  
13                   money laundering files specific. During the  
14                   whole time that the re-engineering took place  
15                   there were a number of files that were money  
16                   laundering initiatives undertaken by what was  
17                   IPOC and then federal policing. And whether it  
18                   was the Federal Serious and Organized Crime  
19                   financial crimes team involved or whether it was  
20                   the Federal Serious and Organized Crime major  
21                   projects group 6 involved, there were money  
22                   pickups and money drops being done, which is  
23                   part of the money laundering investigation. The  
24                   only difference being they may not have been  
25                   100 percent RCMP files because we were working

1                   with our partners in the United States or the  
2                   Australian Federal Police or one of our other  
3                   international partners looking at a money  
4                   laundering group involved in the transfer of  
5                   those funds for the purposes of obtaining drugs.

6                   And another comment that I think needs to be  
7                   kind of clarified is the asset forfeiture unit  
8                   is actually a unit on its own. It does deal  
9                   with proceeds of crime, but in cases where the  
10                  proceeds of crime haven't been subject to a  
11                  charge and the Crown has decided not to pursue  
12                  charges of proceeds of crime and also when we  
13                  consider offence related property or assets used  
14                  in the commission of an offences, the asset  
15                  forfeiture unit would be involved in that.

16                  It's all part of the program of dealing with  
17                  an overall effort to disrupt these activities.  
18                  And -- but the asset forfeiture unit is a unit  
19                  on its own in the sense that while it's part of  
20                  the money laundering teams, it's not really in  
21                  the money laundering teams. But it does do  
22                  investigations dealing with, you know, the use  
23                  and source of funds so that the province ends up  
24                  getting the referrals with the information they  
25                  need so that they can take those individuals to

1 task as far as the assets that are trying to be  
2 restrained and forfeited.

3 So there has always been somebody and there  
4 always has been teams working on money  
5 laundering, and it takes significant resources  
6 to end up doing a money pickup and a money drop.  
7 They're surveillance involved. Quite often  
8 there's more than two teams because you're --  
9 you know, you're dealing with sometimes more  
10 than one individual that you're following.  
11 There's so many things that are going on with  
12 these files. Depending on the size, you could  
13 end up having 30 or 40 people working on it.

14 Q And appreciating that there were -- and we have  
15 heard some evidence about the money laundering  
16 pickups or the cash pickup cases. I think this  
17 was we'd heard -- some of this was occurring  
18 during Cal Chrustie's time in terms of group 6.

19 But the -- as I understand it, the general  
20 structure in the early days of FSOC was these  
21 teams, and until at least 2015 there wasn't a  
22 sort of financial integrity dedicated component.  
23 Is that accurate?

24 A No, no. There was a dedicated component dealing  
25 with financial crimes, and it is the unit that

1 I'm currently the officer in charge of. At the  
2 time they didn't have as many resources as when  
3 you look at the org chart now, but there were  
4 still people working on financial crimes, money  
5 laundering and proceeds investigations, aside  
6 from group 6.

7 So sometimes I think we end up measuring  
8 our success and our actions based on convictions  
9 and people going to jail. And this is what we  
10 end up seeing ourselves as a means of showing  
11 success. But it doesn't always work that way,  
12 so disruption is often one of those things that  
13 we can aspire to as well to try and get  
14 something positive out of police action that  
15 doesn't necessarily result in a conviction or  
16 charges.

17 Q Sorry, when was the financial integrity group  
18 created within FSOC "E" Division?

19 A So financial crimes was created at the same time  
20 that the serious and organized crime or major  
21 projects group was created. So as -- the teams  
22 that were once separated in silos in the drug  
23 section, the customs and excise section, the  
24 federal policing, immigration passport section,  
25 as they all came together to become federal

1                   serious and organized crime, a certain number of  
2                   groups were identified as being major projects,  
3                   and then there was two grouped identified as  
4                   financial crimes.

5           Q       And when -- sorry, you said at the same time as.  
6                   When was this?  What year did this happen?

7           A       So this happened before I got here.  Most  
8                   divisions did it at the beginning of 2013, and  
9                   as a result, there were a bunch of new personnel  
10                  that came together to work in this new building  
11                  here at Green Timbers.

12          Q       Okay.  Well, perhaps we could look at a document  
13                  that might help in terms of identifying what the  
14                  state of affairs was at least in 2015.

15          MR. ISAAC:  Madam Registrar, if we could bring up  
16                  CAN12222 -- sorry, that should be 12222.  That's  
17                  right.

18          Q       And the document that should be on your screen  
19                  now is "Assessment of Proceeds of Crime  
20                  Responsibilities Within FSOC 'E' Division" dated  
21                  July 29th, 2015.  Do you see that?

22          A       It just needs to scroll down a little bit to see  
23                  the bottom of the date, but I know what you're  
24                  looking at here, yeah.

25          Q       Okay.  And you recognize -- you recognize this

1 document?

2 A Yes.

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

5 THE COMMISSIONER: Yes. Very well. I think we're at  
6 864.

7 THE REGISTRAR: Yes, 864.

8 **EXHIBIT 864: Assessment of Proceeds of Crime**  
9 **Responsibilities within FSOC, July 29, 2015**

10 MR. ISAAC: Thank you. And if we go to the third  
11 page, please.

12 Q There's an executive summary here. And it says:  
13 "Prior to federal re-engineering in 2012,  
14 there was a robust Integrated Proceeds of  
15 Crime section which comprised 55 people. "  
16 It goes on to describe the mandate and what that  
17 included. And then it says in the next  
18 paragraph:

19 "Re-engineering resulted in the  
20 disintegration of the centres of expertise  
21 and support. There have been mixed  
22 results to re-engineering across the  
23 country, with some divisions retaining  
24 IPOC support and some divisions abandoning  
25 it entirely."

1                   And just pausing there. There's a bit of a sort  
2                   of a survey of across -- of all of the different  
3                   divisions. I take it that in terms of those  
4                   mixed results, BC was in the "abandon it  
5                   entirely" category in terms of what happened  
6                   following the federal re-engineering?

7           A       Yes, the IPOC program was collapsed to end up  
8                   being moved to become what is the financial  
9                   crimes groups within FSOC.

10          Q       Right. And I think we have heard some evidence  
11                   that the people that were within IPOC were  
12                   essentially -- not sprinkled or scattered, but  
13                   they were spread around the various groups that  
14                   made up FSOC in those initial stages; is that  
15                   right?

16          A       Yes. The concept was that if you had trained  
17                   personnel from the IPOC background that they  
18                   could end up becoming the person on your file  
19                   that would end up looking at and investigating  
20                   the proceeds of crime and the money laundering  
21                   took place within the investigation.

22          Q       So this document goes on, and you'll see there  
23                   there's a reference to three possibilities. So  
24                   there's three proposals that are made here. The  
25                   first is for three teams of 15 regular members



1           to conduct long-term proceeds of crime and money  
2           laundering investigations and short-term  
3           investigations. The second is for two teams of  
4           10 to support FSOC investigations. And then the  
5           third is referred to as sort of maintaining the  
6           status quo and it's for two regular members to  
7           handle proceeds of crime investigations and two  
8           regular members to assist with asset forfeiture.  
9           And you'll see that there's a reference  
10          immediately below to the status quo.

11                        So there's a part of this review where it  
12          goes to sort of propose that FSOC recognize a  
13          money laundering mandate and create some  
14          specialized teams looking and focused on money  
15          laundering investigations. So is this your  
16          understanding? Does this have any relationship  
17          to where -- whether there was -- was there  
18          anything at this time aside from what's referred  
19          to here as a status quo? Is this where the  
20          financial integrity group and a more specialized  
21          unit began to emerge out of FSOC?

22          A        So one of the groups that was identified  
23          originally in the org charts that were provided  
24          had a money laundering team, and then the other  
25          group had a project development team which did

1 money laundering investigations. It wasn't  
2 until 2018 where we took the project development  
3 team and the money laundering team and placed  
4 them both under one commander in group 2. And  
5 that resulted in the IMET program leaving  
6 group 2 and moving to be under group 1.

7 And I hope I'm not confusing the things too  
8 much, but my point, there were positions that  
9 were specifically identified and created, placed  
10 within the FSOC financial crimes realm to deal  
11 with money laundering and to deal with project  
12 development for the purposes of money laundering  
13 investigations.

14 Q Okay. Well, if we go to -- just briefly. If we  
15 go to page 13 of this review. There's a  
16 reference here that -- on the third paragraph on  
17 this page down it says:

18 "It appears that specialized expertise has  
19 slowly started to deteriorate. Some  
20 members have not remained current in their  
21 discipline as they are no longer in an  
22 environment that would feed their  
23 knowledge."

24 Do you agree that one of the consequences of the  
25 re-engineering and getting rid of a sort of a

1 focused specialized unit was on the ability to  
2 retain and also continue to keep the knife  
3 sharp, if you will, those sorts of skills?

4 A There are considerations to be given to those  
5 members who were part of the proceeds of crime  
6 unit. They did gain specific skill sets and  
7 knowledge as a result of the investigations that  
8 they were part of. And then in cases where some  
9 of the members had moved on to other areas of  
10 FSOC, they weren't always as heavily involved in  
11 a unified approach and investigation that dealt  
12 solely with money laundering. They ended up  
13 dealing with investigations looking at drug  
14 trafficking and importation of large quantities  
15 of drugs.

16 So in cases like that there may have been  
17 an erosion of skill sets, but I think something  
18 that comes from this too is an understanding  
19 that as the unit ended up changing and there  
20 were opportunities for other people to move to  
21 other areas of federal policing. They ended up  
22 taking those opportunities and maybe they didn't  
23 stay in an area in which they were becoming an  
24 expert in and changed their course of their  
25 career by doing something else and focusing on



1                   And just pausing there. The way that this is  
2                   framed, does that suggest that a lack -- either  
3                   than a mandate didn't exist or that it wasn't  
4                   fully recognized prior to this? Was there some  
5                   uncertainty about where money laundering was  
6                   within the focus of "E" Division FSOC at this  
7                   time to your knowledge?

8           A        I think this is a case of where they're trying  
9                   to rebrand themselves and they're trying to end  
10                  up putting together a mission statement so that  
11                  the members that are there fully understand what  
12                  it is that they're there for. So to investigate  
13                  and prosecute money laundering with a focus on  
14                  the prosecution, asset seizure and forfeiture  
15                  upon convictions. New members coming in will be  
16                  able to see this and then they will end up  
17                  having an idea of what it is that their mission  
18                  is.

19                        This statement has been around in IPOC for  
20                        years. Like, decades. You know, I would even  
21                        hazard -- well, this is Brent Taylor talking,  
22                        but I'll talk about anti-drug profiteering.  
23                        Prior to IPOC I would say that that's probably  
24                        one of the statements that came from one of the  
25                        investigators back in the day looking at what

1                   they were going to do back when the anti-drug  
2                   profiteering program was in play.

3                   And so it's -- I'm not the author of this  
4                   document; I'm just familiar with it. And having  
5                   been involved in the proceeds of crime program  
6                   and not just at the division level but  
7                   nationally, those -- that would be my take on  
8                   that particular piece is they're trying to  
9                   rebrand themselves and show anybody that this is  
10                  what we're proposing for "E" Div FSOC for  
11                  financial crimes in particular. The group that  
12                  they're trying to work on money laundering, this  
13                  is what you're going to do.

14                 Q     If we look down at the next bullet point here,  
15                     the next proposal, it says:

16                         "- To consider, in all existing FSOC  
17                             files, an investigation into the  
18                             proceeds of crime, with a goal of  
19                             restraining and seeking forfeiture of  
20                             assets derived from criminal  
21                             activity."

22                   So this review we're looking at is from July  
23                   2015. The commission has seen evidence that a  
24                   directive requiring essentially just this, that  
25                   that was implemented in February 2020. Do you

1           have any insight into why it appears as though  
2           this sort of directive or requirement to  
3           consider money laundering or proceeds in all  
4           FSOC files wasn't implemented before 2020?

5           A     I don't know. I wouldn't say that it wasn't  
6           part of the mandate or part of the  
7           considerations or the directions and the  
8           directive. It was reiterated in the sense that  
9           more emphasis needed to be placed on money  
10          laundering, but I would say that this has been  
11          something that we have been speaking to within  
12          federal policing since federal policing  
13          re-engineering started.

14                     But this particular -- like I say, this  
15          document and its purpose at the time, I wasn't  
16          part of it other than I know about it. And so  
17          I'm kind of reading into what I am seeing here.

18          Q     Well, perhaps as opposed to -- let's free the  
19          question from this particular document.

20          A     Okay.

21          Q     Was there a requirement to consider in all FSOC  
22          files proceeds and money laundering components  
23          prior to the 2020 directive to do so? And if  
24          so, when was that requirement put in place?

25          A     I recall criminal operations officers and other





1                   the status of Proceeds of Crime  
2                   investigations across divisions for RCMP  
3                   Federal Policing following the creation of  
4                   FSOC units in 2013."

5                   And I'm just going to pause there. You've  
6                   seen -- have you seen this document before,  
7                   Superintendent Taylor?

8           A       Yes, yes.

9           Q       And I'm going to show you the second document  
10           but it seems to be sort of a volume 2 of the  
11           same study.

12                   If we could bring up, please, CAN1225.

13                   Thank you.

14                   Do you see that on your screen?

15           A       Yes.

16           Q       Okay. And this is a federal policing projects  
17           review again and then this is --

18                   "The purpose of this review was to assess  
19                   the status of Proceeds of Crime and Money  
20                   Laundering investigations across all of  
21                   RCMP Federal Policing on projects Tiered  
22                   between January 1, 2017 and December 31,  
23                   2018."

24                   So the first review covers a period of 2013 to  
25                   2017, and then this seems to be an update of

1                   that from 2017 to 2018. Have you seen this --  
2                   the document that's on the screen now as well?

3           A     Yes, I have.

4           MR. ISAAC: Okay. If we could please mark those as  
5           the next two exhibits. Now, given that the --  
6           sorry.

7           THE COMMISSIONER: Yes, those can be marked as the  
8           next two exhibits in sequence.

9           THE REGISTRAR: Yes, exhibits 865 and 866.

10          THE COMMISSIONER: Thank you.

11                   **EXHIBIT 865: RCMP FPCO POC Review, 2013 to**  
12                   **2017 - NHQ (undated)**

13                   **EXHIBIT 866: RCMP Federal Policing Projects**  
14                   **Review, January 2017 to December 2018 - NHQ**

15          MR. ISAAC:

16          Q     So I'd like to focus on the more recent of the  
17               two studies. As I said they seem to be sort of  
18               a similar continuation. And if you see under  
19               "Methodology" it says:

20                    "This study includes Tier 1, 2, and 3  
21                    Federal Policing Financial Crime, Serious  
22                    and Organized Crime, and Cybercrime  
23                    investigations that are either ongoing, in  
24                    court, or concluded, since being tiered on  
25                    January 1st 2017 up to and including

1                   December 31st, 2018."

2                   And just pausing there -- and I don't want to be  
3                   unfair. There is a portion of this document  
4                   that says basically the very proposition that  
5                   I'm going to put to you now. But would you  
6                   agree that these sorts of files, so serious  
7                   organized crime files where they are  
8                   profit-based crimes and evidence has already  
9                   been gathered to try to prove a predicate  
10                  offence that these are the types of files that  
11                  would tend to be the most likely of providing  
12                  opportunity to lay a money laundering charge?

13                  A        Yeah, they would.

14                  Q        So I appreciate there's a lot of challenges.  
15                  We've heard evidence about the challenges  
16                  associated with money laundering investigations.  
17                  But if there's low-hanging fruit, this is as  
18                  close to that as you might get. Is that fair?

19                  A        Yeah. I would say, though, that while you might  
20                  see it as low-hanging fruit, there's still a  
21                  considerable undertaking to prove that that  
22                  fruit is poisoned.

23                  Q        Well, perhaps lowest hanging fruit as opposed  
24                  to --

25                  A        Okay.

1           Q     We still need a ladder to pick it, but it's the  
2                   most likely of the types of files that might  
3                   present money laundering opportunities; is that  
4                   fair?

5           A     Those would be the ones that would be of  
6                   interest, yes.

7           Q     Okay. So I just want to look at the key  
8                   findings here. It says this:

9                   "Even though money laundering is a current  
10                   Federal Priority, out of 127 investigations  
11                   in this dataset, only 30 --"

12                   That's 24 percent.

13                   "-- investigations have pursued, or are  
14                   pursuing a money laundering component."

15                   And then it goes on to say that 3, or 2 percent  
16                   of 127, have successfully laid money laundering  
17                   charges, 4 have been concluded due to unforeseen  
18                   circumstances, 23 are actively pursuing a money  
19                   laundering charge. And then it goes on to say  
20                   this. The balance --

21                   "97 projects did not consider a money  
22                   laundering offence (76% of applicable  
23                   files are not following the money to lay a  
24                   [money laundering] charge, and ultimately  
25                   miss out on the added potential to

1 identify hierarchies in crime  
2 organizations ..."

3 So 84 percent of serious organized crime,  
4 53 percent of financial crime and 100 percent of  
5 cyber files did not consider pursuing a money  
6 laundering offence.

7 Now, there's a breakdown as well below that  
8 of the 19 files that considered a proceeds -- so  
9 14 percent of the 127, where proceeds was  
10 considered at the outset of that file, but it  
11 goes on to note that only 8 of those, or  
12 6 percent, actually conducted any asset tracing  
13 investigation and 3 laid charges and 3 were  
14 concluded.

15 So just pausing there -- and the earlier  
16 report which is over a longer period of time,  
17 it's not identical but it makes some similar  
18 types of findings about these metrics. The  
19 commission has heard evidence about the  
20 challenges of investigating money laundering,  
21 but these two reviews appear to indicate that at  
22 least since 2013 money laundering charges aren't  
23 even being considered in the majority of cases  
24 that are the lowest hanging fruit.

25 Do you have any insights into why that has

1                   been the case? Why is it that that hasn't been  
2                   happening over the period covered by these  
3                   reviews?

4           A       So these reviews are a national review, not just  
5                   for British Columbia. It's across Canada. Each  
6                   region has its challenges obviously, whether it  
7                   be a resourcing issue or an issue of just having  
8                   so many targets to go after. They are trying to  
9                   do the best they can for the purposes of making  
10                  Canada safe.

11                               And in cases that I end up seeing where  
12                   money laundering and proceeds charges aren't  
13                   being pursued, it's often a case of there being  
14                   a lack of time to be able to do a full, proper  
15                   investigation, and the way our system is, it  
16                   makes it very difficult for us because of the  
17                   complexities within our rule of law judicial  
18                   system. And the timelines make it very  
19                   difficult for us to be able to put together a  
20                   package in a timely manner so that we can end up  
21                   bringing a court package for review and  
22                   consideration of charges being laid on offences  
23                   that would be identified within the activities  
24                   that were, you know, undertaken by the person or  
25                   criminal group.

1                   There are a number of files here too that  
2                   end up being projects that are quick hits in  
3                   that we don't end up identifying that we did a  
4                   buy bust, and so as a result we end up having  
5                   five keys of coke that are taken off the street  
6                   but the \$150,000 that was seized as a result of  
7                   the investigation doesn't end up being  
8                   considered proceeds of crime because it was  
9                   state funds. So we can't very well end up going  
10                  in many cases in those areas with charges of  
11                  proceeds of crime where state funds are used.

12                  That seems to be what ends up happening on a  
13                  lot of our investigations where we're doing  
14                  these larger purchases of drugs and so it ends  
15                  up being what I refer to as a quick hit as a buy  
16                  bust.

17                  Q     These -- sorry, go ahead.

18                  A     I was going to say I could go on with a number  
19                  of different typologies and instances where  
20                  perhaps statistics aren't as good as they should  
21                  be, but it does speak to the complexity and the  
22                  challenges that we have overall across Canada in  
23                  trying to bring charges against people involved  
24                  in money laundering.

25                  Q     And I'd like to -- and I appreciate there are

1           the complexities in terms of undertaking a money  
2           laundering investigation, proving knowledge,  
3           establishing a predicate offence, but I'd like  
4           to focus in on the -- what appears to be, as I  
5           said, one of the findings of these reviews,  
6           which is that money laundering isn't even being  
7           considered at the front end on a number of  
8           investigations that ought to be presenting  
9           what -- opportunities for that.

10                   And you -- I just want to -- in your answer  
11           to my first question, you indicated that all --  
12           this is a national review, so that there are  
13           components -- this is a national review, so it  
14           combines information. So I just want to look  
15           briefly at what is commented on here in terms of  
16           "E" Division.

17                   So if we go back to CAN1106, please.

18           Page 3.

19                   So there's a table here, "Percentage of  
20           Cases Where POC Was Considered." Do you see  
21           there?

22           A       Yes.

23           Q       "E" Division is at the bottom with 32 percent in  
24           terms of where proceeds of crime was considered.

25                   And if we go back to 1225, please.



1                   And we go to page 5 of this document,  
2                   there's another table, and "Percentage of Cases  
3                   That Articulated POC as a Goal or Seized" --  
4                   offence related property? Is that what ORP is?

5           A       Yes.

6           Q       And "E" Division here is at 6 percent, so it's  
7                   second to the bottom. And it's higher only than  
8                   L division. Is that PEI?

9           A       Yes.

10          Q       Okay. So let's just pause there. In terms of  
11                   why "E" Division -- do you have any insights  
12                   into why "E" Division is situated where it  
13                   appears to be with both of these reviews in  
14                   terms of these metrics? Is there anything sort  
15                   of unique about "E" Division in these regards in  
16                   terms of proceeds and money laundering not being  
17                   considered at the outset of these files?

18          A       One of our challenges -- well, I think it would  
19                   be incorrect to say that money laundering and  
20                   proceeds isn't considered at the onset. While  
21                   it may not be written into a 2350 in the past,  
22                   it is now on a regular basis to consider those  
23                   aspects of the criminal activity need to be  
24                   looked at.

25                   In the past when we're looking at these ones

1                   here, it may not have been spoken to, but in  
2                   every instance where assets have been identified  
3                   and cash has been identified, discussion has  
4                   always taken place with the Crown when the  
5                   report the Crown counsel is being put together.  
6                   And if for whoever reason it's decided that we  
7                   don't have an interest in pursuing a money  
8                   laundering or proceeds charge based on the time  
9                   and the evidence constraints that we have with  
10                  regards to *Jordan*, we end up looking at a  
11                  disruption attribute. And that would be  
12                  considering whether there is an option to have  
13                  the assets referred to the civil forfeiture  
14                  unit.

15                         But the primary goal has always been to  
16                         deal with it in the criminal realm. The  
17                         challenge is trying to have the time so that we  
18                         can effectively enforce those sections of the  
19                         *Criminal Code*.

20                  Q     And sorry, in an earlier answer, Superintendent  
21                         Taylor, you mentioned the term "state funds."

22                  A     Yes.

23                  Q     Could you explain what you were referring to  
24                         there, please.

25                  A     Okay. So in some regions state funds are

1           considered -- well, it's money that's identified  
2           and acquired by the police for the purpose of  
3           making a purchase. And so if those funds are  
4           found in possession of a person who was  
5           trafficking drugs right after a buy bust, some  
6           regions will not end up going after those  
7           individuals in possession of those funds based  
8           on the issue of the likelihood of the conviction  
9           and whether it would be looked at and seen as if  
10          it was proceeds of crime when they originally  
11          state funds. Does that make sense?

12          Q       Yes. Thank you. I just wasn't -- that's not a  
13          term I had heard before.

14                 So you mentioned as well, sort of the  
15          timelines and the other pressures. And that is  
16          something that's commented on here. Perhaps  
17          I'll ask in terms of why it is -- and this  
18          review, again, it's talking about the majority  
19          of files where -- to cite from the key findings  
20          where it's money laundering -- the investigation  
21          is not following the money, even at the outset,  
22          and it's missing out on the potential to  
23          identify crime hierarchies and consider those  
24          charges.

25                 In terms of what's actually going on here,

1           is there anything inherent in the FSOC model  
2           where you don't necessarily have someone who is  
3           thinking of or necessarily even knowing how to  
4           look at the money aspect of a serious organized  
5           crime investigation? Is that a challenge

6           A     In some cases it is, but the members that are  
7           involved in the command triangle know -- they  
8           have people they can come and talk to in order  
9           to get a better understanding of those things  
10          that should be considered when they're looking  
11          at the money laundering and proceeds. And there  
12          are times where we will even have an  
13          investigator from our FSOC financial crimes team  
14          not necessarily always embedded, but made  
15          available for the purposes of giving them  
16          guidance and advice.

17                   We've all got a number of files we're  
18          working on and we hate saying no, so we continue  
19          to do what we can to try and make things work  
20          for everybody. But there are times where we  
21          have a file and it comes down really fast, and  
22          there is no time to consider the proceeds and  
23          the money laundering because now once the  
24          person's been charged, obviously if it takes us  
25          two years to get that money laundering and

1                   proceeds investigation completed, we're already  
2                   past that period of time that *Jordan* allows us  
3                   to bring it to trial.

4           Q       And doesn't that reenforce the importance of  
5                   considering money laundering and proceeds at the  
6                   very outset of an investigation, particularly in  
7                   light of *Jordan*; right? It's very --

8           A       Yes.

9           Q       -- difficult to go back and do a proceeds or  
10                   money laundering investigation retroactively.  
11                   You know, once the other aspects of the  
12                   investigation have already developed. Is that  
13                   accurate?

14          A       Yeah, that's true. It is difficult because the  
15                   sooner you can get in on the investigation, the  
16                   sooner you can start reverse engineering where  
17                   that money is coming from. And if you think of  
18                   it as -- in terms of engineering, you have an  
19                   incident that you have to reverse and determine  
20                   where that funding, that money, those assets  
21                   have been paid for, derived from, the illegal  
22                   activity that's inherent in the group or the  
23                   person's activity.

24          Q       And --

25          A       That takes a lot of time.

1           Q     Yeah.  And, again, a hard thing to do at the  
2                     tail end if it's not been looked at initially.  
3                     This same report -- and I'll put the proposition  
4                     to you before taking you to the portion of the  
5                     report that says this, but it also indicates  
6                     that if money laundering and proceeds isn't  
7                     being considered early on, there is also a  
8                     potentially implication for asset forfeiture  
9                     referrals.  Because, again, if these financial  
10                    angles of these investigations are being worked  
11                    up, even if charges aren't laid, there may not  
12                    be something developed, assets identifies to be  
13                    able to refer to civil forfeiture.  Is that  
14                    something you'd agree with?

15          A     Yeah.  There's several ways of trying to deal  
16                    with criminal activity involving money  
17                    laundering and any manner in which we can  
18                    disrupt these groups is beneficial, whether it's  
19                    using the asset forfeiture or using the *Criminal*  
20                    Code.  We prefer to use the *Criminal Code* first,  
21                    but as a last resort, we're going to use civil  
22                    forfeiture.

23          Q     And, you know, just relating it back to *Jordan*.  
24                    As I understand it, *Jordan* uses the initiation  
25                    of charges as the -- when the clock starts

1                   ticking. Is that -- so when we talk about the  
2                   time pressures created by *Jordan*, is that really  
3                   relating back to the prosecutors wanting to have  
4                   sort of a complete package, both the predicate  
5                   as well as the money laundering case ready to go  
6                   when they are able to make charge approval?

7                   A     Yeah, we're -- in our discussions with Crown  
8                   it's important for us to have the package  
9                   available and ready at that time for charges to  
10                  be approved. If we end up continuing an  
11                  investigation, then there's going to be issues.  
12                  There are times where we're talking back and  
13                  forth with Crown to try and close some gaps, but  
14                  that's usually, like, one or two or three  
15                  months, maximum. It wouldn't be appropriate for  
16                  us to go on a year. Then we get into  
17                  *Stinchcombe* issues with regards to providing the  
18                  accused their documents to answer to.

19                         So it's complex obviously, and we have  
20                         those challenges. It really is difficult,  
21                         though, when we've got a large number of drug  
22                         trafficking investigations that get underway and  
23                         we don't end up seeing the evidence of the money  
24                         laundering in the group. The cell is basically  
25                         looking at importation of large quantities of

1                   drugs, and we don't know where the money is, and  
2                   so efforts need to be made to try and get in  
3                   there.

4                   But it usually doesn't always -- it doesn't  
5                   always come together as nicely as we'd like to,  
6                   and we have to be careful that we're not tipping  
7                   our hand with regards to probing a person's  
8                   personal accounts or a business account while a  
9                   drug investigation is going on because there  
10                  are -- there are people that may be inclined to  
11                  advise their client that somebody is looking,  
12                  and so that makes it difficult for us. We try  
13                  and form a strategy and deal with these  
14                  complexities as they come up, but it does take  
15                  time because we don't have a lot of time when it  
16                  comes to the issue of *Jordan*. We know it's  
17                  going to be two years plus for the purpose of  
18                  having an effective use and source of funds or  
19                  net worth analysis to be done of an individual  
20                  or their businesses, and it really -- it makes  
21                  it difficult.

22                  So I do agree with you that it's important  
23                  for us to get at the front end, but the problem  
24                  we often find is we end up having an  
25                  investigation that's led and it only goes on for



1           six or seven months and then it gets taken down  
2           and charges are laid for the drugs or we're  
3           working with Crown and we're trying to get  
4           approvals but they know it's going to be two  
5           years before we end up having things put  
6           together. We run into so many issues where it's  
7           a challenge and it's the system we have and we  
8           try and work within it the way we've got it  
9           working.

10          Q     And just to connect this back, I mean,  
11                fundamentally with the issue that these reviews  
12                were identifying which is that money laundering  
13                and proceeds isn't even being considered in the  
14                majority of these cases, you know, we talked  
15                about some of the other collateral effects of  
16                that. But ultimately -- and the challenges of  
17                money laundering investigations once they are  
18                initiated.

19                        But, I mean, fair to say you miss a  
20                        hundred percent of the shots you don't take on  
21                        these types of files? Isn't that one of the  
22                        underlying issues that's being identified in  
23                        these reviews, that money laundering isn't even  
24                        being considered in the majority of cases that  
25                        are the ones most likely to present those

1 opportunities?

2 A I'll agree with you, but I'll say that the  
3 challenge is that we end up having these files  
4 that present themselves and go to charge without  
5 us having enough time to end up getting into a  
6 money laundering investigation. Even if we did  
7 decide that we were going to do a money  
8 laundering investigation, there isn't enough  
9 time to carry that out because we've got a drug  
10 charge.

11 We've had instances where we're dealing with  
12 a fentanyl trafficker and we're concerned that  
13 if the charges aren't laid on the fentanyl  
14 trafficking that there's going to be an issue  
15 with public safety, so the fentanyl charges get  
16 laid. But to look at the money laundering and  
17 the proceeds, we'd end up having problems with  
18 trying to get into that and continue.

19 I would have to say that there's maybe a  
20 bit of a misconception here in the statistics  
21 that are provided that say that we're not  
22 considering the money laundering because the  
23 money laundering and the proceeds are being  
24 considered. It's just a matter of whether we  
25 can effectively deal with it. And whether the

1                   statistics on the files show there was a money  
2                   laundering charge or a money laundering -- or a  
3                   proceeds of crime charge, that's not going to  
4                   show on the statistics with that particular  
5                   file. It will only show that drug offences were  
6                   laid.

7                   Q     So just to finish off on this, the 2020  
8                   directive that now exists to consider money  
9                   laundering and proceeds in all of these sorts of  
10                  files, I take it from what you're saying, then,  
11                  that that's not a -- that isn't necessarily  
12                  going to resolve the question of whether or not  
13                  you can take it, whether or not you have the  
14                  resources or the capacity to -- or the *Jordan*  
15                  time pressures, that having that directive  
16                  isn't -- it's not going to resolve those  
17                  pressures for you, is that fair?

18                 A     Yeah, I would say that that's fair. And there's  
19                   a lot I could carry on with that, but it's the  
20                   system we've got. We try and do the best we can  
21                   with the resources we have. And it is complex.  
22                   And, you know, we do our best to lobby and ask  
23                   for changes, whether it be regulatory or statute  
24                   driven, and it's just a complex system that we  
25                   have.

1           Q     And I'd like to turn, then, to a question about  
2                    the resources because we've heard or a metaphor  
3                    has been used about fire hoses into garden hoses  
4                    and appreciating it is complex, the choke points  
5                    or the areas that are the real limits on your  
6                    capacity. Is the most significant limit on your  
7                    capacity one of available resources to you, or  
8                    is it something else?

9           A     It would always be nice to have more resources.  
10                   There's just so many targets out there, it's  
11                   impossible to go after them all. You end up  
12                   being inundated by the information and the  
13                   intelligence and how you operationalize that  
14                   information. Yeah, it would be great if we  
15                   could have more resources. Everybody would want  
16                   more resources. And it's not just the police,  
17                   it's all aspects of the justice system.

18       MR. ISAAC: If we could please pull up exhibit 795.

19           Q     And this is -- it's document -- let me know when  
20                    you see that, please. And do you recognize this  
21                    as a narrative that you prepared for the  
22                    commission in and around September 2020,  
23                    Superintendent Taylor?

24           A     Yes. Yes.

25           Q     And you prepared this -- a significant component

1 of this addresses is some of the business cases  
2 that we discussed earlier. I'd like to look at  
3 page 2 of this, please. And the first full  
4 paragraph says:

5 "In 2018 a strategic plan was developed to  
6 enhance the FSOC financial integrity  
7 capabilities and capacity. Staffing  
8 efforts within the FSOC FI unit were  
9 becoming more of a priority; however, were  
10 only able to be actioned upon issuance by  
11 RCMP national headquarters of a staffing  
12 credit."

13 What is -- and then you go on to say, sorry:

14 "A limited number of credits was provided  
15 to the entire federal policing program but  
16 it remained FSOC was lacking resources to  
17 fulfill its mandate."

18 What is the reference here to staffing efforts  
19 becoming more of a priority and this reference  
20 as well to staffing credits. What is a staffing  
21 credit?

22 A So for federal policing a staffing credit is  
23 identified as a result of consideration given  
24 for a recruit that graduates from depo. Because  
25 they are technically three contracts within the

1 RCMP that are being looked after -- the  
2 municipal contract, the provincial contract and  
3 in essence a federal contract -- the Depot  
4 recruits that are being put through training,  
5 the cadets that graduate, are looked at for  
6 placement in the contract areas of policing, not  
7 necessarily always the federal side. British  
8 Columbia hasn't had any recruits directly  
9 entering into the federal policing program.

10 So just to try and simplify things, in order  
11 for us to do a staffing action in federal  
12 policing, we need to have a credit. So it's  
13 okay for us to move bodies around within federal  
14 policing, but in order for us to get a body from  
15 outside of federal policing to bring somebody in  
16 for, say, Surrey Detachment, I need to have a  
17 credit. And basically that credit, then, is  
18 given to Surrey detachment so that they can get  
19 a recruit from Depot. Does that make sense?

20 Q It does, yeah. How many staffing credits were  
21 sought by "E" Division financial integrity as  
22 part of this strategic plan and how many  
23 staffing credits were -- have been provided?

24 A So every year decisions are made above -- you  
25 know, outside of my control, but at headquarters

1                   and with the understanding of what the  
2                   commanding officers are requesting from each  
3                   division based on what Depot is going to produce  
4                   for cadets. And so FSOC FI can't necessarily  
5                   say they have credits given to them by federal  
6                   policing at national headquarters. What happens  
7                   is federal policing at national headquarters is  
8                   identified as getting a certain number of  
9                   credits from the troops graduating and then they  
10                  will allot the division's federal policing  
11                  program a certain number of credits.

12                  So, for example, five credits -- sorry,  
13                  four credits were provided for the Integrated  
14                  Money Laundering Investigative Team so that we  
15                  could staff it. We ended up getting personnel  
16                  identified from outside the program by using the  
17                  credits to come into the program and work in the  
18                  IMLIT team. It can be challenging because if we  
19                  run out of credits -- because there are only so  
20                  many recruits coming out of Depot and there is a  
21                  demand amongst all contracts in all contract  
22                  divisions, we try and share what we can, but it  
23                  is a challenge and it does become a complex  
24                  issue.

25                  And it's really -- it's an internal staffing

1 matter that affects all of federal policing when  
2 it comes down to budgets and how things are  
3 worked through as far as the recruitment process  
4 and getting cadets into Depot.

5 Q Aside from the five credits for the IMLIT  
6 initiative -- and I understand that some of  
7 those have been earmarked over to CIFA-BC. Is  
8 that right?

9 A So technically one corporal position is being  
10 used by CIFA-BC, but the person that's in IMLIT  
11 is seconded from IMLIT to CIFA-BC. So in  
12 essence they're working in CIFA, but they're in  
13 the money laundering team.

14 Q Right. But they will be as part of CIFA engaged  
15 in an information-sharing initiative --

16 A Yes.

17 Q -- which we heard is not on investigative  
18 initiative. Is that -- wherever they're  
19 located, they're going to be committed to the  
20 CIFA-BC information sharing.

21 A That's right. There'll be a conduit for which  
22 the IMLIT team ends up getting access to the  
23 private partner relationship and getting into  
24 the whole issue of information sharing and  
25 intelligence. It ends up being -- I think it's



1           a win-win in the sense that we're contributing  
2           here on the federal side with CIFA and  
3           potentially being able to get ahead of the game  
4           with regards to the information sharing looking  
5           at targets and dealing with money laundering.

6           Q     Aside from the five credits relating to IMLIT,  
7           has financial integrity received any other  
8           credits, staffing credits, since March 2019?

9           A     I think we've had three or four.  But one thing  
10          that happens quite often is that the credit ends  
11          up being reused if we have a staffing action for  
12          a promotion and we've got a corporal in the unit  
13          that promotes to sergeant.  We initially need to  
14          have the credit available in case somebody ends  
15          up promoting from outside, and we can't do a  
16          staffing action without the credit.

17                    If it's a case where somebody from within  
18          the unit promotes within, then we can get that  
19          credit back and reuse it.  So there's a  
20          complex -- I'll call it a card game because  
21          we'll say it's a credit card for one member.  
22          It's complex and there's a strategy behind using  
23          these credits to the best of our ability so that  
24          we can bring people not only with the skill sets  
25          to those positions that are vacant, but people

1                   from outside of the current establishment and  
2                   increase the establishment, enhancing our  
3                   capacity.

4           Q        So if we look at the next paragraph in this  
5                   narrative -- sorry, and I'm looking here -- it  
6                   says "in March." It's actually -- we skipped a  
7                   paragraph. It says "in March 2019." Do you see  
8                   that?

9           A        Yes.

10          Q        "In March 2019 FSOC identified that there  
11                   were 27 positions dedicated to the money  
12                   laundering proceeds of crime investigation  
13                   unit in group 2. However, there was only  
14                   10 positions filled. At any given time  
15                   due to leave, training and other duties,  
16                   fires, VIP, there was likely only three or  
17                   four people in the office to work on a  
18                   money laundering proceeds of crime file  
19                   between 2015 and 2018."

20                   And I just want to pause there. That's -- at  
21                   this point in time that's -- and the numbers  
22                   that are here, that's consistent with what  
23                   "E" Division told Dr. German in connection with  
24                   his Dirty Money 2 report in and around March  
25                   2019; is that right?

1           A     Yeah.  So I'll preface that.  I was there at  
2                     that meeting and I was one of the ones that  
3                     spoke to Dr. German, speaking to it at a -- you  
4                     know, at a point in time.  There are more people  
5                     than that, but the question was also asked, are  
6                     they specifically dedicated to money laundering  
7                     investigations?  There are several people that  
8                     are involved in money laundering investigations,  
9                     but at the time the unit experienced a shortage  
10                    of personnel, and there really were challenges  
11                    in the sense that we were trying to piece  
12                    together teams to look after the files that we  
13                    had.

14          Q     Right.  What you write here is:

15                         "At any given time due to leave, training  
16                         and other duties, there was likely only  
17                         three or four people in an officer to work  
18                         on a money laundering proceeds of crime  
19                         file between 2015 and 2018."

20          A     Yeah.

21          Q     There's a point in time in March 2019, but what  
22                    you're referring to isn't a point in time here;  
23                    it's at any time between 2015 and 2018.  Right?

24          A     Yeah, that's what I wrote.

25          Q     Okay.  And the -- and it's accurate; right?

1           A     Well, when I wrote it I thought it was accurate,  
2                     but it's not. In the sense that there were more  
3                     people working in the unit.

4           Q     Understood. And I think one of the key things  
5                     is the term "dedicated" to money laundering.  
6                     And I take it you're referring that there may  
7                     have been other people that were involved in  
8                     money laundering proceeds investigations but  
9                     were not dedicated and available in the office  
10                    during that period, 2015 really up until 2019  
11                    when Dr. German made his requests.

12          A     So my understanding in answering that question  
13                     at the time was specific personnel dedicated to  
14                     money laundering. We also had the project  
15                     development team which was looking at money  
16                     laundering, but was it considered and was it  
17                     money laundering investigators dedicated. We  
18                     also had group 6 from major projects involved in  
19                     money laundering. They were doing money pickups  
20                     and money drops.

21          Q     Perhaps --

22          A     It probably would have been better if I had  
23                     taken more time to word this in such a way that  
24                     I could explain it in greater detail over the  
25                     years, but it's what I wrote at the time. So I

1 regret not writing it better than it is there.

2 Q Well, let me ask -- this is also consistent with  
3 what was reported by Dr. German in the  
4 information that he was provided as well in  
5 March 2019. So I'm going to ask, you know, it  
6 goes on to reference the number of personnel  
7 that was referred to later on, but perhaps as a  
8 more efficient way than going through what's  
9 referred to here, let me just ask this.

10 Can you explain to the Commissioner, please,  
11 is the unit financial integrity in a  
12 fundamentally different position today than it  
13 was in March 2019? And if so, what specifically  
14 has changed in terms of resources, staffing or a  
15 mandate dedicated to money laundering  
16 investigations?

17 A So as far as resources go, we have increased our  
18 numbers considerably. The most recent org chart  
19 shows that we have very few vacancies right now.

20 Training. As far as building capacity and  
21 knowledge, the skill sets of the members and the  
22 employees working within the program has  
23 increased significantly. The in-house training,  
24 the offers of ACAMS training, the offers of  
25 Manchester CF financial intelligence training

1                   and working with our partners, foreign and  
2                   domestic, has increased our knowledge and skill  
3                   base in dealing with international issues.

4                   And something that really wasn't as much of  
5                   a financial crimes investigative portfolio back  
6                   in the day is cyber enabled investigations  
7                   dealing not only with the money laundering  
8                   aspect, but the frauds that are purported as a  
9                   result where we often hear in the news where  
10                  people are being asked to put Bitcoin in or send  
11                  cards for the purposes of paying CRA because  
12                  they've got a warrant or somebody has been  
13                  defrauded and threatened as a result of a phone  
14                  call.

15                  There's a number of files where we've had  
16                  successes. They haven't all been reported on in  
17                  the media. Many of our files right now are in  
18                  "charge" status and we're dealing with the issue  
19                  of these targets or these suspects, the accused  
20                  individuals have absconded and so we're going  
21                  through the process in some of these cases of  
22                  going after the properties they've left behind  
23                  in the city of Burnaby and other areas.

24                  So there has been a real positive increase,  
25                  not only in the capacity and the training, but I

1 think overall in the mindset and the  
2 satisfaction of the work that's being done  
3 within the unit. There's a lot of very  
4 confident investigators out there right now that  
5 are ready to take on some significant files.

6 Q I'm going to try to ask one last question,  
7 Superintendent Taylor, and this is -- I'm trying  
8 to combine a couple of different questions, so  
9 let's see if I succeed at that. If you just  
10 look back up at the paragraph that says "in  
11 2018." The last sentence says:

12 "A limited number of credits was provided,  
13 but it remained FSOC was lacking resources  
14 to fulfill its mandate."

15 Is FSOC lacking resources to fulfill its mandate  
16 today? In your experience. I appreciate you're  
17 limited. You know, you could always do with  
18 more.

19 A Well, yeah, we can always do with more. We  
20 still have vacancies, but I can't think of any  
21 company or government agency that doesn't have  
22 vacancies. Those vacancies have -- well,  
23 there's only a very few number of vacancies now.  
24 Something to consider too was we ended up making  
25 use of our partners at the Vancouver Police

1 Department to bring in four investigations to  
2 work in the money laundering program. As a  
3 result, we blocked those positions for those VPD  
4 members.

5 Those positions are very much like having an  
6 RCMP member in that position as a result of  
7 paying for the VPD member to be a part of our  
8 integrated unit. All of that has really  
9 enhanced or capacity. When I wrote this this  
10 didn't have -- it didn't resonate then. This is  
11 something that's been happening over the last  
12 year. And so we've been fortunate to have our  
13 partners come in in the numbers that they have  
14 to assist us in this program.

15 Q And as a last question, Superintendent Taylor,  
16 what does your unit need, what would be most  
17 helpful to you to more effectively fulfill your  
18 mandate? What would be helpful in that regard?

19 A Well, I'll say that I'd like to see more  
20 integration, and I'm a big proponent of it.  
21 That's Brent speaking. I've seen the successes  
22 that other divisions have had, and I know that  
23 worked in the past and it should work again in  
24 the future. And I think right now as we're  
25 integrating, we're getting more and more



1 positive outcomes as a result of the  
2 integration.

3 But having said that, it may be self-serving  
4 in asking it because I already know it's  
5 happening. Canada Revenue Agency is already  
6 looking at assisting us with more integration,  
7 the forensic accountant management group is  
8 assisting us with more integration and we're  
9 talking about including other partners such as  
10 the Canada Border Services Agency.

11 It would be nice to have other partners  
12 involved with our efforts to combat money  
13 laundering on an international level, but  
14 everybody is -- everybody has got capacity  
15 issues and staffing issues. And we're doing the  
16 best -- like I say, we're doing the best we can  
17 with what we've got and hopefully with these  
18 partnerships, we're going to end up with a  
19 better working opportunity going forward.

20 MR. ISAAC: Thank you, Superintendent Taylor.

21 Mr. Commissioner, those are all of my  
22 questions. I'm not sure if now might be a good  
23 time for a brief break or if we prefer to forge  
24 on with the questions from participants.

25 THE COMMISSIONER: Well, I'm just wondering,

1 Superintendent Taylor, would you like to take a  
2 brief break now? We will be having a later  
3 break when we finish with Superintendent Taylor,  
4 but we can certainly take one now if you wish.

5 THE WITNESS: That's up to you, sir. I'm good with  
6 forging on if -- because of time, I know it  
7 tends to be tight and I don't know what the  
8 other participants have for questions of me.

9 THE COMMISSIONER: Well, let's get started, then.  
10 And it looks like we've got about half an hour  
11 of questions and sometimes that shortens, but  
12 we'll see where we go.

13 So, Ms. Chewka, let's start with you for the  
14 province, and you've been allocated 10 minutes.

15 MS. CHEWKA: Thank you, Mr. Commissioner.

16 **EXAMINATION BY MS. CHEWKA:**

17 Q Mr. Taylor, can you hear me okay, this morning?

18 A Yes, I can.

19 MS. CHEWKA: Madam Registrar, if I could have  
20 exhibit 795 put back on the screen, please.

21 Excellent. Thank you.

22 Q I just have a few questions about this document,  
23 Mr. Taylor. I understand from your evidence  
24 this morning that you authored this document.  
25 Is that correct?

1           A     I did, yes.

2           Q     Do you recall when you prepared the report?

3           A     I'm thinking that it was something that was  
4                   worked on over a period of time, and I'm  
5                   struggling with when it was actually finalized.  
6                   I'm thinking sometime around June of 2020.

7           Q     Why did you prepare this narrative document?

8           A     I was originally asked to provide some  
9                   information with regards to what we had for  
10                  capacity specific to money laundering in the  
11                  FSOC program. So I went back in time and I  
12                  spoke about how IPOC became put into the FSOC  
13                  program. I talked about the different groups  
14                  from 1 to 7 dealing with financial crimes and  
15                  the major projects portion of FSOC.

16                         And the real purpose was to try and explain  
17                         some of the questions that were coming up with  
18                         regards to how many people did we really have  
19                         working in the financial crimes realm, financial  
20                         integrity program. And so there was an  
21                         explanation also with regards to the  
22                         differentiation of IMET and CCS personnel,  
23                         commercial crime. And I think I spoke about  
24                         sensitive investigations, but it is a provincial  
25                         entity, and I wanted also to speak to the issue

1                   of trying to make things better in that we were  
2                   reviewing our processes and reviewing what we  
3                   had. And we thought there might be an  
4                   opportunity to enhance our ability to provide a  
5                   service and perhaps ask for funding for a  
6                   provincial fraud team.

7                   And so I spoke about that, the several  
8                   iterations of the business case that was created  
9                   and how it ended up coming to where it is now  
10                  where we end up getting a request from the  
11                  province to speak specifically to creating a  
12                  business case for a provincial economic  
13                  integrity unit.

14                  And I kind of go back to 2015 when we  
15                  talked about a 15-person unit, and just to recap  
16                  that. How it ended up morphing into a paper  
17                  business case and a proposal to the province to  
18                  fund a -- I think it was a 30-person, 37- or --  
19                  I've got a lot of numbers in my head. I'm  
20                  sorry. I think it might say in the document, if  
21                  it was to scroll, but you get my reference in  
22                  that I was trying to see if we could end up  
23                  getting support and funding from the province to  
24                  have a provincial unit that would help deal with  
25                  these provincial fraud matters in the sense that

1                   because of the mandate change within federal  
2                   policing, we needed to have something within the  
3                   RCMP to provide a service to British Columbians  
4                   that dealt with fraud.

5                   Every day we see instances where people from  
6                   vulnerable sectors are being taken advantage of  
7                   by fraudsters, and now we see a lot of cyber  
8                   fraud. There needed to be a unit that dealt  
9                   with provincial policing-level fraud matters.

10            Q     The fifth paragraph down that begins "British  
11                Columbia." It's right in the centre of the  
12                screen.

13            A     Yes.

14            Q     I have a question about that opening line. You  
15                stated in this narrative:

16                         "British Columbia was identified as the  
17                         only province that did not have a  
18                         provincial [proceeds of crime] unit  
19                         responsible for all 'provincial' financial  
20                         crime investigations."

21                Can you explain what you mean by "a provincial  
22                POC unit responsible for all provincial  
23                financial crime investigations."

24            A     So I'm going to back up a little bit here. Due  
25                to my involvement nationally with the proceeds

1                   of crime program, I know of all the other  
2                   provinces that have a provincially-funded unit.  
3                   Small divisions such as Manitoba and  
4                   Saskatchewan, for example, fund provincial  
5                   positions within their proceeds of crime units,  
6                   and now they are embedded and integrated within  
7                   the greater Federal Serious and Organized Crime  
8                   units.

9                   The advantage is that these provincial  
10                  resources are able to work on those matters that  
11                  would be provincial or provincial in  
12                  consideration of mandate in comparison to the  
13                  federal mandate, and so when I came here in 2015  
14                  and I ended up seeing that we really didn't have  
15                  any positions that were specifically proceeds of  
16                  crime provincially funded positions, that  
17                  business case that was originally asking for a  
18                  provincial fraud team was something that ended  
19                  up morphing into a greater idea of providing  
20                  service as an economic integrity unit.

21                  Q     Is it fair to say that what you're talking about  
22                          here was that there's no dedicated provincial  
23                          unit?

24                  A     So at the time there wasn't. We know that CFSEU  
25                          had tried to get a provincial proceeds of crime

1 money laundering team, and IIGET and now JIGIT  
2 could be considered doing those, but they're  
3 not -- they were not then and they are not now  
4 specifically dedicated to money laundering. It  
5 was gaming investigations.

6 There are differences, but we end up  
7 finding that of course there money laundering  
8 and proceeds of crime in every criminal  
9 activity; it's just a matter of being able to  
10 prove it.

11 Q And so if there's no dedicated unit, that  
12 doesn't necessarily mean that nobody in the  
13 province was investigating financial crime, for  
14 example. Is that a fair assessment?

15 A No, there were provincial bodies that were still  
16 investigating financial crimes. There wasn't a  
17 body that was specifically investigating  
18 proceeds and money laundering, and so we were  
19 hoping to get support there. We did do  
20 investigations from time to time in the  
21 sensitive investigation unit and we still do  
22 investigations in support of the contract on the  
23 provincial side and the municipal sides where  
24 the units don't have the expertise. And these  
25 investigations being complex as they are, we

1                   will provide bodies and sometimes we take over  
2                   their investigation as part of the command  
3                   triangle and provide a service that way.

4                   But that's -- usually it's tempered based on  
5                   whether the unit itself has the ability to learn  
6                   as they go because we don't want to end up  
7                   having them in a position where they feel that  
8                   they're being left out. Like, here you go;  
9                   here's your file; deal with it. We don't want  
10                  that. So our members are usually tied with them  
11                  at the hip. It does take away from their usual  
12                  duties dealing with sensitive investigations,  
13                  but we see that it's a necessary need within  
14                  that area of service delivery.

15                Q     And then the last two questions I'll have for  
16                    you, Mr. Taylor, are with respect to later on in  
17                    this paragraph. You discuss this idea there was  
18                    a business case proposed to RCMP senior  
19                    management, and it was ultimately approved in  
20                    2017 and referred to the province for review; is  
21                    that correct?

22                A     So -- yes. So the province being policing  
23                    services. It hadn't been approved past anything  
24                    else other than a discussion, and finance wasn't  
25                    approving funding and it hadn't been part of any



1 discussion. So from what I knew the business  
2 case went from senior management and was spoken  
3 to with the BC policing services ADM and  
4 director.

5 Q And the BC police services provided feedback and  
6 you've set that out in the second half of this  
7 paragraph essentially that they wanted a  
8 different proposal being put forward, one that  
9 focused on -- and it's the last sentence here:

10 "... prevention, disruption and  
11 enforcement against organized crime  
12 infiltration, and compromise of public and  
13 private sector institutions critical to  
14 the [BC] economy. Money laundering,  
15 commercial crime and fraud would be  
16 included within the unit's mandate."

17 Is that correct?

18 A Yes.

19 Q Okay. And that went back to the RCMP, then, for  
20 approval; is that correct?

21 A Yes, it did.

22 Q And do you know the current status of that  
23 counterproposal, we'll call it?

24 A So I -- my recollection is that it has gone  
25 through again and is part of the multi-year plan

1                    requesting funding and resources to be approved.  
2                    I don't know where it sits in the hierarchy of  
3                    whether it's first or second in the ask. And I  
4                    know that there is also -- there's also some  
5                    consideration being made to what the  
6                    recommendations are from the commission and how  
7                    this particular unit will end up being made a  
8                    part of those recommendations.

9                                       And these are -- I'll say that I'm getting  
10                    this thirdhand, but I would think that  
11                    strategically that would be making a lot of  
12                    sense to wait for that. But that's Brent Taylor  
13                    talking.

14                    Q                    And my last question, Mr. Taylor, for you is  
15                    this. In your view based on your experience,  
16                    would this counterproposal be of assistance in  
17                    combatting the issue of money laundering in  
18                    British Columbia?

19                    A                    I'll say that any assistance where we end up  
20                    getting more personnel and funding would be a  
21                    positive and while I originally would have liked  
22                    to have seen that unit fall within my command  
23                    structure and umbrella because of the expertise  
24                    in the unit, I also understand there's a desire  
25                    to perhaps have it over in CFSEU or OCABC, which

1                   in my opinion -- and this is Brent Taylor  
2                   talking -- any extra resources is a benefit. If  
3                   somebody's able to take on those tasks and  
4                   provide a service, that's what's important.

5           MS. CHEWKA: Thank you, Mr. Taylor. I have no  
6                   further questions, Mr. Commissioner.

7           THE COMMISSIONER: Thank you, Ms. Chewka.

8                   Mr. Leung on behalf of the BC Lottery  
9                   Corporation has been allocated five minutes.

10          MR. LEUNG: Thank you. Having heard the evidence, we  
11                   have no questions.

12          THE COMMISSIONER: I'm sorry, I wasn't able to hear  
13                   you, Mr. Leung.

14          MR. LEUNG: After hearing the evidence, we have no  
15                   questions for this witness. Thank you.

16          THE COMMISSIONER: Thank you. Mr. Rauch-Davis on  
17                   behalf of Transparency International Coalition  
18                   has been allocated five minutes.

19          MR. RAUCH-DAVIS: Thank you, Mr. Commissioner, and I  
20                   thank my friend Mr. Isaac. We have no questions  
21                   for this witness.

22          THE COMMISSIONER: Thank you. And Ms. Wray on behalf  
23                   of Canada has been allocated 10 minutes.

24          MS. WRAY: Thank you, Mr. Commissioner. We also  
25                   don't have any questions for Superintendent

1 Taylor.

2 THE COMMISSIONER: Thank you, Ms. Wray.

3 Anything arising Mr. Isaac?

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

5 THE COMMISSIONER: Thank you. Thank you,

6 Superintendent Taylor. I'm appreciative of the

7 time you've taken to share your knowledge of and

8 insights into the sometimes intricate interior

9 of policing in this province and across the

10 nation. It has been helpful. You are excused

11 now from any further testimony.

12 **(WITNESS EXCUSED)**

13 THE COMMISSIONER: And we will take a 15-minute

14 adjournment while we await our next witness.

15 Thank you.

16 THE REGISTRAR: This hearing is adjourned for a

17 15-minute recess until 11:50 a.m.

18 **(PROCEEDINGS ADJOURNED AT 11:35 A.M.)**

19 **(PROCEEDINGS RECONVENED AT 11:50 A.M.)**

20 THE REGISTRAR: Thank you for waiting. The hearing

21 is resumed. Mr. Commissioner.

22 THE COMMISSIONER: Thank you, Madam Registrar.

23 Yes, Mr. Martland.

24 MR. MARTLAND: Thank you, Mr. Commissioner. The next

25 witness who I will be leading is Superintendent

1 Peter Payne.

2 **PETER PAYNE, a witness**  
3 **called for the**  
4 **commission, affirmed.**

5 THE REGISTRAR: Please state your full name and spell  
6 your first name and last name for the record.

7 THE WITNESS: My first name is Peter, P-e-t-e-r, last  
8 name is Payne, P-a-y-n-e.

9 THE REGISTRAR: Thank you.

10 MR. MARTLAND: Thank you. Madam Registrar, if you  
11 might please display the CV for the witness.

12 **EXAMINATION BY MR. MARTLAND:**

13 Q Superintendent, you recognize that to be your  
14 CV; is that correct?

15 A Yes, it is.

16 MR. MARTLAND: Mr. Commissioner, I'll ask that this  
17 be marked as the next exhibit, please.

18 THE COMMISSIONER: Yes, very well.

19 THE REGISTRAR: 867, Mr. Commissioner.

20 THE COMMISSIONER: Thank you.

21 **EXHIBIT 867: Curriculum vitae of Peter Payne**

22 MR. MARTLAND: Thank you.

23 Q And by way of a brief synopsis or perhaps a  
24 compressed synopsis, Superintendent, of your  
25 background and experience. You're presently the

1 Director of financial crime with the national HQ  
2 headquarters of the RCMP, in that capacity  
3 responsible for all program areas under  
4 financial crime across Canada. Do I have that  
5 right?

6 A Yes, that's correct.

7 Q You've held that position since May 2018 but you  
8 have a long history with the RCMP having joined  
9 in 1987 and served in a variety of leadership  
10 positions over the course of more than 30 years  
11 service.

12 A Yes, that's correct.

13 Q In a number -- this isn't a comprehensive list,  
14 but in a number of prior roles you served as the  
15 OIC officer in charge of the National Child  
16 Exploitation Coordination Centre at NHQ. That's  
17 in the period of 2015 to 2018?

18 A Yes.

19 Q You held the rank of inspector and served as the  
20 executive officer to the Deputy Commissioner  
21 CAP, or C-A-P, referring to contract and  
22 aboriginal policing, at headquarters in the  
23 period of 2015 to 20 -- sorry, 2012 to 2015?

24 A That's correct as well.

25 Q You were with the OIC drugs and organized crime

1 awareness services from 2011 to 2012. Associate  
2 Ethics Advisor, values and ethics office at NHQ,  
3 from '08 to 2011 and the major case manager with  
4 the National Child Exploitation Centre from 2006  
5 to 2018?

6 A That's correct as well.

7 Q You have significant experience as an  
8 investigator from -- in particular the first  
9 20 years of your service but not limited to that  
10 period of time, but that first few decades with  
11 the force involved in investigations into  
12 numerous areas including in Saskatchewan,  
13 Newfoundland and Ontario.

14 A That's correct.

15 Q In your present role as the Director of  
16 financial crime, you oversee and provide  
17 leadership to all of the RCMP financial crime  
18 programs across Canada, including federal  
19 resources in this province; is that right, in  
20 BC?

21 A Yes, I do.

22 Q And that includes the RCMP's money laundering  
23 regime encompassing the -- we've heard about  
24 these acronyms, so we're now a little conversant  
25 in them -- FSOC, financial integrity; IMET, the

1 Integrated Market Enforcement Team; as well as  
2 the new initiative IMLIT, Integrated Money  
3 Laundering Investigative Team?

4 A Yes.

5 Q You've also worked with the federal department  
6 of finance on the implementation of the new  
7 fusion team initiative and had some involvement,  
8 I gather, with CIFA-BC the Counter Illicit  
9 Finance Alliance BC?

10 A Yes, that's right.

11 MR. MARTLAND: All right. Madam Registrar, I don't  
12 need that document displayed further. But if I  
13 might please ask you to bring up -- it should be  
14 number 3 on the list I have of documents, the  
15 presentation.

16 Q And, Superintendent, the title gives it, I  
17 think, to us with you as the author in a  
18 presentation for this very commission. This is  
19 a presentation that you've prepared to assist in  
20 your evidence today?

21 A Yes, it is.

22 MR. MARTLAND: Mr. Commissioner, if this might please  
23 be marked as exhibit 868.

24 THE COMMISSIONER: Yes, very well. 868.

25 THE REGISTRAR: 868.



1                   **EXHIBIT 868: Presentation - Money**  
2                   **Laundering/Proceeds of Crime - RCMP Federal**  
3                   **Policing Perspective, April 2021**

4           MR. MARTLAND:

5           Q     And we see obviously on the front the date of  
6                   April of 2021. I won't be comprehensive in  
7                   reviewing all of this. As you appreciate, if  
8                   there's a part of the document that's useful to  
9                   you at any point in answering a question or  
10                  referring us to it, you could direct us to bring  
11                  it up on screen and our registrar can do that or  
12                  go to a particular page. In my review what I'll  
13                  do is maybe start on page 3 of the document.  
14                  And I'd just like to read out what's described  
15                  there. It describes two main aspects. The  
16                  heading at the top there "Federal Policing 2020  
17                  to 2023 POC" -- proceeds of crime -- "/ML" --  
18                  money laundering -- "Key Activity."

19                         And then in this description of two main  
20                         aspects it refers first to following the money  
21                         on tiered federal policing investigations, and  
22                         then it secondly refers to uncovering financial  
23                         facilitators and criminalized professionals.  
24                         Could you help the Commissioner understand what  
25                         those two descriptions refer to.

1           A     Yes.  It's referring to the financial  
2                    facilitator and criminalized professionals.  
3                    What we're looking at mostly is those  
4                    professional money launders.  So those people  
5                    that are in place to facilitate the laundering  
6                    of illicit funds throughout different layers in  
7                    the economy within Canada.  Criminalized  
8                    professionals could be lawyers, accountants,  
9                    et cetera.

10          Q     All right.  And is the topic of professional  
11                    money launderers of particular import or has it  
12                    changed in terms of its -- the level of  
13                    importance or significance from a policing point  
14                    of view in the recent years, let's say?

15          A     Yeah, it really hasn't changed.  There's several  
16                    professional money launderers that we've  
17                    identified across the country, but for the most  
18                    part they would be engaged in activities that  
19                    would have an international scope.

20          Q     Okay.  And then what -- following the money, it  
21                    sounds like -- I guess that was Woodward and  
22                    Bernstein's -- at least from the movie, if not  
23                    the book.  Following the money in this context,  
24                    what does that refer to and how does it relate  
25                    in particular to the tiered approach to policing

1                   and investigations?

2           A        So it could still be included in the tiered  
3                   approach, but we're sort of taking the concept  
4                   that if we do have some good intel information  
5                   on money flow, let's start an investigation on  
6                   that versus the traditional approach we had in  
7                   the past where we started an investigation into,  
8                   say, an organized drug group and then throw into  
9                   POC and they'll allot it away at some point. So  
10                  right now we're just sort of turning that around  
11                  a bit with all the money so we have good  
12                  indicators that there's a money flow going on  
13                  that appears to be illicit; let's focus on that  
14                  and see where it brings us.

15          Q        Okay. All right. That's very helpful. If we  
16                   please could go to page 5. And under the  
17                   heading of "Threat" there's a number of items  
18                   identified there describing at the top of the  
19                   page, we see, the environment.

20                    Could you help describe what is identified  
21                   here and more broadly what you would say are  
22                   important threats to appreciate in relation to  
23                   money laundering activity.

24          A        Yes. Once again what we look at when we see  
25                   threats would mostly be that organized crime

1 activity, we see a nexus with that, which we do  
2 in most these cases. Criminalized  
3 professionals, again, that could be a  
4 combination of one or more. It could be  
5 lawyers, accountants, et cetera. Other people  
6 involved in the transactions of financial funds  
7 at high levels as well.

8 Compromising Canada's economic integrity.  
9 So, I mean, obviously money laundering, illicit  
10 funds does have an impact on the economic  
11 integrity of Canada. It also has an impact on  
12 Canadian institutions, both federal and at the  
13 provincial level as well.

14 National security implications. Once again,  
15 we talk with the possible links to organized  
16 criminal -- criminalized professionals. Money  
17 service businesses, lawyers, accountants, et  
18 cetera.

19 Q If we can please go over one page. And under  
20 the heading now of "Key Challenges" we see a  
21 number of headings, so maybe I'll start with at  
22 least the, I suppose, headlines or subheadings  
23 there. The first being described as the rapid  
24 evolution of technology and methods. What is  
25 the challenge in relation to technology?

1           A     So we understand that a lot of these organized  
2                    crime groups today, they're using encrypted  
3                    communications. So having secure comms is a big  
4                    factor in a lot of these major investigations.

5                    Virtual currency is at the forefront now. I  
6                    mean, they look at different ways, more secure  
7                    ways of look at the funds going back and forth  
8                    as they try to normalize the funds and bringing  
9                    them into the regular system.

10                  Dark web marketplace, et cetera. So all  
11                    these areas on themselves complex and they  
12                    create the extra burden on these types of  
13                    investigations.

14           Q     And I assume continually evolving and changing  
15                    and on the move?

16           A     Continuously, yes. So it's not any one approach  
17                    that these groups take. They'll take many  
18                    different approaches, many different prongs, so  
19                    to say, to try to layer the funds and make it  
20                    appear to be legal funds.

21           Q     And I take it -- I assume that for  
22                    professionalized money launders but maybe more  
23                    broadly for professionalized or more  
24                    criminalized activity there's a level of  
25                    sophistication to the selection of methods, the

1 use of technology?

2 A Yes, there is. I mean especially today with  
3 computers. I mean, things have advanced so much  
4 further the last 15, 20 years alone and with the  
5 advancement of the use of cryptocurrency,  
6 encrypted communications, all these factors play  
7 a key role and makes it -- makes these types of  
8 investigation much more complex.

9 Q The second heading there is "Complexity of  
10 Investigations." Could you help us understand  
11 what that describes, please.

12 A Yes. So once again, just the different levels,  
13 different layers to professionalize money  
14 laundering as well. But -- so what we need  
15 within law enforcement and we use the financial  
16 accountants quite often. So a lot of our  
17 financial crime teams will have an embedded  
18 forensic accountant from FAMG, so the Forensic  
19 Accountant Management Group.

20 So people with that certain skill set. Not  
21 all police officers will have that skill set, so  
22 it's important that we have a right balance on  
23 our teams to take on these different levels.

24 Also multi-jurisdictional. So once again  
25 there's no boundaries. I mean, we're not

1            talking just national as well; we're talking  
2            international in scope. So there's those issues  
3            that come into play too with information sharing  
4            processes, how to get the information that's  
5            going to withstand the challenges in court down  
6            the road, et cetera, et cetera. And then tying  
7            it to a substantive predicate offence. That's  
8            always a challenge with money laundering as  
9            well.

10           Q    Just to pick up on this discussion about the  
11           complexity of the investigations. Are there  
12           methods in your view or ways that the police  
13           quite deliberately can, I suppose for lack of  
14           better terms, choose to run a skinny or a simple  
15           case? So not build up order -- production order  
16           upon warrant building to a wiretap. Not all of  
17           the elaboration of repeated judicial  
18           authorizations but rather trying to track the  
19           money along and deliberately keep it simple.

20           A    As much as you like to, it's not that simple.  
21           So when it comes to these cases, they are quite  
22           labour intensive. A lot of production orders  
23           back and forth, a lot of time. The more  
24           complex, the larger the groups. You're going to  
25           need more resources to take on these. You have

1 surveillance measures as well. So it's not just  
2 as simple as running your production orders and  
3 is your Part 6s, but it's all those support  
4 units that go with those investigations as well.

5 Q Are money laundering investigations treated or  
6 seen as being a class of their own, as being  
7 distinct from other kinds of criminal  
8 investigations because of that level of  
9 complexity?

10 A They're certainly challenging on different  
11 levels both from the law enforcement perspective  
12 as well as at the back end for prosecutions as  
13 well. But what I can say is right now within  
14 the RCMP we have made money laundering a  
15 priority. And the last -- what I will say is  
16 February of last year, the Deputy Commissioner  
17 of federal policing actually send a memo out to  
18 all the ops officers in all divisions indicating  
19 that all major plans -- all major operation  
20 plans must include a plan for POC/ML as well  
21 going forward.

22 So the RCMP is taking this rather seriously.  
23 It is a priority. Once again, they are complex  
24 files, so they're not easy ones to take on, but  
25 the will is there to certainly invest the time



1                   and resources to do it.

2           Q       And you've referred to this February of 2020 --  
3                   we've heard it described as a directive. I  
4                   think that might even be the term used in it.  
5                   Is that -- that's what you're describing?

6           A       Yes, that's correct.

7           Q       All right. And since you've raised it, what  
8                   would you -- how would you describe what the --  
9                   what precipitated or what was the need that  
10                  required there to be a directive in 2020 a  
11                  little over a year ago to that effect?

12          A       We had conducted several reviews over the years  
13                  on a number of tiered files. And the amount of  
14                  POC/ML investigations that went along with those  
15                  serious investigations. And we noticed a trend  
16                  that the percentage is not as high as what we  
17                  would have liked to have been -- or liked them  
18                  to be with respect to POC/ML investigations.

19                         So it was our actual unit that went forward  
20                         and made that proposal to our Deputy  
21                         Commissioner, and hence the memo went out in  
22                         February of last year expressing the need and  
23                         desire to include those POC/ML plans in all  
24                         those major investigations.

25          Q       And I took you to describe the trends sort of

1 suggested that things were not living up to the  
2 hopes. Is that -- can you comment on when that  
3 was first observed or when those trends started?

4 A There's several reviews that have been conducted  
5 over the last seven or eight years. I think  
6 there was one in about 2013 or 2015 and another  
7 one back in about 2019 or 2020, and those  
8 reviews were conducted internally by our unit.  
9 And it was just based on what we were seeing  
10 taking place with the tiered investigations. We  
11 just didn't see enough followup on those POC/ML  
12 charges for different reasons.

13 There's a whole bunch of different reasons  
14 that factor into that, but we need to make that  
15 change internally and make sure that at the  
16 front end we start taking into account putting  
17 resource and time into taking on those actions  
18 instead of waiting until the substantive offence  
19 or investigation had been completed. Because  
20 once that happens, then we run into challenges  
21 with the *Jordan* issue, stuff like this. So  
22 there's a whole bunch of different factors that  
23 led us to that situation.

24 Q I don't want to get too far ahead of myself. I  
25 will in due course make my way to the directive

1           as well as to some of those reviews. I take it  
2           you're familiar with them first when they first  
3           circulated or were issued but more recently in  
4           preparing for today's evidence.

5           A     Yes.

6           Q     That's useful. So why don't I stay within the  
7           document we have on screen now.

8                     The next heading there is "Limitations."  
9           You've described some of this, and this might  
10          connect when you say there are certain -- some  
11          various reasons as to why these cases prove  
12          challenging or don't always move forward. Maybe  
13          you could speak to some of the limitations.

14          A     Yes. So there's I'll start with the first one  
15          there with the transparency and beneficial  
16          ownership. So that's always been sort of an  
17          issue, so, I mean, it adds to the length of time  
18          for these investigations.

19                    So I think right now there's actually  
20          legislation in place for beneficial ownership  
21          and I think each province is going through the  
22          negotiation process or discussions and  
23          consultations about how they're going to set up  
24          their different registries. So hopefully at  
25          some point that will be of benefit to law

1 enforcement and/or perhaps the general public.

2 Legislative restrictions. So pre-charge tax  
3 information. So the flow of information between  
4 different agencies between us and CRA. We have  
5 to have certain things in place before we can  
6 get information from them, et cetera. So  
7 there's -- sometimes there's a delay on that end  
8 as well.

9 *R v. Jordan*, once again, that's why we're  
10 trying to change that culture internally. So  
11 once we start these major investigations at the  
12 front end, start that parallel POC/ML  
13 investigation as well rather than waiting until  
14 you have the conclusion of your substantive  
15 investigation on drug importation or whatever it  
16 is and then start your POC. And the o'clock is  
17 certainly against you under *Jordan*. So it's  
18 just changing it up, taking into account  
19 starting those parallel investigations to sort  
20 of circumvent the issues or possible situation  
21 with a *Jordan* challenge down the road.

22 Q Just to pick up on the *Jordan* point. The way I  
23 understand that the Supreme Court of Canada  
24 decision articulates the -- I guess the ticking  
25 clock on cases is that the starter -- the start

1                   of when the stopwatch goes is when a charge is  
2                   brought in court, so an information or  
3                   indictment is preferred. And if that's the  
4                   case, is it not the case that *Jordan* imposes  
5                   pressure on the prosecutor once the case starts  
6                   in court to get it done within the timeline but  
7                   doesn't necessarily impose pressure on the  
8                   police to get an investigation done in a certain  
9                   period?

10            A       Yes, that's correct. But I think where some  
11                   issues might come into play, let's say we have a  
12                   large scale investigation into an organized drug  
13                   group and we wait until that investigation is  
14                   done and charges are laid against those drug  
15                   charges [sic]. Then we start our POC/ML  
16                   investigation. It's going to take time for us  
17                   to get success -- the required evidence for that  
18                   POC/ML charge down the road, which could take  
19                   another year or two while the *Jordan* clock is  
20                   ticking on the other charges.

21            Q       I see. So the concern there is that I suppose  
22                   the starter's gun has sounded because of the  
23                   predicate offence and the drug charge, and it  
24                   becomes at some point impossible to have the  
25                   money laundering or proceeds component added in

1                   within the timelines that are there?

2           A       Yes.

3           Q       Okay. And so that's the reason why a sequential  
4                   approach and predicate first, proceeds or ML  
5                   second, isn't viable; you need the two to start  
6                   at the same time ideally?

7           A       Yes, that's the preferred. And that's the state  
8                   we're trying to get to now.

9           Q       Okay. That's helpful. Also listed under  
10                  "Challenges" at the bottom there:

11                         "Domestic and international pressure to  
12                         augment investigative outcomes."

13          A       Yes. So once again we have a lot of different  
14                  partnerships on the go with our national as well  
15                  as international partners. And we have the  
16                  Financial Action Task Force, the FATF. So they  
17                  do their reviews about every four or five years,  
18                  and I believe Canada is up for review I think  
19                  next in 2023. It's been delayed. It was  
20                  supposed to be this year, delayed for several  
21                  reasons. So there's those pressures on how  
22                  Canada has faired in the past when it comes to  
23                  these types of investigations.

24                         So we're always looking at ways we can  
25                         enhance, become more efficient, out different

1 strategies, et cetera. So these are always  
2 pressures and also pressures from international  
3 partners on their investigations as well. So --  
4 and with that comes the pressure with the  
5 information exchange, so what information can we  
6 share, what can be used here, what can they use  
7 overseas as well.

8 Q Is there public pressure?

9 A Oh, no, there's probably public pressure, yes.  
10 I mean, with everything that's been in the news  
11 the last couple years too, especially with the  
12 real estate in BC, et cetera, no doubt there's  
13 some public pressure.

14 MR. MARTLAND: The next slide, maybe what I'll do is  
15 just simply ask if we could display that, Madam  
16 Registrar, page 7 of the PDF.

17 Q But I don't know that I need to read this out or  
18 refer to it. The question is -- whether you  
19 want to make use of the slide or not is entirely  
20 your preference. But I wonder if you could  
21 describe how the RCMP at the HQ at the national  
22 level organizes its money laundering regime.

23 A So basically what we are is we're basically that  
24 program support for the operational units in  
25 each division. So that's our primary purpose at

1 NHQ to make sure we provide a proper support to  
2 those investigative teams. If we identify any  
3 gaps and challenges to work with them, to try to  
4 close those gaps and challenges. Also with our  
5 federal partners downtown and there's a few  
6 mentioned here, finance, FINTRAC, et cetera,  
7 public safety. So working with them in  
8 different areas, how we can become more  
9 efficient within the regime.

10 Another factor that comes to mind too are  
11 the public/private partnerships. So I tend to  
12 look at the issue of money laundering as -- and  
13 I refer to it as a whole of Canada approach.  
14 And that's the approach we're trying to take for  
15 the last couple of years. It's not just a law  
16 enforcement issue. It's very much a public/  
17 private issue. The more people and more  
18 collaboration we can get on this issue, I think  
19 the more success we'll see down the road.

20 Q And maybe just briefly to complete our walk  
21 through some but not all of these slides, if we  
22 go to the next slide, 8, there's reference there  
23 to funding through budget 2019 of the ACE team,  
24 the TBML Centre of Excellence, which we've been  
25 learning about. As well as other Government of



1 Canada investments, in particular some dedicated  
2 funding towards IT and information management  
3 for the RCMP in particular.

4 A Yes. Yep. So I think overall the total is  
5 about \$98 million, different initiatives. With  
6 respect to that we felt that we needed some  
7 investment for actual investigators on the ML  
8 side. However, what we realized over the last  
9 couple years as well is that we need to build up  
10 the support for those units that enable us to  
11 have effective major investigations. So we  
12 didn't want to just throw all the money to the  
13 actual investigators; we need to build up those  
14 support units, whether it be covert operations,  
15 et cetera, as well as big data.

16 So a lot of the investment went into big  
17 data. We have data scientists in play, we have  
18 a system that we're utilizing. So it's all  
19 about incorporating these different prongs, if  
20 you can call it. These investigations take on  
21 many different levels of support and different  
22 support units. So with that we did have funding  
23 for a total of 21 resources to help put in place  
24 new teams and/or enhance existing money  
25 laundering teams in Quebec, Ontario, Alberta and

1 BC.

2 Q Yes.

3 A And one of those resources is for NHQ. But 20  
4 of those are actual investigators in each of  
5 those provinces.

6 Q All right. So 20 between the four provinces and  
7 then one you said at HQ.

8 A Yes.

9 Q Did those 20 divide equally between the four  
10 provinces? They're not all equal in population.

11 A No, it's actually equal. We have five for each  
12 of those provinces. Two of the provinces are  
13 actually having separate -- we're calling them  
14 Integrated Money Laundering Investigative Teams.

15 Q Yeah.

16 A And those would be Ontario and Quebec. Alberta  
17 and BC took a different route because they have  
18 existing ML teams, so they decided to enhance  
19 those teams with extra resources on each.

20 Q Okay. And so that's the IMLIT. There's a lot  
21 of acronyms but the acronym for the teams you've  
22 just described is IMLIT?

23 A Yes, is the IMLIT. Yeah.

24 Q Okay. That's useful. I'll have a few more  
25 questions and maybe one or two documents to go

1                   on that.

2                   MR. MARTLAND: Could you please -- Madam Registrar, I  
3                   think we can take this document down at this  
4                   point. Thank you.

5                   Q     Superintendent, I'd be interested to hear what  
6                   you have to say about how the RCMP addresses the  
7                   need to identify the right kinds of skills and  
8                   experience and expertise to deal with money  
9                   laundering from a police point of view in terms  
10                  of recruiting, training and building up the  
11                  right people to do this complicated work.

12                  A     Yeah. Okay, Brock. Sorry, I thought I cut you  
13                  off. But just to answer your question, it's all  
14                  about -- we're trying to get the right people on  
15                  these teams. So it's all about the right fit.  
16                  And hopefully they will have some financial  
17                  crime background or experience or maybe an  
18                  education in that area of some realm, but --  
19                  however, there's the balance too. So, I mean,  
20                  it's important to think with some of these teams  
21                  to maybe even get some investigators in that  
22                  have a good investigative background that can  
23                  lead major investigations as well.

24                                 So it's all about the balance of regular  
25                                 members as well as maybe down the road bring in

1           some specialists, which could be special  
2           advisors, so to say. I will go back to the  
3           IMLIT because I wanted to focus on that. So you  
4           want to call that stage 1. Most of these teams  
5           are staffed right now. We have CRA that have  
6           committed one resource at this point to each of  
7           those team teams. There's ongoing consultation  
8           right now with FAMG. That's the Forensic  
9           Accountant Management Group. There's  
10          discussions with them with each province on how  
11          they want to get further involved, whether  
12          that's embedment or closer collaboration.

13                 There's also talk about CBSA down the road.  
14          CBSA received some funding on the trade-based  
15          money laundering initiative in budget 2019 as  
16          well, and that's an area we want to focus on.  
17          So there's closer collaboration amongst us as  
18          well as CBSA.

19                 So I think in the stage 1 it's kicking it  
20          off with those extra resources. Hopefully  
21          stage 2 there will be ongoing consultation over  
22          the next year or two and hopefully bring in more  
23          partners into the fold, whether that be  
24          municipal policing partners, provincial policing  
25          partners, et cetera, to help grow these teams

1                   because it needs to be that collaborative  
2                   approach and striking that right balance.

3                   So no doubt part of that team you need to  
4                   have some subject matter experts with good  
5                   investigative experience in financial crimes,  
6                   but you can bring other people different skill  
7                   sets there as well.

8                   So to answer part of your question, there's  
9                   always a need for ongoing training. COVID has  
10                  hit everybody. Part of our efforts right now in  
11                  financial crime is to have an advanced POC/ML  
12                  course. That's in the works. We're hoping to  
13                  have a face to face. Hopefully it will sometime  
14                  later this year, but it's certainly in the works  
15                  and there's a need for it.

16                 Q     Just to make sure I've got a decent note of what  
17                     you described in terms of the integration with  
18                     the IMLIT team with others from federal  
19                     agencies. You said that there is a dedication  
20                     or some personnel that's being paired up, if you  
21                     will, from the CRA, one per region; is that  
22                     right? Or from the four regions that have the  
23                     IMLIT initiative underway.

24                 A     Yes. So they guaranteed one per region, and  
25                     they may add more down the road. But at this

1 point there's a commitment for one for each  
2 region.

3 Q All right. And my note about family FAMG, as  
4 you said there, are discussions that are  
5 underway. And I take it that's sort of hoped  
6 for for the future, but at this point hasn't  
7 materialized.

8 A It hasn't materialized yet, but they have been  
9 in touch with each OIC in each respective  
10 province to start those discussions.

11 Q And I should maybe pause there to say -- and I  
12 might have this wrong, but is it right that the  
13 IMLIT initiative was announced in about December  
14 of last year?

15 A Yeah, that would be correct. There was -- in  
16 that ballpark for sure, yep.

17 Q Okay. So it is still relatively early days on  
18 this undertaking?

19 A Oh, totally. So it's all very fluid. And  
20 actually I think BC's actually filling their  
21 last couple of positions sometime in the near  
22 future.

23 Q Okay.

24 A But the other divisions are pretty well stacked  
25 up right now.

1           Q     All right. CBSA. My note was that there's some  
2                    talk of this maybe down the road. It sounds  
3                    like, again, that hasn't yet materialized on  
4                    that front.

5           A     Not for embedment at this point, but we do have  
6                    close collaboration with CBSA and we're -- I  
7                    mean, we have daily meetings -- well, not at my  
8                    level, but CBSA -- I think every province, the  
9                    major ones have CBSA resources now within the  
10                  RCMP not specifically dedicated to financial  
11                  unit, but they do have those resources there.  
12                  But the relationship between us and CBSA is very  
13                  close and we are committed to taking on TBML.

14          Q     With respect to one of the terms you used that I  
15                  wanted to pause and then ask if you could  
16                  explain what it describes. You referred to a  
17                  special advisor. What's a special advisor?

18          A     So a special advisor could be anyone with a  
19                  special skill set. It could be with a law  
20                  background or -- I'll use case in point. I'll  
21                  use -- we have our Integrated Market Enforcement  
22                  Teams, and we have four of those teams and once  
23                  again they're located in Quebec, Ontario, BC and  
24                  Alberta. With those four teams with the  
25                  exception of Quebec we have three special

1 advisors on those teams right now. So Alberta  
2 has one, Ontario and BC. Two of those advisors  
3 come with law backgrounds and one comes with a  
4 Securities Commission background.

5 So it's about giving those teams that extra  
6 resource to help them -- help lead them in  
7 making their decisions on which investigations  
8 are supportive, which may have success,  
9 et cetera, so it could be any number of things.  
10 "E" Division right now in BC, you have two  
11 special advisors. So you have John Hern  
12 [phonetic], who is actually a special advisor  
13 for financial crime for the RCMP across the  
14 country but he's just physically located in BC.  
15 And they have another special advisor there with  
16 the IMET team.

17 So case in point, down the road that's  
18 certainly something we'll probably look at for  
19 these IMLIT teams as well.

20 Q I know Mr. Hern is a former senior prosecutor.  
21 As part of the idea with the special advisor  
22 where that person is a lawyer, does it to some  
23 extent replicate the idea of having Crown  
24 counsel embedded with or seconded to or part of  
25 an investigative police unit?



1           A     Well, in absence of having that embedded  
2                    provincial Crown, federal Crown, that's  
3                    certainly a benefit.  And especially with John  
4                    with his background, he brings a lot to the  
5                    table not only nationally but at the local level  
6                    there in BC as well.  So I think at some point,  
7                    I mean, it would be good to have PPSC on board,  
8                    but I know they have their challenges as well.  
9                    And the thing -- the one thing that is clear  
10                   with PPSC when we take on these major  
11                   investigations is that we need to have early  
12                   engagement with them right from the start.  So  
13                   they have told us that on a case-by-case basis  
14                   if there's a need to have a Crown dedicated  
15                   full-time, they will certainly entertain it.

16           Q     And I take from that answer that it may not be  
17                   possible to be PPSC prosecutors -- the Public  
18                   Prosecution Service of Canada is what the PPSC  
19                   stands for.  Those prosecutors are not -- you're  
20                   not able to have them embedded in the IMLIT team  
21                   on an ongoing basis from what you've said; is  
22                   that right?

23           A     Yeah, not at this point.  But I think -- I'm  
24                   hopeful at some point down the road if it's  
25                   shown that there's a need to have someone

1 embedded there, that they'll certainly entertain  
2 it. But the discussions between us and them  
3 have been enhanced over the last year, and they  
4 are committed to this challenge as well. But  
5 for different reasons than some you mentioned,  
6 they can't commit to having a resource embedded  
7 at this time.

8 Q Okay. Do you have an understanding of what  
9 those reasons are? I appreciate you -- they'll  
10 have their own reasons, but I'm interested in  
11 hearing what you understand to be why it is the  
12 case that the PPSC can't do that.

13 A Yeah, Brock, I really can't speak for them. I  
14 think it's a resource issue and I think some of  
15 the challenges in BC are probably unique, a  
16 little bit different than other geographic  
17 areas. I think the other challenge out there  
18 could be -- it could be a wage thing. I think  
19 they're losing some people on the -- to the  
20 provincial side.

21 And much some of the same challenges we have  
22 with the RCMP. Recruiting is an ongoing  
23 challenge as well and to build up those subject  
24 matter experts.

25 Q I'd be interested in asking you -- this is a

1                   fairly general question, but what would you  
2                   identify as being the biggest money laundering  
3                   threats facing the country?

4           A       Well, we do have some professional -- I would  
5                   say it would be the professional money  
6                   laundering we have in play. Of course I can't  
7                   name any of those in this setting, but we do  
8                   have some ongoing work, investigations also with  
9                   our international partners. So I mean,  
10                  you're seeing and you're hearing about vast  
11                  amounts of illicit funds that are being  
12                  laundered throughout Canada with all the sources  
13                  coming from countries south of us, some overseas  
14                  as well. So there's different geographic areas,  
15                  but it would be the professional money  
16                  launderers for sure.

17          Q       And is there something about the professional  
18                  money laundering activity that is particularly  
19                  worrisome or presents a large threat?

20          A       Well, I think just based on -- I mean, nobody  
21                  can come up with an exact figure. I mean, we  
22                  can say talk -- we can say it's billions, we can  
23                  say it's on the low end of the billions or we  
24                  can say it's on the higher end, but we know that  
25                  there are illicit funds being laundered

1                   throughout Canada.

2                   We -- the RCMP, we take it serious, and  
3                   we're collaborating with a lot of people and we  
4                   want to have some success in this area. So  
5                   there's a lot of effort going into this and it  
6                   doesn't just happen overnight, but I think  
7                   you'll see some success in the next year or two  
8                   for sure.

9                   Q    My next question has to do with the connection  
10                   between money laundering investigations and  
11                   dealing with organized criminal activity in  
12                   particular in this province, but I suppose  
13                   nationally. How would you describe the  
14                   importance or significance of money  
15                   laundering -- of going after money laundering  
16                   activity in relation to dealing with organized  
17                   crime?

18                   A    Well, there's no doubt, I mean, it -- so anybody  
19                   that's involved in organized crime, in my view  
20                   they're into it for one major reason. That's to  
21                   make money. So a lot of these different  
22                   organized crime groups, they're making vast  
23                   amounts of money, so they need to sort of make  
24                   it legal, somewhat legal. So of course comes in  
25                   the money laundering play. So there's no doubt

1           if you have vast organized crime groups out  
2           there, no matter what their crime they're  
3           involved, whether it's drug importation,  
4           et cetera, there's a lot of cash flow. And with  
5           us with our location, there's a lot of cash flow  
6           between us, south of the border, et cetera. Any  
7           major investigation is going to have a money  
8           laundering component to it.

9           So it's time that we -- it's time that we  
10          start -- I'm not saying we haven't in the past.  
11          We have but they're very complex, but I think  
12          we've got to change the way we do some of the  
13          things, collaboration, engagement, integration.  
14          That whole public/private partnerships. Once  
15          again, it can't be just a law enforcement  
16          initiative. It needs to be a whole of Canada  
17          approach.

18          Q    To the extent that you described these as being  
19                very challenging cases to bring forward and  
20                ultimately push their way along through the  
21                court system to conviction and sentence, does  
22                that suggest concordantly that there's a good  
23                case to be made to deal with money laundering  
24                activity? You just said don't look simply to  
25                law enforcement; we need these other partners

1 engaged in it. Does that support that that you  
2 really do need to have regulators, agencies,  
3 other partners involved at earlier and different  
4 stages and not leaving it all to the expectation  
5 that law enforcement and the police can do it  
6 all?

7 A No, totally. We need different types of  
8 engagement, different approaches to take this on  
9 and be effective and efficient. So I mean, you  
10 can go out there, you can do as many  
11 investigations as you can. Whether you have  
12 success that way or not, you'll have some  
13 success, but I think the greater success is  
14 going to be coming from that closer  
15 collaboration engagement with everyone at the  
16 table.

17 Case in point, I'll bring up one example. I  
18 mean, you look at different scams that go on.  
19 You can always try enforcement. However, public  
20 awareness, public engagement is probably the  
21 best approach and will be more effective.

22 MR. MARTLAND: Madam Registrar, if you could please  
23 bring up the -- I think the last document we had  
24 up was the tab 3, the -- which became  
25 exhibit 868, the PowerPoint presentation, and

1 page 4.

2 Q Superintendent Payne, this refers to the federal  
3 prioritization process. I'm turning to that  
4 subject matter next, the question of  
5 prioritizing cases. So I wonder if you could  
6 describe what we see on this slide, a  
7 description of how prioritization happens  
8 federally.

9 A So basically what happened now, Brock, is every  
10 division, any major file, they will put together  
11 their major operations plan. We call it a form  
12 2350. And that's quite a comprehensive form.  
13 So they have to complete that and they go  
14 through their own process at the divisional  
15 level with approvals, review, et cetera. Then  
16 at the back end it comes into Ottawa and the  
17 NHQ. And we have a prioritization committee  
18 here in Ottawa. I actually sit at that table as  
19 well.

20 So it's a good cross-section of middle  
21 managers from different business lines within  
22 the RCMP. And we'll sit down and we'll meet  
23 once a week and we'll review the cases and put a  
24 tiering on it.

25 So tier 1 would be the highest level. So

1                    basically that would be a message back to the  
2                    divisions that we see this file, this  
3                    investigation as a tier 1; please dedicate the  
4                    time, resources, for this investigation. Tier 2  
5                    would be the next level of course. So once  
6                    again we see it as a high-level investigation,  
7                    but not as high as a tier 1. And tier 3 would  
8                    be much lower.

9                                       So as a signal to the divisions that if you  
10                    have X number of resources, ship that around and  
11                    dedicate it to those the higher tiered files.  
12                    That's basically just the big signal back from  
13                    NHQ to the divisions: focus on those tier 1,  
14                    tier 2 files.

15                    MR. MARTLAND: And to carry on in asking questions  
16                    about prioritization and maybe put a little more  
17                    flesh on the bone for that -- Madam Registrar,  
18                    if you could display tab 5 of the list of  
19                    documents. Canada 215 is the document number.

20                                       Superintendent, you may recognize that. We  
21                    see at the first page the heading is "Federal  
22                    Policing Major Project Prioritization and  
23                    Governance Tool."

24                                       And then just to carry on a little because  
25                    the part I'd like to refer to starts at page 4.



1                   If we could please bring that up, Madam  
2                   Registrar.

3                   And we see there, I suppose, a title page,  
4                   "Prioritization and Governance of Major Projects  
5                   Tool User Guide" with a date of January of 2020.

6           Q       Do you recognize that as being what it's  
7                   described as being, Superintendent?

8           A       Yes, it is, yes. That's actually the -- that's  
9                   actually the guide tool they use to score their  
10                  files.

11          MR. MARTLAND: All righty. I'll ask that this please  
12                  be marked, Mr. Commissioner, as the next  
13                  exhibit.

14          THE COMMISSIONER: Yes. Very well. I think we're at  
15                  869.

16          THE REGISTRAR: Yes, exhibit 869.

17          THE COMMISSIONER: Thank you.

18                   **EXHIBIT 869: RCMP Major Projects Prioritization**  
19                   **Matrix, January 1, 2020**

20          MR. MARTLAND: Thank you.

21          Q       And let's flip on one page, please. And just to  
22                   touch on this briefly, we see there at the top  
23                   of -- under "Purpose":

24                   "This police management tool is designed  
25                   to assist the RCMP's Federal Policing



1                   question of how serious, how important is this  
2                   case versus the next.

3           A        Yes, for sure.

4           Q        And then there's a definition in the next  
5                   portion about federal major projects. That term  
6                   "major project" is a bit of a term of art for  
7                   the RCMP, isn't it?

8           A        Yeah. So you talk about projects with the RCMP,  
9                   we'll have major projects and minor projects.  
10                   So minor projects can be approved at the  
11                   divisional level. They don't need to come into  
12                   headquarters. Anything that is considered a  
13                   major project has to come into an HQ for  
14                   different approvals whether for covert  
15                   operations or other factors.

16          Q        And I won't spend more time on this document,  
17                   but you're familiar with it. It goes on to  
18                   review a number of the considerations,  
19                   standards, the variables, the things that should  
20                   go into a decision by investigators as to -- and  
21                   ultimately management as to how a case is tiered  
22                   or classed?

23          A        Yes, there's several different levels. You'll  
24                   talk about economic integrity, social integrity,  
25                   the international influence as well as national,

1                   interprovincial, all that stuff. Organized  
2                   crime groups, et cetera.

3           MR. MARTLAND: Okay. Thank you. If we could, Madam  
4           Registrar, please go to tab 7. Sorry, it's --  
5           Canada 219 is the document number.

6           Q     Superintendent, do you recognize this as the --  
7           I guess a flow chart with respect to the  
8           prioritization process that you've been  
9           describing?

10          A     Yes, it is.

11          MR. MARTLAND: Mr. Commissioner, if this could please  
12                be marked as exhibit 870.

13          THE COMMISSIONER: Very well.

14          THE REGISTRAR: Exhibit 870.

15                       **EXHIBIT 870: Major Project Prioritization**  
16                       **Process, January 1, 2015**

17          MR. MARTLAND:

18          Q     And I won't spend a lot of time on it, but we  
19                see there that there's obviously a set of arrows  
20                and questions that are asked which you reference  
21                on the upper right to the 2350, the form or --  
22                that has to be filled out to go the route of a  
23                major project prioritization?

24          A     Yes.

25          MR. MARTLAND: All right. Next I'd like to go to

1                   tab 6, please. Tab -- I'm sorry, Canada 216,  
2                   which is exhibit -- make sure I get this  
3                   right -- 860. Madam Registrar, do I have the  
4                   number right?

5                   THE REGISTRAR: 860, yes.

6                   MR. MARTLAND: Thank you.

7                   Q     And what we see here in the document which dates  
8                   to -- we see in the very small font it looks  
9                   like in October of 2018, a definition revision  
10                  of federal policing priorities. And then what  
11                  it goes on to say in the first paragraph, it  
12                  talks about clarifying ambiguities with the FP  
13                  or federal policing priorities. And then goes  
14                  on to say that the eight FP priorities have been  
15                  further defined but that the priorities  
16                  themselves have not changed. And then  
17                  underneath that we see a definition of the  
18                  priority of money laundering and terrorist  
19                  financing.

20                  A     Yes.

21                  Q     And so I had a question that picks up on the  
22                  definition that's given there, not so much with  
23                  the content but rather, I guess, commentary on  
24                  it.

25                                 If we could go over one page, please. There

1                   we go.

2                   So at the top, first full paragraph on the  
3                   left just ahead of the heading where with it  
4                   moves on to the topic of illegal migration,  
5                   human smuggling. In speaking about the priority  
6                   of money laundering/terrorist financing, what's  
7                   written is this:

8                   "This is deemed a federal priority only  
9                   when it is the primary criminal activity  
10                  or main focus of investigation, i.e.,  
11                  involves a professional money launderer,  
12                  someone with a professional designation,  
13                  such as lawyers or accountants, with no  
14                  link to the predicate offence to assist in  
15                  the commission."

16                  Et cetera. Could you please help us understand  
17                  what that describes. It's only a federal  
18                  priority when the money laundering or terrorist  
19                  financing is the primary criminal activity or  
20                  main focus of the investigation.

21                  A    Yes. You could have some money laundering  
22                  investigations which the primary focus would be,  
23                  say, against that terrorist group or that  
24                  professional money laundering organization  
25                  without a linkage to a major transnational

1 criminal organization.

2 So if you look at the priorities right now,  
3 like the three main federal policing priorities  
4 would be national security, cybercrime and  
5 transnational organized crime. It used to be --  
6 financial crime used to have its own separate  
7 pillar as a priority. Right now it's a  
8 horizontal initiative across all three of those  
9 three priorities. So cyber, national security  
10 and transnational organized crime.

11 However, when you're talking about a  
12 separate approach, say, money laundering  
13 professionals, that would be a priority as well.  
14 We have a specific focus on that, on that group.

15 MR. MARTLAND: Thank you. Madam Registrar, I don't  
16 need that document displayed further.

17 I'd like to pick up on a reference that you  
18 made earlier, sir, to some of the reviews of  
19 money laundering work by the police. I should  
20 reframe my question by saying anti-money  
21 laundering work by the police.

22 And so to do that I wonder, Madam Registrar,  
23 number 8 on the list of documents is exhibit  
24 865. It was entered earlier today through  
25 Superintendent Taylor's evidence.

1                   And we see here "FPCO Proceeds of Crime  
2                   Review." And there seems to be a review from  
3                   the period of 2013 through to 2017. Are you  
4                   familiar with this, Superintendent?

5           A       Yes, I am.

6           Q       And I won't spend a lot of time on it, but I'll  
7                   read from the key finding at the bottom of that  
8                   page. It makes reference to a percentage of --  
9                   that first bullet of -- at the end we see  
10                  47 percent being cases where the police  
11                  considered identifying and pursuing proceeds of  
12                  crime in their initial operation plan. So a  
13                  figure that's less than half as to where the  
14                  police are looking at identifying and pursuing  
15                  proceeds --

16          A       Yes.

17          Q       -- in their op plan. The next figure there is  
18                  15 percent of the investigations with proceeds  
19                  of crime charges.

20          A       Yes.

21          Q       The next figure is the figure of 52 percent with  
22                  no consideration for pursuing proceeds of crime  
23                  charges.

24          A       Yes. That's correct.

25          Q       And then criminal asset forfeiture, the



1 percentage where it's attempted is 16 percent.

2 A Yes.

3 Q So that review of the period of 2013 through  
4 2017 seems to suggest maybe an underwhelming  
5 level of interest or engagement on the money  
6 laundering proceeds of crime aspect of  
7 investigations.

8 A Yes, it could indicate that, but I think during  
9 that time as well, we were sort of going through  
10 that sort of restructuring within the RCMP too,  
11 so that would account for some of these changes  
12 for sure.

13 Q How does the restructuring account for that?  
14 Help me understand, please.

15 A So there was a shifting of resources. There was  
16 what we call a re-engineering -- federal  
17 policing re-engineering back around 2012, I  
18 think. It started a few years before that, but  
19 the results, the outcome started in about 2012.  
20 So there was a shifting of resources to focus on  
21 the highest priorities at the point. So there  
22 would have been several years where we would  
23 have seen some of the numbers that would have  
24 dropped for those POC/ML investigations compared  
25 to past.

1                   However, there are some years you'll see  
2                   actually where the numbers are actually up and  
3                   down. So there's sort of ebb and flow. There's  
4                   some years they're less than we would like to  
5                   see, other years the numbers aren't too bad. So  
6                   there's different factors that come into play  
7                   with that as well because these investigations  
8                   are long. They're not just a year-long  
9                   investigation. Some proceed for two, three  
10                  years. So some of the stats will be skewed by  
11                  that as well too.

12                 Q       So some part of why those percentages at least  
13                   may not look all that high might be understood  
14                   in terms of the restructuring. I suppose the  
15                   consequences of the restructuring where people  
16                   are not yet oriented to addressing those aspects  
17                   of the cases. Is that the essence of what  
18                   you're saying?

19                 A       Yeah, that could be a factor. Yes.

20                 MR. MARTLAND: Okay. Let's go to the next of the  
21                   reviews, which really picks up on the first one,  
22                   tab 9, Canada 1225, which is exhibit 866,  
23                   please, Madam Registrar.

24                 Q       And that first document, if I get my dates  
25                   right, was the period of 2013 through 2017. We

1           see here under the purpose a different set of  
2           dates, so basically two full years, the years  
3           2017 through 2018. Superintendent, do you  
4           recognize this review as well?

5           A     Yes, I do.

6           Q     Okay. And what I'll do is just read from --  
7           again, from the key findings a portion of this  
8           and then ask my question. I'm going to -- under  
9           key findings dealing with the years 2017, 2018:

10                   "Even though money laundering is a current  
11                   Federal Priority, out of 127 investigations  
12                   in this dataset, only 30 investigations  
13                   have pursued, or are pursuing a money  
14                   laundering component."

15                   So about 1 in 4.

16           A     Yes.

17           Q     That finding seems to suggest that the trend or  
18           observation from the 2013 through 2017 review  
19           continues in the next couple of years.

20           A     Yes.

21           Q     Is that the case to your understanding?

22           A     Yes, I do. Yep.

23           Q     And at the bottom there what we see is the last  
24           bullet on the page:

25                   "97 projects did not consider a money

1                   laundering offence."

2                   Which is 70 -- and then it goes on to say:

3                   "76 percent of applicable files are not  
4                   following the money to lay an ML charge  
5                   and ultimately miss out on the added  
6                   potential --"

7                   Over the page, please.

8                   "-- to identify hierarchies in crime  
9                   organizations."

10                  The next bullet is -- of the -- we see there on  
11                  that page:

12                  "19 out of 127 --"

13                  Which would be about 1 in 6:

14                  "-- considered a proceeds of crime  
15                  investigation at the onset of the file."

16                  A     Yes, that's correct.

17                  Q     So that seems to suggest that whatever the  
18                        challenges and complications are with actually  
19                        undertaking the investigations, at this point in  
20                        time those two years it seems to suggest that  
21                        the more preliminary question of whether to even  
22                        consider and address the case as a money  
23                        laundering or proceeds case isn't being asked  
24                        with much regularity.

25                  A     Yes. These numbers would certainly indicate



1                   differently for prosecutions in which they have  
2                   to seek charge approval. So if we don't have  
3                   that buy-in at the front end, there could be  
4                   less reluctance to probably take on some of  
5                   these major investigations.

6           Q       Yeah, that's an interesting point. So  
7                   because -- you're saying -- maybe I should not  
8                   overstate it. Are you referring to the dynamic  
9                   in this province where the Crown prosecutor  
10                  approves charger rather than police launching  
11                  the charge which then goes into the hands of a  
12                  prosecutor? That's a distinction?

13          A       Yes, that's a distinction. However, some  
14                  provinces although they don't have charge  
15                  approval, they will seek approval from their  
16                  Crowns before they do pursue some of these major  
17                  investigations. So there is a difference, but I  
18                  think back to the onset, and we brought it up  
19                  previous, is that we need to have that early  
20                  engagement with Crown on these major  
21                  investigations before we invest time and  
22                  resources into it.

23          MR. MARTLAND: Madam Registrar, just to round out the  
24                  questions that have to do with some of these  
25                  numbers that we're seeing, if we could please

1 bring up tab 16 from the list, which is  
2 exhibit 794. And this is a document already in  
3 evidence that was prepared for the purpose of  
4 this commission with some statistics about money  
5 laundering and proceeds investigations by  
6 "E" Division, so the RCMP in British Columbia.

7 Q Superintendent Payne, you've had a look, you're  
8 familiar with this document?

9 A Yes, I am.

10 Q Thank you. If we could please go to page 9 of  
11 the document. And just drawing from the top of  
12 that page -- and I'll maybe selectively read a  
13 portion of what we see there in the first  
14 paragraph under "Results" and then "Summary."  
15 And referring to ML investigations as opposed to  
16 POC investigations lower down. It says:

17 "Of the 375 ML investigations during the  
18 referenced period -- "

19 That being a five year period, 2015 to 2020.

20 "-- 40 --"

21 So 40 out of 375.

22 "-- investigations were classified as  
23 major investigations. Of the major  
24 investigations, 3 had charges recommended  
25 by the police."

1                   Jumping ahead:

2                   "Of the major investigations with charges  
3                   recommended by the police, i.e., three  
4                   investigations, one investigation had  
5                   charges approved by Crown for one or more  
6                   offences."

7                   So again, that seems to paint a picture where in  
8                   terms of looking at what the outputs are in  
9                   terms of cases moving forward into the  
10                  prosecution stream in this province seems to be  
11                  a very low number.

12                 A    Yes, these numbers would certainly indicate  
13                   that. Some of the other factors at play too  
14                   would be, you know, a majority -- not a majority  
15                   but a percentage of these investigations would  
16                   be assistance to some of our international  
17                   partners, especially south of us, and some cases  
18                   it's a straight up assistance and they end up  
19                   laying the charge and prosecution on their end.

20                 Q    And you've said a little cryptically south, but  
21                   that's almost primarily -- if not exclusively,  
22                   but primarily the United States?

23                 A    Yeah, mostly US. Yes, for sure.

24                 Q    The one case that's referred to, I take it, is  
25                   E-Pirate?





1                   crime/money laundering be examined at the  
2                   outset of every federal policing serious  
3                   and organized crime investigation."

4           A     Yes, that's correct.

5           Q     It goes on to talk about the 2350s, which you've  
6                 described, and a number of other aspects of  
7                 this. So that's the directive that you were  
8                 talking about earlier today?

9           A     It is, yes.

10          Q     We've heard some reference to similar types of  
11                 direction, if not directives, to give priority  
12                 to money laundering dating back to some years  
13                 before 2020. Are you aware about that, other  
14                 earlier iterations of a direction or emphasis on  
15                 money laundering?

16          A     Yeah, there were some previous reports that  
17                 money laundering was to be a priority. Back  
18                 about maybe 10, 12 years ago.

19          Q     Okay. And were those, do you know, repeated in,  
20                 let's say, 2015 or 2018 to your memory?

21          A     Yeah, I think 2015. 2015, 2018. In that  
22                 ballpark, yes.

23          MR. MARTLAND: There's one document I should bring up  
24                 to ask that question, I think. Madam Registrar,  
25                 I'm keeping you busy this afternoon. Tab 4,

1 Canada 209, please.

2 Q Here's a document from November 2015, RCMP  
3 anti-money laundering strategy. Superintendent,  
4 do you recognize that?

5 A Yes, I do.

6 MR. MARTLAND: Mr. Commissioner, I'll ask this please  
7 be marked as the next exhibit.

8 THE COMMISSIONER: Yes. That could be the next  
9 exhibit.

10 THE REGISTRAR: Exhibit 871.

11 **EXHIBIT 871: RCMP AML Strategy, November 10,**  
12 **2015**

13 MR. MARTLAND: Thank you. Just bear with me. I  
14 don't want to neglect any exhibits that I've  
15 been asked by my colleagues to mark. We see  
16 this as described as being the RCMP anti-money  
17 laundering strategy. If we go to page 3 of the  
18 PDF, please, Madam Registrar.

19 If the middle of the page under the  
20 executive summary, I'll just pause to note  
21 there's a paragraph there describing the harmful  
22 impact of money laundering on the Canadian  
23 economy. And I don't propose to read that out.

24 With having set out an articulation of the  
25 harm, let me turn to the next page, please. And

1                   it concludes -- the executive summary at least  
2                   concludes in 2015 with this:

3                   "Specifically the RCMP will enhance its  
4                   efforts to combat money laundering by  
5                   refocusing the organization's expertise  
6                   and experience as well as leveraging where  
7                   possible the means and capabilities of our  
8                   partners across Canada and  
9                   internationally. The goal of this  
10                  strategy is for the RCMP to disrupt money  
11                  laundering with the Canadian nexus using  
12                  every tool at its disposal."

13                  So this seems to be a 2015 document that gives a  
14                  certain preeminence to the focus on money  
15                  laundering.

16                  A    Yes.  Yes.

17                  Q    Do you have a view as to -- I might be repeating  
18                  the question I had earlier, but with my having  
19                  read from the 2015 document and just recently  
20                  gone to the February 2020 directive, why it was  
21                  that that 2020 directive was muted, why it was  
22                  that things like the 2015 document didn't seem  
23                  to have the influence that might have been  
24                  hoped?

25                  A    Yeah, Brock, I really can't give you a clear

1           answer on that as to why it didn't unfold  
2           earlier because I wasn't around back then in the  
3           unit back in 2015. So I don't know what all  
4           happened between 2015 and 2018, but what I can  
5           say is since 2018, since I've been actively in  
6           this role, we have been engaged in a lot of  
7           different discussions, consultations,  
8           strategies, talk with the partners on all  
9           levels. Provincially, nationally,  
10          internationally, including our partners downtown  
11          at federal -- other federal agencies and  
12          public/private partnerships.

13                 So yeah, it's a good thing I see here, but I  
14          can't answer as to why it took us so long to get  
15          where we are right now, but I can say that we  
16          are making steps in the right direction, and  
17          it's very much a multi-pronged approach with a  
18          lot of engagement at different levels and  
19          different sectors.

20          MR. MARTLAND: Madam Registrar, I don't need that  
21          document displayed further at this point. Thank  
22          you.

23                 Mr. Commissioner, my colleagues have passed  
24          me an electrical note, at least, to say that  
25          participants' estimates are in the range of

1                   15 minutes, so I think we are on schedule at  
2                   this point. I do have a few more areas to  
3                   cover, but I'm making my way towards the finish  
4                   line, so ...

5           THE COMMISSIONER: That's fine, Mr. Martland. Take  
6                   what time you need.

7           MR. MARTLAND: Thank you.

8           Q     Superintendent, I'd like to turn to the  
9                   question -- a question or two about FINTRAC. If  
10                  you could help us understand from your seat at  
11                  NHQ how FINTRAC serves as a partner to the RCMP,  
12                  in particular on money laundering investigations  
13                  and cases and work that's being done?

14          A     Yep. So FINTRAC is a very valued partner in the  
15                  AML regime. There's no doubt about that. They  
16                  have a specific role, being compliance and a  
17                  regulator. So they have that balance working  
18                  between law enforcement as well as the financial  
19                  institutions. One thing we do have in common  
20                  with FINTRAC they're always trying to do is  
21                  we're trying to be more effective, more  
22                  efficient in how we do business. The whole  
23                  regime in general, that's a big focus and it has  
24                  be a lot of focus on it in the last couple of  
25                  years.

1                   FINTRAC will provide us information. So  
2                   you have the FIs which will -- they will feed  
3                   information in a [indiscernible], such as  
4                   Suspicious Transaction Reports. We, the RCMP,  
5                   law enforcement we can get information from  
6                   FINTRAC. They will send stuff to us,  
7                   information, which they deem that -- they deem  
8                   needs further investigation, further action  
9                   potentially for intel information, et cetera.

10                   Also we can get additional information from  
11                   FINTRAC via voluntary information reports. So  
12                   we can submit information to them, and over a  
13                   period of time we'll get additional information  
14                   back from them on the specific areas.

15                   So FINTRAC has a key role in the regime, and  
16                   there's a good partnership.

17                   Q     And maybe to broaden this from FINTRAC more  
18                   generally to, I suppose, data from FINTRAC but  
19                   in addition to that open source, other sources  
20                   of data that are relevant to money laundering  
21                   work, could you comment a little on how the RCMP  
22                   tried to process, consolidate, work with and  
23                   make best use of all of that information in  
24                   relation to money laundering?

25                   A     Yes, of course. FINTRAC is one piece in the

1 puzzle. It's a valued piece. So some  
2 investigations will actually start on some of  
3 the information we got from FINTRAC, whereas in  
4 other cases it's one piece in the gathering of  
5 investigation and evidence we have from  
6 different sectors and at different levels.

7 So the information intel, it doesn't come  
8 from any one source. It could be a combination  
9 of different levels, different pieces of  
10 information from different groups, whether it's  
11 law enforcement, whether it's coming from the  
12 private sector, FIs, via production orders,  
13 et cetera, et cetera.

14 Q Do the RCMP make use of technology, data  
15 analytics, et cetera, to come to grips with what  
16 in some cases must be an enormous volume of  
17 data?

18 A So in today's policing world, yes. Almost any  
19 time you go in and do a search, especially when  
20 it financial crime, you're looking at vast  
21 amounts of data. Some would be in the realm of  
22 terabytes. Obviously a big challenge for the  
23 investigators to handle, especially when it  
24 comes to disclosure. So big data.

25 And systems are in place now. We're trying



1           to improve on them. So the ultimate state we  
2           want to get to -- at some point we'll probably  
3           have big data giving us a package, say -- giving  
4           us a package and saying, here's who we need to  
5           be looking at. We're not quite there yet, but  
6           this is one of the main purposes we're looking  
7           at the systems we have in place with the data  
8           scientists and the big data processing platforms  
9           we're working on within the RCMP. We've  
10          invested a lot into this. It can save us time  
11          down the road. So, you know, once again, you're  
12          dealing with a complex investigation, large  
13          amounts of data.

14                 And one of the examples I can give you --  
15          and I can't quote the project, but there was a  
16          project I think about a year and a half, two  
17          years ago that if they had 25 to disclosure  
18          manually, it was going to take them between six  
19          months and a year. They ran it through a  
20          platform that we have at the RCMP, and they  
21          actually managed to do disclosure within a  
22          couple weeks. So we see the benefits of big  
23          data down the road on several levels. For  
24          disclosure as well as identifying the primary  
25          targets that we need to be looking at.

1           Q     And when you refer to the possibility or the  
2                    hope that big data will give you the lead -- the  
3                    police that is, the lead on a file. Does that  
4                    describe -- I'm somewhat guessing here, so tell  
5                    me if this is right or wrong. Does that  
6                    describe that data analytics could analyze  
7                    points of information, transaction data, draw  
8                    together connections or patterns that aren't  
9                    necessarily visible and wouldn't be invisible  
10                  from the sort of police officer investigator  
11                  looking at one particular person or one  
12                  particular incident and then out of that provide  
13                  the lead to the police to say here's a person, a  
14                  transaction, a group of activity that you should  
15                  look at?

16          A     Yeah, for sure, that would be one key function.  
17                    Definitely.

18          Q     Is Project Watson related to the data analytics  
19                  work that the RCMP are looking at?

20          A     So Project Watson I really can't comment on. I  
21                  know they use it in BC. That's not the one that  
22                  we're using here in headquarters, but it is --  
23                  I'm familiar with it from BC for sure.

24          Q     Okay. That's fine. I don't want to have you  
25                  overreaching, and so that's not a problem.

1                   With respect to the re-engineering which  
2                   you described -- and I made a note that you  
3                   thought that was around the period of 2012, the  
4                   federal re-engineering. Around that period of  
5                   time we also have the disbandment of the IPOC,  
6                   the Integrated Proceeds of Crime units. Do you  
7                   have a comment on the impact of disbandment of  
8                   the IPOCs in particular on investigating money  
9                   laundering and proceeds cases in this province?

10           A       Well, certainly impact the financial crime  
11                   investigations, the re-engineering.  
12                   Re-engineering came about for several different  
13                   reasons. It wasn't because just of the deficit  
14                   reduction action plan commonly referred to as  
15                   DRAP. That was one of the key focus. But there  
16                   were other pressures at that time too. There  
17                   was on going costs, escalating the costs in  
18                   doing policing. There were some raises for  
19                   policing around that time that needed to be  
20                   funded internally. There was a cutback in  
21                   funding as well as well as resources and  
22                   pressures on national security.

23                   So there was a combination of a whole bunch  
24                   of different issues that came about that was an  
25                   impetus for the need for federal re-engineering.

1                   And know that that took some time. So as that  
2                   unfolded over a couple of years there were going  
3                   to be some gaps and challenges with some areas,  
4                   and financial crime seemed to take a little bit  
5                   of a hit back then for sure.

6           Q        I had a question about the -- which arose from  
7                   some evidence over the last couple of days, and  
8                   to the extent this is something that you're not  
9                   familiar with, you certainly can just tell us  
10                  that, but it has to do with the Integrated  
11                  Market Enforcement Teams. And we've had some  
12                  understanding that there was an IMET, Indicated  
13                  Market Enforcement Team, modernization plan  
14                  dating to around 2018 that arose in the context  
15                  of an initiative by NHQ to have different arms  
16                  of IMET get up to speed on dealing with capital  
17                  market offence and focusing on the mandate.

18                         So the first question was just to see, is  
19                         that initiative, is it accurate to say it is  
20                         something from NHQ and were you involved or  
21                         knowledgeable about it?

22           A        Yes, Brock. That was an initiative of NHQ, and  
23                    I was involved in it. I still am involved in  
24                    it. So it's being a very successful  
25                    transformation over the last couple of years

1                   with the IMET teams and close collaboration with  
2                   the Securities Commissions in each of those four  
3                   provinces.

4           Q       And then in a simple way or in a nutshell what  
5                   is the transformation or the project about?

6           A       So the project came about as a meeting several  
7                   years ago with the chiefs of all those four  
8                   different securities offices and the Deputy  
9                   Commissioner of federal policing. And basically  
10                  it was a commitment that the Deputy made back  
11                  then that we were going to work closer -- more  
12                  closely together with the Securities  
13                  Commissions, closer collaboration, and be more  
14                  open about some of the shared investigations.

15                         So with that we sat down -- we went back, we  
16                         sat down and we put together this IMET  
17                         modernization plan, which I had one of our  
18                         acting officers take the lead on that the last  
19                         couple years. And with that came a 12-step  
20                         action plan which included things such as  
21                         training, closer collaboration, working on  
22                         certain files that we the RCMP didn't feel was  
23                         in our mandate before, but we looked at it as an  
24                         opportunity to build some skill and expertise  
25                         for those junior investigators to get to a

1                   certain level where they can take on the larger  
2                   investigations.

3                   So the action plan was a key step in  
4                   reaching those goals and it has, and it  
5                   continues to move forward. So a combination of  
6                   shared resources, enhanced learning, special  
7                   advisors was one of them. So we did bring in  
8                   special advisors. We have three in place on  
9                   these of those teams. One outstanding for  
10                  another division, which hopefully we'll have  
11                  staffed soon.

12                  So very successful and things are playing  
13                  out pretty good for the IMET teams. And there  
14                  were some recent successes with some major  
15                  investigations out west announced in the media a  
16                  couple weeks ago. And I think you're going to  
17                  see more success in the near future as well.

18                  Q    I think also in conjunction to that  
19                  understanding about this recent initiative  
20                  relating to IMET, we also learned that the old  
21                  IMET was effectively, as we understand from some  
22                  evidence, disbanded some years ago in the run of  
23                  around 2014. Do you know about that? Was that  
24                  accurate to say that it was effectively  
25                  disbanded?

1           A     So from my recollection, I recall yes, that it  
2                   was sort of disbanded several years ago, but  
3                   there's been -- but having said that, I don't  
4                   know if they were fully disbanded. They have  
5                   been back in play now for several years, and in  
6                   those four major provinces we do have the IMET  
7                   teams in place.

8           Q     Do you know why it was disbanded?

9           A     Well, I just go on -- like, once again, it was  
10                  before my time involved in financial crime, but  
11                  I think there's some pressure with the resources  
12                  and commitment and maybe lack of results back  
13                  then. I think that was certainly a factor. But  
14                  I think today with the modernization piece, we  
15                  have flow with the Securities Commissions and we  
16                  have seen some good results. IMET has certainly  
17                  turned a corner.

18          Q     I'm into my last set of questions which have to  
19                  do with some of the recent initiatives. You've  
20                  touched on a few in the course of evidence  
21                  today. If you're able to give us, again, I  
22                  think for our purposes right now a thumbnail  
23                  sketch is a useful thing and then I will have an  
24                  few more specific questions about IMLIT  
25                  particular, but an understanding about the TBML

1 Centre of Expertise, Ace team, other kinds of  
2 initiatives that you would identify to the  
3 Commissioner of being most relevant to  
4 anti-money laundering work in this province.

5 A Yes. There's been a lot of ongoing issues,  
6 especially in the last couple of years. So CBSA  
7 with their Trade-Based Money Laundering  
8 centralized unit here, Centre of Excellence, we  
9 actually have collaborated with them on some key  
10 initiatives. We helped put together a key  
11 document a while ago with their Five Eyes  
12 partners within the Five Eyes countries on the  
13 money laundering working group.

14 With the ACE, they receive funding. So that  
15 was a five-year pilot. I think they're well  
16 into their second year right now. They just  
17 recently changed their name to FC3, which would  
18 be the Financial Crime Coordination Centre. So  
19 they're a key component out of public safety  
20 downtown and they have a lot of different  
21 resources at their grasp as well. So they have  
22 commitments for most of the players here would  
23 be RCMP, and I believe CBSA, finance, and  
24 FINTRAC as well.

25 So there's more than -- there's more than



1           one group and several initiatives in play in the  
2           AML regime right now to try to be more efficient  
3           and better. Other things we can talk about, and  
4           I've talked about it a few times here is the  
5           public/private partnerships. So we have a lot  
6           of active engagement with the FIs, the financial  
7           institutions, especially the big banks here in  
8           Canada.

9                     And you probably already heard this week  
10           too -- I won't go into it too much -- but you  
11           have the CIFA initiative in BC. So they have  
12           the active engagement partnership with private  
13           sector. Not just financial institutions but you  
14           have the gaming sector as well, real estate and  
15           there's others as well. So back to that pronged  
16           approach, the more people, the more groups we  
17           get engaged in this area, I think the more  
18           efficient, more collaboration and much more  
19           success we'll have down the road.

20           MR. MARTLAND: Madam Registrar, if you could please  
21           bring up tab 12, which is exhibit 849.

22           Q     And these are questions that have to do with  
23           IMLIT, the RCMP Integrated Money Laundering  
24           Investigative Teams. This is a letter to the  
25           Attorney General for British Columbia from

1 Minister Blair with the federal government  
2 Minister of Public Safety and Emergency  
3 Preparedness dating to December of 2020.

4 I appreciate you didn't send or receive this  
5 letter, but have you had a look at this letter  
6 and does it give a description of the IMLIT  
7 initiative?

8 A Yeah. Yes, it does.

9 Q All right. And just to draw on this as one  
10 source to think and understand what IMLIT  
11 describes in the third paragraph, what's written  
12 is this -- first of all I should maybe pause and  
13 go back because you gave evidence earlier of a  
14 figure around \$98 million. We see that indeed  
15 repeated here, corroborated and confirmed in the  
16 second paragraph:

17 "The RCMP will receive funding of \$98  
18 million over five years from 2020/21 to  
19 2024/25."

20 And then it goes on to talk the creation of new  
21 IMLITs in four provinces, which is what you've  
22 described.

23 A Yes, correct.

24 Q The next paragraph, it's written:

25 "IMLITs are specialized units dedicated to

1                   the investigation of money laundering and  
2                   the proceeds of crime and would include  
3                   the RCMP, CRA, FAMG and a Public  
4                   Prosecution Service of Canada advisory  
5                   Crown counsel."

6                   At the bottom of that page -- Madam Registrar,  
7                   if we could scroll down a little, please -- it  
8                   says:

9                   "The RCMP anticipates all IMLIT positions  
10                  will be staffed by March 2021."

11                  It talks about currently five positions created  
12                  to support the work in British Columbia to  
13                  assign to the CIFA initiative.

14                  A     So I'll just correct that.  Actually out of  
15                  those five IMLIT positions for BC, only one of  
16                  those is going to CIFA.

17                  Q     Okay.  Does the fact that one of the resources  
18                  goes to CIFA, which isn't investigative,  
19                  diminish the investigative strength or muscle  
20                  with the IMLIT in this province?

21                  A     No, I don't think so, Brock.  I mean, it would  
22                  be nice to have more resources, but I think CIFA  
23                  is a key initiative and once again back to those  
24                  public/private partnerships, there is a lot of  
25                  value in having a regular member attached to

1                   that CIFA unit in an outreach capacity as well.

2           MR. MARTLAND: Madam Registrar, if we could please  
3                   bring up tab 11, Canada 1785, a document that's  
4                   entitled "2021 IMLIT Way Forward."

5           Q     Superintendent do you recognize this as being a  
6                   description about IMLIT?

7           A     Yes, it is.

8           MR. MARTLAND: Mr. Commissioner, if this might be  
9                   marked as the next exhibit, please.

10          THE COMMISSIONER: Yes. Very well.

11          THE REGISTRAR: Exhibit 872.

12                   **EXHIBIT 872: 2021 IMLIT Way Forward - IMLIT**

13          MR. MARTLAND: Thank you.

14          Q     And I won't read from this at any great length,  
15                   but I'll just skip through a few parts of it.  
16                   At the bottom page 1, under the heading of  
17                   "Strategic Consideration" there's reference to  
18                   funding for these positions, part of a 2019  
19                   Treasury Board -- I assume the missing word is  
20                   "submission" or "process."

21                   Over to page 2 at the bottom, under the  
22                   heading of "Aligned With RCMP Programs" the last  
23                   sentence says -- it talks about a multi-pronged  
24                   approach and following the money on all tiered  
25                   federal policing investigations, et cetera.

1                   Then it says in the last sentence:

2                    "In order to appropriately meet this  
3                    priority, additional resources for  
4                    investigative capacity are required and  
5                    this submission is but a starting point to  
6                    achieve the goal."

7                   And so the description we have is about five  
8                   people effectively put onto a team in this --  
9                   focusing on British Columbia -- in this province  
10                  on the IMLITs. This document about the IMLIT  
11                  way forward seems to be saying in a fairly clear  
12                  way that's only a starting point. Do you have a  
13                  comment on that?

14                A    Yes. So once again I think it's almost like a  
15                  stage 1 approach where we have those resources  
16                  currently being staffed. Most of them have been  
17                  staffed. I think, BC, they still have those two  
18                  positions they will be staffing soon. It's part  
19                  of that approach over the next year or two to  
20                  have that engagement discussion and consultation  
21                  with other potential partners, whether that be  
22                  municipal partners, provincial policing partners  
23                  and potentially CBSA as well. As much as we'd  
24                  like to have additional resources, we know  
25                  that's not always a reality.

1                   But I think at some point down the road as  
2                   well we'll get more engagement with other  
3                   partners and potentially more resources at some  
4                   point down the road. But I think with this  
5                   overall budget we received in 2019, that  
6                   investment, the strong components of that  
7                   overall was the investment with the other  
8                   support units that go and assist these major  
9                   investigations. So covert operations, big data  
10                  being two of those for sure.

11                 Q     And when you speak about coordination with  
12                   others generally, you spoke earlier about the  
13                   sort of embedding or working collaboratively  
14                   with federal agencies such as CRA, FAMG, CBSA.  
15                   A moment ago you just touched on the municipal  
16                   police. I assume municipal and provincial  
17                   partners are also an important component of  
18                   success here?

19                 A     Yes, they are, for sure.

20                 Q     Was there engagement prior to the, let's say,  
21                   December announcements about IMLIT with  
22                   provincial or municipal police departments in  
23                   this province to your knowledge?

24                 A     Not to my knowledge, no.

25                 Q     Do you know why not?

1           A     Well, this all happened very fast, Brock.  It's  
2                     still all very fluid.  So I think until we get  
3                     our own house in order here and get those  
4                     positions filled, then we'll start having  
5                     engagement with the -- with our municipal  
6                     partners and provincial partners.  So I think  
7                     we're very close.  I do know in BC, for example,  
8                     they do have some Vancouver Police service  
9                     personnel working within the FC units there, so  
10                    that is a key important ingredient.  Especially  
11                    if you can get someone with the right fit to  
12                    come into these areas.  It's always accepted.

13           Q     And you say you expect you'll start to have that  
14                    engagement.  I take it it hasn't happen it had  
15                    yet at this point?

16           A     Yeah, it's all very fast.  Like I said, we just  
17                    got the approval and the funding there back  
18                    three or four months ago.  The divisions have  
19                    been busy over the last several months staffing  
20                    those positions.  So I think you'll see that  
21                    engagement consultation coming in the near  
22                    future.

23           MR. MARTLAND:  Madam Registrar, if we could go to the  
24                    next page of the document, the last page.  And  
25                    we see a heading there towards the bottom of

1                   what's on display "Integrated Teams." And I'll  
2                   just read that out:

3                   "Funding for the IMLIT Teams is a starting  
4                   point to supporting well-staffed  
5                   investigative units dedicated to  
6                   combatting ML/POC. As four or five  
7                   members per division is not sufficient for  
8                   the vast majority of ML/POC  
9                   investigations, integration with  
10                  municipal, provincial and federal partners  
11                  will be imperative and illustrate the  
12                  shared responsibility in this space where  
13                  success will be demonstrated through  
14                  results and will justify future resource  
15                  asks."

16                 So there's a certain bureaucratic use of  
17                 language there, but I take it that does seem to  
18                 be saying boiled down to its essence. Four to  
19                 five members isn't sufficient receive; we need  
20                 to have more resources as well as coordination  
21                 and help from others.

22                 A    Yes. So hence you can see the reason why some  
23                 divisions take a different approach. So you  
24                 have Ontario and Quebec. They are both going to  
25                 have their separate IMLIT teams, but they have



1 support from other federal resources and FC  
2 resource as well if they need it for certain  
3 investigations, whereas BC and Alberta took a  
4 different approach. They figured okay, to be  
5 more effective let's not have them as a  
6 standalone; let's embed them in current ML teams  
7 and enhance those resources.

8 Q And to the extent that as, an example, IPOC  
9 units when they existed in this province may  
10 have been some dozens of members, officers  
11 working in that capacity, do you have a response  
12 to the suggestion that five or four, if we count  
13 them as investigative rather than the PPP,  
14 aspect of the one person out of five, that  
15 boiled down to four investigators really is sort  
16 of a drop in the bucket?

17 A Well, it's still an improvement. It's still in  
18 addition to existing resources. And there is an  
19 existing -- there is existing teams, FC teams in  
20 BC that focus on ML and POC investigations. So  
21 it's certainly an enhancement to the existing  
22 resource they have and hopefully at some point  
23 in the future we'll have some integrated efforts  
24 with the municipal partners and potentially  
25 other federal partners engaged as well. So that

1                   could be CBSA, it could be more resources from  
2                   CRA as well.

3           MR. MARTLAND: Madam Registrar, I don't need that  
4           document displayed further.

5                   Superintendent, that completes my questions.  
6           So thank you.

7                   And, Mr. Commissioner, I think a few  
8           participants do have questions.

9           THE COMMISSIONER: Thank you, Mr. Martland.

10                   Yes, I'll call now on Ms. Chewka on behalf  
11           of the province, who has been allocated  
12           10 minutes

13           MS. CHEWKA: Mr. Commissioner, in light of the  
14           evidence that we've heard this morning, we have  
15           no questions for this witness.

16           THE COMMISSIONER: Thank you, Ms. Chewka.

17           MS. CHEWKA: Thank you.

18           THE COMMISSIONER: I'll then turn to Mr. Leung for  
19           BC Lottery Corporation, who has been allocated  
20           five minutes.

21           MR. LEUNG: We also have no questions. Thank you.

22           THE COMMISSIONER: Thank you, Mr. Leung.

23                   Ms. Magonet for the British Columbia Civil  
24           Liberties Association, who has been allocated  
25           five minutes.

1 MS. MAGONET: Thank you, Mr. Commissioner. We also  
2 have no questions.

3 THE COMMISSIONER: Thank you. Mr. Rauch-Davis for  
4 Transparency International Coalition, who has  
5 been allocated five minutes.

6 MR. RAUCH-DAVIS: Thank you. Yes.

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

8 Q Superintendent Payne, can you hear me okay?

9 A Yes, I can.

10 Q Okay. Great. I take it from the evidence that  
11 money laundering in one way or another has been  
12 an expressed priority for the RCMP for years;  
13 right?

14 A Well, it depends on what you've referred to as  
15 years, but definitely in the last three to five  
16 years it's a priority.

17 Q Only in the last three to five. It wasn't a  
18 priority before that?

19 A Well, I've been in this role since 2018, so I  
20 really can't say, but from some of the documents  
21 that have been produced here today, if you go  
22 back to the 2015 document, it was a priority  
23 then as well.

24 Q Right. And perhaps slightly different wording  
25 but ultimately the mandate has always been to

1           investigate, prosecute money laundering with a  
2           focus on prosecution and asset seizure?

3           A     Yes.

4           Q     Yeah. And that keeps getting reiterated through  
5           these documents that my friend has taken you  
6           through and most recently was the directive in  
7           2020 that you referenced earlier. Do I have  
8           that right?

9           A     Yes, that's right.

10          Q     And I wonder if you'd agree that historically  
11          this mandate hadn't really been met.

12          A     Well, there's challenges. I mean, there's gaps  
13          and there have been challenges. These are  
14          complex investigations. There's other competing  
15          priorities and pressures for sure. So there's a  
16          lot of effort having gone into it, and yeah,  
17          we'd like to see better results, but it's not  
18          that simple. They are complex investigations  
19          and there's other factors at play as well.

20          Q     Right. And you mentioned the FATF report -- or  
21          you mentioned the FATF, I should say, in your  
22          evidence today. And you're aware that there was  
23          a report issued in 2016; right?

24          A     Yes.

25          Q     Yeah. And that one of the findings in that

1 report is that enforcement results are not  
2 commensurate with the money laundering risks in  
3 Canada. You're aware of that; right?

4 A Yes, I am.

5 Q And then even the stats -- some of the  
6 statistics that my friend took you through  
7 following that report, they don't really support  
8 a contention that money laundering was being  
9 treated as a priority, do they?

10 A Well, that would be their outcome, their  
11 opinion. I mean, like I said, there's other  
12 factors, there are other challenges, other  
13 pressures at play that sometimes resources can  
14 be pulled for other competing pressures.

15 Q Right. And you keep mentions resources. I have  
16 a few notes about how resources present  
17 challenges. But these resourcing issues,  
18 they've been there since at least 2013, since  
19 the re-engineering; right?

20 A Well, there's been a different level of FC  
21 investigators since the re-engineering for sure.  
22 I can't give you exact numbers, but there has  
23 been a drop.

24 Q Right. But I just mean generally problems with  
25 resourcing on these money laundering

1 investigations, that's been -- that's nothing  
2 new.

3 A No.

4 Q It's been there for a while.

5 A Exactly. It takes a lot of resources. It takes  
6 a lot of time and resources.

7 Q Right. And it's known to you, it's known to  
8 your superiors, it's known all the way up the  
9 chain of command, right, that there are  
10 resourcing problems?

11 A Yes. But I mean there's lots of resourcing  
12 issues at different levels within the RCMP as  
13 well, so -- front line policing being one of  
14 them.

15 Q And would you say that's the primary obstacle in  
16 successfully investigating and even launching  
17 investigations of these money laundering  
18 offences?

19 A Resources?

20 Q Yeah.

21 A No, I wouldn't say it's just resources. I mean,  
22 resources, once another it's several factors.  
23 The complexity of the investigations,  
24 information sharing processes. There could be  
25 other factors at play as well, but resources,

1 complexity, time, et cetera.

2 MR. RAUCH-DAVIS: Okay. And so I wonder if we could  
3 bring up, Madam Registrar, exhibit 861. This is  
4 the directive, the 2020 directive. Yes. Thank  
5 you.

6 Q So the second paragraph speaks to the  
7 operational plans, the 2350s.

8 A Yes.

9 Q And the last sentence there reads:

10 "Additionally, if a POC/ML investigation  
11 is not being pursued, supporting rationale  
12 must be documented and submitted within  
13 the 2350."

14 Do you see that?

15 A Yes, I do.

16 Q Yeah. So my question is is anybody going to be  
17 auditing the rationale submitted with these  
18 2350s to decline pursuing a POC or money  
19 laundering investigation?

20 A Well, what I can tell you is there's sort of an  
21 ongoing auditing of it going on now because  
22 since this directive went out, I sit on the  
23 review committee that sets prioritization within  
24 NHQ. And what I can tell you is that every  
25 major investigation I've seen come in since that

1 directive, especially this year, does include a  
2 POC/ML plan. If it doesn't, we send it back to  
3 the division and insist that they include it and  
4 they follow up and do that. What I can tell you  
5 is that there's very few of those that haven't  
6 included those plans.

7 Q Very few of these 2350s haven't included a money  
8 laundering plan?

9 A That's correct.

10 Q And for those that do, you are actually  
11 auditing -- or I say auditing -- I can't think  
12 of a better word unfortunately. But you're  
13 reviewing them and then sending them back --

14 MS. WRAY: Mr. Commissioner, it's BJ Wray for the  
15 Attorney General of Canada.

16 THE COMMISSIONER: Yes, Ms. Wray.

17 MS. WRAY: I'm just pausing to step in here. We've  
18 obviously gone very far down the road of the  
19 internal administration of the federal RCMP at  
20 this point. Clearly we've given a lot of leeway  
21 to these types of questions today, but as you're  
22 very well aware, there is no jurisdiction for  
23 this commission to look into such matters, and  
24 I'm objecting to this line of questioning.

25 THE COMMISSIONER: All right. Mr. Rauch-Davis, do



1                   you have a rejoinder to that?

2           MR. RAUCH-DAVIS: Well, I would just say that there's  
3           been evidence given today about the decision to  
4           investigate and -- or why not to investigate,  
5           and I'm just exploring that decision. I  
6           understand jurisdictional issues with this  
7           commission, but I would say it is relevant to  
8           the mandate in terms of the reference to this  
9           commission.

10          THE COMMISSIONER: All right. Thank you. I'm  
11          inclined to agree. I mean, I think the  
12          commission is foreclosed from sort of the  
13          inquiring into or making recommendations  
14          concerning the internal administration of the  
15          RCMP, but Superintendent Payne has been  
16          discussing a great deal of how the RCMP have  
17          responded to and adjusted to issues concerning  
18          money laundering. I think it's helpful to the  
19          commission to understand whether and to what  
20          extent there will be some ongoing monitoring of  
21          the reasons why money laundering or proceeds of  
22          crime investigations are not pursued in British  
23          Columbia, which is very much part of our  
24          mandate.

25                   So I think the line of questioning is

1           relevant to that extent. I accept the fact that  
2           the commission can't venture into making  
3           recommendations about the internal  
4           administration of the RCMP, but it is helpful to  
5           have, it seems to me, that information to better  
6           understand the issues that are being faced by  
7           policing generally or law enforcement generally  
8           in this -- in respect of this issue.

9                         So go ahead, Mr. Rauch-Davis.

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

11           Q     Superintendent Payne, I suppose just to rephrase  
12           my question and perhaps it's less objectionable,  
13           but I take it your evidence is that when these  
14           2350s come in without a money laundering or a  
15           proceeds of crime plan, someone will be  
16           reviewing them to ensure that there's a  
17           legitimate rationale for not submitting that  
18           plan?

19           A     Yes, for sure. But what I can tell you is that  
20           most of the ones that do some in do have that  
21           POC/ML plan. And if for some reason they don't  
22           have it, we the committee go back to that  
23           division and insist they include a POC/ML plan  
24           before we tier it.

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

1 questions.

2 THE COMMISSIONER: All right. Thank you,  
3 Mr. Rauch-Davis.

4 Ms. Wray, over to you. And you've been  
5 allocated 10 minutes.

6 MS. WRAY: Yes, thank you, Mr. Commissioner.

7 Madam Registrar, if I could have you call  
8 up, please, exhibit 794. Thank you.

9 **EXAMINATION BY MS. WRAY:**

10 Q Superintendent Payne, you recall being taken to  
11 this document by Mr. Martland?

12 A Yes, I do.

13 Q And if we scroll down, please, to the summary --  
14 I believe it's on page 9 of the document. Thank  
15 you.

16 And you see in the first paragraph of this  
17 summary that Mr. Martland took you to the fact  
18 that there were 40 money laundering  
19 investigations classified as major  
20 investigations. Do you recall that?

21 A Yes, I do.

22 Q And he focused on the fact that out of those 40  
23 there was only one that had charges approved by  
24 the Crown in the time frame that's being looked  
25 at by this particular document. Do you recall

1                   that?

2           A     Yes, I do.

3           MS. WRAY:  And, Madam Registrar, if we could scroll  
4                   down, please, a little bit further to page 12 of  
5                   the document.  Table 2.  Thank you.

6           Q     And this table, Superintendent Payne, is a  
7                   summary of the major money laundering and  
8                   proceeds of crime investigations with and  
9                   without charges recommended by calendar year.  I  
10                  take it you're familiar with this table.

11          A     Yes, I am.

12          Q     And if you look, please, on the left-hand side  
13                  of the table, we see the category of "Major  
14                  Money Laundering Investigations."  And on the  
15                  very far left is -- they note the years that are  
16                  covered by this table.  So the years are from  
17                  2015 to 2021; is that correct?

18          A     Yes.

19          Q     And if you take a look on the table as well  
20                  under the heading "Concluded Without Charges,"  
21                  you see in those years there were 13 concluded  
22                  without charges; correct?

23          A     Yes, correct.

24          Q     And then right beside that you see "open," and  
25                  so you see that in the years 2015 to 2021, so

1                   that is up to the present day, there are 24 open  
2                   major money laundering investigations; is that  
3                   correct?

4           A     Yeah.  Yes.

5           Q     And that combined with the charges that have  
6                   been laid give you the total of 40 major money  
7                   laundering investigations in that time frame?

8           A     Yeah, with those totals, yes, 40.  Yes.

9           Q     Thank you.  And so we can conclude from this,  
10                   then, that there are still 24 major money  
11                   laundering investigations for which charge  
12                   approval has not yet been determined?

13          A     Yes.  They'd be at various stages for sure.

14          MS. WRAY:  Right.  Thank you very much.  Those are  
15                   all my questions for Superintendent Payne.

16          THE COMMISSIONER:  Thank you.  Thank you, Ms. Wray.

17                   Anything arising from that, Mr. Rauch-Davis?

18          MR. RAUCH-DAVIS:  No, thank you, Mr. Commissioner.

19          THE COMMISSIONER:  Mr. Martland?

20          MR. MARTLAND:  I was reflecting.  No, I don't.  Thank  
21                   you.

22          THE COMMISSIONER:  All right.  Thank you.  Thank you  
23                   very much, Superintendent Payne.  Your evidence  
24                   recounting your experience and insights into the  
25                   workings of the RCMP and how it engages with the

1                   gears of money laundering and proceeds of crime  
2                   in British Columbia has been very helpful and  
3                   it's advanced, I think, our understanding of  
4                   both the challenges that are faced by law  
5                   enforcement but also some ways forward out of  
6                   that. So I'm grateful for your assistance and  
7                   you're now excused from further evidence.

8                   **(WITNESS EXCUSED)**

9                   THE COMMISSIONER: I think, Mr. Martland, we're now  
10                   over to Monday and we have a 9:30 start. Is  
11                   that correct?

12                   MR. MARTLAND: Usual start. Thank you. Yes.

13                   THE COMMISSIONER: Yes, all right. Thank you.

14                   THE REGISTRAR: The hearing is now adjourned until  
15                   April 19th, 2021, at 9:30 a.m. Thank you.

16                   **(PROCEEDINGS ADJOURNED AT 1:36 P.M. TO APRIL 19, 2021)**

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