

**PROCEEDINGS AT HEARING
OF
APRIL 20, 2021**

COMMISSIONER AUSTIN F. CULLEN

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April 20, 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. McGowan.

MR. MCGOWAN: Yes, Mr. Commissioner. The witness today will be Ms. Christy Clark, who is visible on the screen. Her counsel, Mr. Cooper, is also present.

THE COMMISSIONER: All right. Thank you.

MR. MCGOWAN: If the witness can be affirmed, please.

**CHRISTY CLARK, a witness
called for the
commission, affirmed.**

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

THE WITNESS: Christina Clark, C-l-a-r-k.

THE REGISTRAR: Thank you.

EXAMINATION BY MR. MCGOWAN:

Q Good morning, Ms. Clark.

A Good morning.

Q Can you hear and see me okay?

A I can.

1 Q Okay. If that changes at any time, just let us
2 know.

3 A I will.

4 Q I'm going to start by spending just a couple of
5 minutes reviewing for the Commissioner some of
6 your relevant background.

7 You were first elected as an MLA in 1996?

8 A Yes.

9 Q And served as an MLA from 1996 till
10 approximately 2004?

11 A Yes.

12 Q And --

13 A 2005, sorry.

14 Q 2005.

15 A 2005, yeah.

16 Q And during the years of 2001, I believe till
17 2004, you held cabinet posts?

18 A That's right.

19 Q I wonder if you could just tell the Commissioner
20 what posts in cabinet you held during those
21 years.

22 A I held -- I started with education and Deputy
23 Premier, and finished with children and
24 families.

25 Q Okay. Thank you. And then from 2005 till 2011

1 you left government and worked in the private
2 sector?

3 A I did.

4 Q I wonder if you could just in an overview
5 fashion tell the Commissioner what you were
6 occupying yourself with in those years.

7 A I was -- well, I'm sure the Commissioner was
8 listening. I was on CKNW and hosted *The Christy*
9 *Clark Show* for most of that time.

10 Q Thank you. You successfully ran for the
11 leadership of the provincial Liberal Party in
12 2011?

13 A 2010 I started the campaign, and I was elected
14 at the end of February 2011 and then was sworn
15 in as Premier in March 2011.

16 Q And you ultimately served as the Premier of this
17 province from 2011 till 2017?

18 A That's right.

19 Q I'd like to ask you a few questions about your
20 process for selecting your cabinet. As Premier
21 I take it it falls to you, the responsibility
22 falls to you to form a cabinet.

23 A Yes.

24 Q I wonder if you could take the Commissioner
25 through the process you went through by which

1 you determined which MLAs would occupy which
2 cabinets posts.

3 A Well, the first thing to keep in mind, I think,
4 for context is that any Premier or Prime
5 Minister only has a certain number of people for
6 whom they can choose. So it's not a huge pool
7 of people. In my case it was about 49 people
8 and the first cabinet was 17 people plus me.
9 And so from amongst that 49 people I wanted to
10 make sure that we had full regional
11 representation as much as possible across the
12 province. I wanted to make sure that we had
13 gender diversity. And in fact we had -- almost
14 the whole time we had about half the cabinet
15 were women. And I wanted to make sure that
16 there was diversity as well so that we had, you
17 know, really good representation of the
18 different ethnic communities in the province.
19 So you sort of start with that, making sure the
20 province is fully represented, and then you
21 start thinking about okay, well, given these
22 constraints, how do I put the best people in the
23 right jobs for them given the challenges that we
24 have ahead?

25 So it's kind of a -- you know, you're making

1 a puzzle and putting together a puzzle, and it's
2 never perfect. But, you know, it's probably the
3 hardest and most important job that a Premier
4 will take on. Because it's, you know, a
5 \$50 billion enterprise. The Premier is not
6 doing all the jobs, can't do all the jobs, and
7 so you need to make sure you have good people
8 doing the jobs. And, you know, given those
9 constraints, it's sometimes a challenge. But I
10 think we had some good cabinets.

11 Q Okay. And did you canvass with some or all of
12 the MLAs you were choosing from their
13 preferences to assignments?

14 A What I did -- when I was elected in 2011, I was
15 elected into a caucus, almost none of whom had
16 supported me, and I hadn't been there for quite
17 a while, so I wanted to get to know them and
18 understand what it was, how they were feeling
19 about where they were at, you know, given their
20 recent experience, which I hadn't been a part
21 of, and then what they wanted to do. And when I
22 say that I mean broadly. So are you interested
23 in traffic safety in your community; are you
24 interested in changing the laws around privacy;
25 are you interested in, you know, working with

1 local government. I mean, there's a whole range
2 of stuff people might want to do. So what I
3 tried to do is get a sense from them about what
4 their big goals were, what got them into
5 politics, what excited them about politics, get
6 a feel for what their backgrounds were, what
7 they might be good at. And, you know, some of
8 them would say, here's what I'd like to do. But
9 mostly people are pretty polite about that stuff
10 because I think people -- you know, people feel
11 like it's an honour to be elected and it's an
12 honour to be selected for cabinet. And, you
13 know, I think it was -- occasionally people said
14 what they wanted to do but mostly not.
15 Sometimes people said what they didn't want to
16 do.

17 Q Fair enough. I'd like to ask you to maybe help
18 the Commissioner understand the nature of your
19 relationship with your cabinet ministers. Was
20 it sort of a direct-line report as somebody
21 might see in an employment context, or was it
22 something different?

23 A No. Well, I mean, when I think about a direct
24 line of reporting, I think about having, you
25 know, a weekly meeting set with your boss and

1 you sit down and you review everything. I was
2 in constant contact with everybody in cabinet
3 and regular contact with our caucus as well.
4 You know, so it was a pretty collegial
5 relationship. I mean, no one forgets who they
6 work for and no one forgets that you don't have
7 to be in cabinet, you know, and you serve at the
8 Premier's will, but, you know, everybody had my
9 cell number. We would meet when the house was
10 sitting once a week in cabinet, and, you know,
11 so we'd always have that regular touch point.
12 And we would sit in the house and chat and talk.
13 There were lots of opportunities for unscheduled
14 discussion. That happened a lot. And there
15 were lots of opportunities, though, for people
16 to set up a meeting with me any time that I
17 wanted. My advice to my staff was look, if
18 anyone in the caucus wants to see me it takes
19 precedence over everything else. So that's the
20 way we ran it.

21 Because as I said, the Premier can't run
22 everything and can't be involved in everything
23 or the whole system would collapse because it
24 would be so slow. But you want to make sure,
25 you know -- therefore you want to make sure

1 you're in constant contact with the people
2 you're depending on.

3 Q When you assigned a portfolio to a minister, did
4 you expect them to run it autonomously, or was
5 there an expectation that if there were issues
6 of particular significance they would bring it
7 to you for direction or advice?

8 A There was. And, I mean, you know, not just an
9 expectation on my part. I mean, you know, the
10 way government works is ministers need
11 permission for many things, but for many other
12 things there's already permission kind of
13 granted.

14 So, you know, government is big and
15 complicated, so, you know, I had a deputy to
16 whom all the deputy ministers reported. They
17 were also working with each of the ministers.
18 So there's kind of a parallel system that
19 happens at the same time through which
20 information flows back and forth constantly. So
21 my deputy would keep me up to date on what was
22 going on through her deputies. You know, I
23 would be in constant contact with ministers.
24 Ministers would talk to the deputies. So
25 there's just a lot of flow of information that

1 happens between, you know, and within
2 government.

3 Q Did you provide direction to the ministers on
4 issues of particular importance?

5 A Yes. I mean, so what we started with were
6 mandate letters, and the mandate letters were
7 very, very broad, so -- because what they did is
8 they reflected the four-year plan for
9 government, really, which is what we ran on in
10 our platform. We had a thick platform, jobs
11 plan, a plan for every different ministry that
12 had been set out of our key eight export markets
13 that we were focused on to create jobs. So we
14 put -- you know, most of the mandate letters
15 were focused on okay, look, here's what we said
16 we were going to do in four years; you're the
17 minister of it; these are the things you have to
18 accomplish and keep track of it. And I
19 encouraged ministers to actually put it on their
20 desk so that they could look at it on a regular
21 basis and not forget. Because I think it's easy
22 to, you know, on the day-to-day forget sometimes
23 the bigger goals.

24 And then those mandate letters would be
25 translated in each ministry -- with the

1 assistance of the whole ministry, not just the
2 minister -- into what we called service plans.
3 So then those service plans would say okay,
4 we're going to -- so take LNG, for example. You
5 know, brand new industry we were creating, never
6 been, LNG never been exported from British
7 Columbia before, and so I said in the mandate
8 letter to the minister, your job is to create an
9 LNG ministry. So then in his ministry it would
10 say something like, all right, we've got to
11 figure out how to make the royalty regime work
12 properly, and there would be a range of other
13 things. We've got to work with the Minister of
14 Indigenous Relations to make sure that we are
15 dealing with and supporting indigenous
16 communities and including them. And then they
17 would write a letter of expectation to, say, the
18 oil and gas commission, saying okay, folks,
19 here's your part of that job, and it would get
20 more detailed and more detailed.

21 So in the case of BCLC, the minister would
22 have a job to make sure that government was run
23 with integrity, that they were meeting their
24 revenue expectations, that they were -- that
25 they were supporting the Crown corporations.

1 And then they would go to those Crowns and in
2 BCLC they would write a specific letter of
3 expectation -- you know, because I think you may
4 ask me this, Mr. McGowan -- in their letter of
5 expectation for every year that I was there they
6 specifically named anti-money laundering, and in
7 every year the discussion of that became more
8 specific and more detailed. So then that's kind
9 of the first -- that's kind of the output half
10 of it.

11 And then on the input half there was, you
12 know, each of the Crowns was coming back with
13 the service plan, noting how far they'd gotten.
14 Each ministry was reporting back on their
15 service plans and it was all rolling up, and
16 there's a constant kind of discussion and
17 integration, an integrated communication between
18 the agencies of government where expectations
19 are expressed and then progress is reported
20 back. And then it sort of rolls up. You know,
21 my view of government is it's so big and so
22 complicated that you really have to help
23 everybody understand their part in the bigger
24 plan. And those, you know, really boiled down
25 to specific expectations, you know, sometimes at

1 the very individual level. So that's what we
2 tried to create.

3 Q You spoke of the letters of expectation to BCLC
4 and each year identifying anti-money laundering
5 measures as an issue of priority. Did they also
6 identify revenue expectations as an issue of
7 priority each year?

8 A Yep, absolutely. Now, but remember, though,
9 with revenue expectations, we do that with every
10 part of government. And it's -- you know, it's
11 part of ensuring that we're on budget. And so,
12 you know, from a public perspective, the budget
13 is presented and the accounting is done for the
14 previous year, and it looks like it's kind of
15 one -- it happens at one time. It is a daily
16 exercise within the Ministry of Finance seeing
17 where we're at with various parts of government,
18 are we on budget, are we off budget. And I
19 would say from my government's perspective we
20 were a lot more interested in controlling costs
21 and just trying to constrain the growth in
22 government than we were in trying to collect
23 more revenue. Really philosophically that's who
24 we were. That's what we ran on in the election.
25 We were pretty clear about it. And so, you

1 know, those are just sort of the two ways of
2 going about government. You can try and get
3 more revenue from wherever you can find it,
4 usually taxpayers, or you can try and constrain
5 the growth in government. So I would say yes,
6 there were revenue expectations, absolutely, for
7 every part of government that was a revenue
8 producing part. But we were also very much
9 concerned with making sure that government as a
10 whole constrained its growth and kept its costs
11 down.

12 Q Okay. Mandate letters went to each of the
13 ministries. I gather that's a fairly tall order
14 to craft those. Were you personally involved
15 in -- did you have a hand in drafting those
16 letters personally?

17 A Yes, yes. But as I said, though, none of it was
18 any surprise to anybody because we ran on it in
19 the election. So each -- if you go back and
20 look at the mandate letters what you'll see are
21 the very broad strokes. I mean, government is
22 \$50 billion or \$52 billion dollars when I was
23 there. It's a lot more now. Our mandate
24 letters may be four pages long. So, you know,
25 not everything is in the mandate letter but I

1 was very much a part of making sure that those
2 were constructed so that we didn't miss anything
3 that we promised to do and then once the mandate
4 letter was produced and the service plans were
5 produced, that's when ministry would start
6 adding in things that they were already doing
7 but hadn't been part of our platform,
8 nonetheless that were necessary and important
9 for government.

10 Q The gaming portfolio moved through I believe
11 three ministers during your time. Was it your
12 decision to assign and subsequently move the
13 portfolio?

14 A Yes. I mean, all those decisions would
15 ultimately about who was managing what would go
16 to the Premier.

17 Q At any time during your tenure as Premier did
18 any minister request or express a preference to
19 be assigned a gaming portfolio?

20 A No, not that I can recall.

21 Q Portfolio was initially assigned to Ms. Bond as
22 Solicitor General. I wonder if you can take the
23 Commissioner through your decision process in
24 making that decision.

25 A Well, I became a Premier in 2011 having been out

1 for a while, and I knew that Shirley was
2 interested in doing that job. No woman had ever
3 been Solicitor General in British Columbia's
4 history. They -- you know, there's kind of this
5 thing where they say that the women get the
6 social -- get the kids and the hospitals and the
7 men get the guns and the money. And that was
8 part of the reason that, you know, Solicitor
9 General had been a very -- had been an entirely
10 male domain. So I did want to choose a woman
11 for it. She's an incredibly competent woman
12 with an unending tolerance for hard work. And
13 so I thought it was the right ministry for her
14 to do that. Then -- and so gaming was a part of
15 it at that time.

16 So then what happened was Barry Penner, who
17 had been the Attorney General, stepped aside,
18 and so we combined the two ministries. I was
19 trying to keep cabinets small and combine the
20 two ministries. And by -- it was I think in
21 August 2011. And then by February 2012 it was
22 clear that the ministry was just way too
23 sprawling; it was just too big. Even though it
24 had two deputies, it was just too big. So what
25 we did is we took about -- we spread some of the

1 responsibilities around to about four other
2 ministers, so it wasn't just gaming, it was also
3 liquor, but it was ICBC. There were things in
4 the *Forest Act*, the *Ministry of Education Act*,
5 the *Public Service Act*. So there were a whole
6 number of acts and a few Crowns that came out of
7 the ministry and moved to other ministries just
8 because the ministry had become unwieldy,
9 so ...

10 Q Okay. So ultimately the portfolio moved in 2012
11 to Minister Coleman?

12 A Yeah, moved to Minister Coleman for 16 months.

13 Q Okay. Mr. Coleman at the time was the Minister
14 for Mines and Natural Resources?

15 A He was the Minister for Energy and Mines. So he
16 had LNG in his portfolio.

17 Q Energy and mines, thank you.

18 A Energy, mines and housing at the time, I think,
19 too.

20 Q It seems like perhaps a more awkward fit for the
21 gaming portfolio than the solicitor general's
22 ministry.

23 A Well, I mean, I guess you could argue that about
24 any of the Crowns. You know, where should ICBC
25 necessarily be; should it be in transportation;

1 should it be in finance, should it be -- it had
2 be in Attorney General, so -- you know, and why
3 is housing with the Attorney General now? And
4 why was it with the energy minister then?

5 You know, the thing about the Crown -- the
6 thing about putting it with Rich at that point
7 was I needed somebody to do it. And Rich had
8 about -- I mean, he'd been involved as minister
9 for gaming for probably most of the previous
10 decade. He'd been a Solicitor General himself.
11 He'd commissioned the Kroeker Report himself,
12 which is -- you know, we were waiting for
13 that to be -- well, we just had that delivered a
14 couple of months before and were implementing
15 it. And he had a background in law enforcement.
16 So, you know, he was -- you know, when I was
17 dealing with the same cabinet we had and looking
18 for places to distribute responsibilities from
19 that ministry, it seemed natural to give it to
20 somebody who had experience with it and really
21 understood it.

22 Q Did you have any specific discussion with him at
23 the time the portfolio was assigned to him by
24 you on the issue of money laundering or
25 anti-money laundering measures?

1 A Well, I mean, the Kroeker Report was underway of
2 being implemented, and, you know, we both knew
3 that that needed to get done. You know, I
4 can't -- I don't recall a specific conversation
5 around that, but I'm sure that that would have
6 happened.

7 Q The portfolio was with Minister Coleman for I
8 think a little over a year and was then
9 transferred to Minister de Jong. Can you
10 explain to the Commissioner what led to that
11 move.

12 A Well, we were re-elected, and Minister de Jong
13 became the Minister of Finance. Rich then took
14 on some of the very biggest jobs in government,
15 so then he became Deputy Premier. He had
16 responsibility for building the LNG industry,
17 which was a core element of our platform. And
18 it was a very complicated task. He continued
19 with housing. And he was sitting as a senior --
20 on four senior committees of government and I
21 really needed him to focus on LNG to get that
22 done, which he did. And so it felt like gaming
23 could go back to the Ministry of Finance where
24 it had been before, I think, in previous years,
25 but also, too, Mike de Jong, you know, he's a

1 trained lawyer and also a very, very experienced
2 minister in government.

3 Q Okay. Do I take it from your evidence that your
4 mandate letters to each of these ministers
5 address the issue of money laundering?

6 A You know, I don't think any of the mandate
7 letters did, but what we did do is make sure
8 that every single one of the letters of
9 expectation to the Crown corporation, to BCLC,
10 absolutely did. So, you know, the mandate
11 letters as I said were big, broad reflections of
12 our platform. And, you know, that hadn't been
13 something that was in our platform, but when we
14 went to the service plans for the ministries and
15 they were rolling those up and putting them into
16 letters of expectations for the Crowns, what
17 they were doing is adding in the things that
18 they were already working on and that also
19 needed to -- you know, where they needed to
20 report progress, so that's where those
21 anti-money laundering strategies were found was
22 in, amongst the existing important work that
23 government was doing that hadn't been talked
24 about in our platform. Because you can't --
25 government doesn't just implement the platform.

1 There's a lot of other stuff that happens in
2 government that needs to be done that's vitally
3 important that doesn't just get -- it doesn't
4 necessarily get talked about publicly.

5 Q Do I take it from the fact that money laundering
6 was addressed in the letters of expectations and
7 service plans do I take it from that that you
8 were aware that this was an issue of some
9 concern that needed to be addressed throughout
10 your time as Premier?

11 A Absolutely. And that was -- you know, remember,
12 the Kroeker Report had been commissioned in
13 February just before I got elected. It was
14 delivered to my government in August of 2011,
15 and, you know, we began implementing it. So,
16 you know, we were implementing the Kroeker
17 Report. There were a whole host of other
18 changes that were being implemented at the time
19 casinos -- like, for example, more BCLC and GPEB
20 staff into casinos, allowing temporary bans on
21 patrons, isolating chips by facility. Those
22 kinds of things were also happening at the same
23 time that the Kroeker Report was underway. And
24 then ultimately creating the Joint Illegal
25 Gaming task force, which has turned out to be,

1 I'm really proud to say, very successful.

2 Q During your evidence a couple of times you've
3 referred to Crowns and when you say that you
4 mean Crown corporations. I take it.

5 A I do.

6 Q Thank you. During the time you were Premier,
7 the Gaming Policy and Enforcement Branch in
8 British Columbia Lottery Corporation were
9 overseen by the same minister; is that correct?

10 A Sorry, say that again.

11 Q During the time you were Premier, GPEB and BCLC
12 were overseen by the same minister?

13 A I think for the entire time. I might -- I
14 believe so, yes.

15 Q Did you consider the advisability of having both
16 of those entities in the same ministry given the
17 potential conflict between the regulator and the
18 Crown corporation they were tasked with
19 regulating?

20 A Well, government isn't the sole -- GPEB is not
21 the sole regulator of gaming. I mean, there's
22 law enforcement. There's local law enforcement.
23 There's also local RCMP law enforcement.
24 There's FINTRAC. There is -- BCLC also has its
25 rules and regulations that it needs to live

1 with. There's Solicitor General Ministry as
2 well. And of course there's GPEB.

3 So, you know, there's a whole -- there's a
4 lot of fingers in the pie when it comes to
5 enforcement, which I think is good to have
6 different perspectives in it. Sometimes it can
7 be a little bit confusing, I think, and maybe
8 too multilayered. But, you know, I think what
9 government does is has to always balance revenue
10 concerns against other issues. And in
11 particular in areas like gaming, tobacco,
12 alcohol, government is very concerned about
13 potential social harms that result from that.
14 So, you know, that balance is something
15 government is always working to find. What
16 government does is says all right, tell us how
17 much money you expect to bring in in revenue,
18 whether you're BC liquor control board or
19 whether you're BCLC, but here are the rules and
20 regulations; we're going to make them clear and
21 we expect you to meet those, so everything you
22 do has to work -- has to be done within the
23 rules and regulations that we set. And that
24 happens all across government, all across
25 ministries, whether it's mining or forestry or

1 tobacco or liquor. And never did we say that
2 revenue considerations would come before
3 stopping criminal activity. Stopping criminal
4 activity in any sphere in the province was very
5 important for our government throughout my time
6 there.

7 Q Thank you. Did you ever turn your mind to
8 whether it might be more effective to have the
9 Crown corporation charged with conducting and
10 managing gaming overseen by a ministry that was
11 different than the ministry overseeing the
12 regulator charged with regulating gaming in the
13 province?

14 A No, I didn't. And, you know, that would have
15 been -- if -- I would have turned my mind to it,
16 I think, if someone, if anyone in law
17 enforcement or in the bureaucracy, in the
18 Solicitor General's ministry in particular, had
19 suggested that that might be something that
20 needed to be done. But, you know, my
21 understanding, my belief is that law
22 enforcement, both law enforcement and our
23 non-partisan civil service, felt that the system
24 at least in that respect was working as well as
25 it needed to and that government was not putting

1 revenue considerations ahead of stopping
2 criminal activity in casinos and that government
3 is, you know, pretty competent at balancing
4 those concerns wherever they might arise. You
5 know, certainly in the mining industry and the
6 forestry industry, both of them really important
7 job creators, really important revenue sources
8 for the province, but it's also vital that they
9 be properly regulated. So it's not an issue
10 with which government is unfamiliar.

11 Q Thank you. Was it suggested to you at any point
12 that the Crown corporation BCLC and GPEB might
13 hold different perspectives on the issue of
14 suspicious cash in casinos?

15 A No. I mean, I -- tension is sometimes good. I
16 mean, there's always a lot of disagreement in
17 government. You know, in the same ministry
18 there can be lots of disagreement. And, you
19 know, that's part of often finding the right
20 solutions to things. But in this case no, I
21 mean, I wasn't aware. If that was happening, I
22 wasn't aware of it.

23 Q Okay. I'm going to ask you some questions now,
24 Ms. Clark, about the issue of suspicious cash
25 entering British Columbia casinos and the extent

1 to which you were aware of what may have been
2 happening.

3 During the time leading up to you taking
4 over the role of Premier, there was some
5 reasonably significant media coverage about the
6 issue of cash in casinos. Were you aware of
7 that coverage at the time?

8 A Yes, yes.

9 Q And were you aware that the media was reporting
10 that millions of dollars in suspicious cash,
11 predominantly \$20 bills, was going through Lower
12 Mainland casinos?

13 A I don't remember that specifically in the
14 coverage.

15 Q Okay. Were you -- do you recall the coverage
16 suggesting that there may be money laundering
17 happening in British Columbia casinos?

18 A Yes.

19 Q Okay. And do you recall the media providing
20 examples of buy-ins in hundreds of thousands of
21 dollars in \$20 bills?

22 A Maybe. I mean, I'm sure it was -- I would
23 have -- I would have seen it if I had been
24 reading the stories, which I was. I just can't
25 recall it specifically.

1 Q What level of concern did you have about what
2 was being reported in the media?

3 A Well, I was very concerned about it. I mean,
4 money laundering is a significant problem. And
5 it happens inside casinos and it happens outside
6 casinos and it fuels organized crime. And
7 organized crime can have, you know, horrific
8 impacts, you know, in hundreds of different
9 ways, but specifically in the fact that gangs
10 like we're seeing this week in Vancouver are
11 responsible for public killings that can affect,
12 you know, innocent bystanders. So I mean, yes,
13 money laundering is an issue in British
14 Columbia. No question about it. And we were
15 concerned about it. And that's why we
16 commissioned the Kroeker Report. That's why we
17 implemented it. That's why we created the joint
18 task force, you know, the cross agency task
19 force, which I think is working well, and the
20 other changes that we made kind of outside the
21 Kroeker Report. So there was a lot of --
22 government made a significant effort to address
23 money laundering, and I think you're seeing the
24 fruits of that certainly in the work that JIGIT
25 is doing now. I saw in the paper that they'd

1 taken credit for some significant arrests
2 recently, which I thought was, you know, a good,
3 a really -- showed good progress.

4 Q Did you take any steps to determine whether
5 these claims being reported in the media in 2011
6 were accurate?

7 A Probably not specifically. But I -- but you
8 know, I mean, I knew money laundering was a
9 problem, and I knew that government was acting
10 on it, and I knew that it was in the letters of
11 expectation for the agency for BCLC and I knew
12 that it was in the service plan for the relevant
13 ministries. And I knew law enforcement was
14 working on it. So, you know, I'm sure some of
15 it was accurate. Maybe all of it was accurate.
16 And I knew that we were acting on it. So, you
17 know, good for them. They should be reporting
18 on those kinds of issues and government should
19 be responding, which we did.

20 Q Okay. Aside from the mandate letters which you
21 issued and the letters of expectation and
22 service plans which I gather from your evidence
23 you saw or at least oversaw to some extent, can
24 you point to any steps that you took in the wake
25 of this media reporting to ensure that these

1 concerns were investigated and addressed?

2 A Well, we commissioned the -- we acted on the
3 Kroeker Report certainly. And, you know, that
4 was important. And then the creation of the
5 joint task force was another notable -- the
6 Minister of Finance at the time and I had a
7 discussion about that, and he created it in
8 very, very short order after that discussion.
9 He found the money for it and he made sure it
10 was funded and staffed appropriately and it's
11 turned out to be a big success, I think.

12 Q Are you referring to JIGIT?

13 A Yeah.

14 Q Okay. And what's your understanding of when
15 JIGIT was initiated?

16 A 2015, I believe. It had been underway -- it was
17 recommended in the Kroeker Report, which we
18 received in August 2011, and at the time GPEB,
19 the Gaming Policy Enforcement Branch, issued
20 their response to it accepting all of the
21 recommendations, and in that they set out their
22 plan for getting it done. And so the cross
23 agency task force was something -- it was sort
24 of the last phase of the project, because, you
25 know, when you're involving the RCMP nationally

1 and locally as well as -- as well as municipal
2 departments in places like Vancouver that are
3 also the host of casinos and have their own law
4 enforcement, you know, it took a little bit of
5 time to put all that together, I think, and then
6 the minister executed -- again executed on that
7 in 2015. So it has been operational now for six
8 years.

9 Q Are you suggesting that JIGIT was instigated by
10 the Kroeker Report?

11 A Well, JIGIT was part of the -- I mean, it was a
12 joint cross agency task force, and GPEB was
13 working on creating a cross agency task force,
14 and then JIGIT was created. So I wouldn't say
15 that they're unrelated.

16 Q Okay. The Kroeker Report came out in 2011,
17 JIGIT was initiated in 2015. If this was an
18 issue of significant concern can you assist the
19 Commissioner in understanding why the delay.

20 A Well, I don't think -- it wasn't a delay. I
21 don't think -- and I think all of the things
22 that Mr. Kroeker talked about were of
23 significant concern. I wouldn't say that -- you
24 know, some of them were necessarily less
25 important than others. You know, for example,

1 making sure that staff were properly trained to
2 be more diligent in reporting suspicious
3 transactions. That's really a vital part of the
4 work to be done. Making sure that BCLC and GPEB
5 staff were in casinos more often and in greater
6 numbers. That was really important, too.

7 So what I would say is when looking back at
8 the report that GPEB made, the Gaming Policy
9 Enforcement Branch made in response to the
10 Kroeker Report, one of the things they note in
11 that is that the recommendation that would take
12 the longest to implement because, you know, and
13 I'm just -- and I'm assuming because of the
14 complexity of bringing all the agencies
15 together -- and the last one that they were
16 really going to really probably get done would
17 be the cross agency task force. So I
18 wouldn't -- I wouldn't accept the assumption
19 that it was delayed.

20 Q Okay. Were you involved in any discussions or
21 deliberations about a decision to not implement
22 the cross agency working group -- pardon me,
23 cross agency task force because of concerns
24 about the costs of that?

25 A No.

1 Q So if that was a consideration that was
2 underway, that was something you were up aware
3 of?

4 A To not do it?

5 Q To not do it or to delay it because of concerns
6 about cost or complexity.

7 A No.

8 Q Okay. Can you assist us at all, then -- and
9 I've asked you this question, and maybe I'll ask
10 it again in a different way -- can you assist us
11 at all why a recommendation that was made by
12 Mr. Kroeker in 2011 didn't come to fruition
13 until 2015?

14 A Well, I think I've tried to answer that question
15 already, Mr. McGowan. And, you know, really, to
16 say money laundering was a big -- a real concern
17 for our government, and, you know, we made sure
18 that the Kroeker Report was implemented. We
19 took action, and I think significant action, to
20 address it. And the JIGIT task force was
21 created as a cross agency task force, which is
22 what Mr. Kroeker recommended. And as I said,
23 GPEB did note when they issued their first
24 response to that report that it was going to
25 take a little bit longer to get that last one

1 done and my assumption is just because of the
2 complexity of bringing all those agencies
3 together. Because there is no doubt that the
4 number of agencies that are involved in
5 enforcement and sometimes probably the
6 competition between them and the competing
7 priorities between them would have made fighting
8 money -- anti-money laundering a challenge
9 sometimes.

10 Q Did you give direction to the ministers
11 responsible for gaming during your time about
12 the extent to which you ought to be briefed on
13 money laundering developments and the extent to
14 which they were having success combatting those
15 concerns?

16 A Well, I didn't need to. I saw the service
17 plans. I saw the reports, the progress. My
18 deputy was regularly, daily, reporting to me on
19 what was happening across government, and, you
20 know, where we were falling short and where we
21 were exceeding expectations, where we were
22 meeting them. So there's -- you know, as I said
23 at the beginning there's just a constant flow of
24 information back and forth between agencies and
25 individuals in government. And so, you know, it

1 was in their letter of expectation. They set
2 out their plan for doing that at BCLC
3 specifically but also GPEB, they had their job
4 to do, and Solicitor General Ministry and law
5 enforcement across the province. So, it you
6 know, that was -- it was underway. You know, we
7 were taking action to get this done and regular
8 reporting was happening across government.

9 Q Was it reported to you that the plan that was
10 undertaken to combat concerns about money
11 laundering in casinos was succeeding, meeting
12 expectations, not meeting expectations?

13 A Not -- neither. Neither, I would say. Not in a
14 verbal -- not verbally. However, I mean, in the
15 service plans you could see that, you know, over
16 time action was being taken. But I would also
17 note, though, too, that in the letters of
18 expectation that went to BCLC government did get
19 into more specificity and more detail, you know,
20 I think consistently in every one and all the
21 years that I was there. So now, you know, when
22 I look at the current plans, the letters of
23 expectation, you know, from this year and
24 previous years, they're not different in a
25 substantial way from the service plans that our

1 government produced.

2 Q Okay. Was it reported to you that suspicious
3 cash buy-ins were increasing at a significant
4 rate year over year from 2011 to 2015?

5 A It was reported to me in 2015 that the
6 suspicious activity -- there had been a spike in
7 reports of suspicious activity, which is why
8 Minister de Jong was in such a rush to make sure
9 that JIGIT was created.

10 Q Was that the first you heard of an increase from
11 2011?

12 A It was the first time I heard about it, yeah,
13 from within government. But you know, and I
14 would say this too: I think, you know, it was
15 very concerning, which is why we took swift
16 action and significant action on it, but also,
17 though, people around government believed that
18 it was also on the other side a confirmation
19 that the training that BCLC and government had
20 introduced into casinos was working, that we
21 were seeing also more reports, there was
22 certainly more diligence underway and so there's
23 a lot of downside in hearing that there's a
24 spike in suspicious activity, but I think there
25 was also a sense that all right, some of the

1 things, that some of the changes that government
2 has made have been effective.

3 Q Was it drawn to your attention through the years
4 2012 to 2015 buy-ins in the hundreds of
5 thousands of dollars predominantly in \$20 bills
6 had become commonplace at Lower Mainland
7 casinos?

8 A It wasn't.

9 Q Okay. Did you know that patrons were regularly
10 buying in for six figures predominantly in
11 \$20 bills?

12 A No.

13 Q Had that been drawn to your attention, would
14 that have raised an alarm to you or a degree of
15 concern?

16 A I can't -- it's hard to answer a question about
17 what might have happened. I could tell you what
18 did happen, though, which was, you know, there
19 was -- as I said, the Kroeker Report had some
20 significant recommendations for change, which we
21 made. Cross agency task force in JIGIT that we
22 created. We isolated chips to facilities. We
23 gave -- required that cheques were issued that
24 said they were not lottery winnings for winners.
25 We restricted the number of -- restricted the

1 flow of money of exchange for small bills to
2 large bills. We allowed for temporary bans on
3 patrons while investigations were underway. We
4 were working on the transition to e-funds in
5 casinos. In addition to all the work that
6 Mr. Kroeker recommended.

7 So there was -- there were huge array of
8 things government was working on to try and stem
9 this -- to stem this problem. But I do think
10 the most significant thing was ultimately the
11 creation of the joint task force, which, you
12 know, it seems to have gone a long way to
13 reducing the overlap and the confusion and the
14 competition between the agencies that work in
15 law enforcement across the province. It's
16 70 percent funded by BCLC, so by government
17 sources. And it's a good example of, you know,
18 government doesn't set priorities, day-to-day
19 priorities for law enforcement. The provincial
20 government doesn't do that and we certainly
21 don't do that with the RCMP. But we can
22 influence those. And one of -- in my experience
23 the most important way that government can
24 influence the priorities of local law
25 enforcement and the RCMP is to create and fund

1 task forces, so whether it's organizations
2 like -- whether it's guns and gangs or IHIT,
3 those -- or JIGIT. Those are all organizations
4 that the province pushed to create and got
5 created and were funded principally by the
6 province in order to try and get law enforcement
7 focused and coordinated on priorities that we
8 felt they should be pursuing

9 Q You told the Commissioner about having what you
10 described as a spike in suspicious activity
11 drawn to your attention in 2015. From 2011
12 until this spike was drawn to your attention,
13 did you have the impression from your
14 conversations with your ministers that the issue
15 of suspicious cash entering casinos was being
16 adequately addressed and was under control until
17 that point?

18 A Well, I had that impression from kind of the
19 entire system from the civil service. And I had
20 that impression from the service plans that we
21 were seeing and the reporting back that we were
22 seeing on the commitments that they'd made.
23 But, you know, I knew more needed to be done
24 because I was -- you know, in the service plans
25 in the letters of expectation, we were getting

1 into a lot more detail about what needed to
2 happen, which generally suggests that more needs
3 to happen. And I also knew that the other work
4 would continue to be underway. So, you know, I
5 knew that the problem hadn't yet been solved, if
6 that's what you're asking, because otherwise we
7 would have, I guess, sort of say okay, done,
8 let's move on, and we didn't. We kept working
9 at it; we kept taking action throughout the
10 years that I was there.

11 Q You of course signed the gaming portfolio to
12 various ministers and I gather they had primary
13 responsibility for overseeing the issue of
14 suspicious cash in casinos in your mind.

15 A Well, they had -- they had primary
16 responsibility for overseeing that government,
17 all of government's requirements were met.

18 Q Okay. Aside from the letters of expectation and
19 service plans you told us about, can you point
20 to any step that you as Premier took to ensure
21 that the issue of suspicious cash in casinos and
22 money laundering more generally was being
23 addressed by your government?

24 A Well, I mean, we talked a little bit about this
25 before, you know, making sure that the Kroeker

1 Report was fully implemented, you know, revised
2 the buy-in, cash-out policies that we had, moved
3 to E funding, changed the policies so that staff
4 don't assume that because somebody's losing
5 they're not laundering money. You know, that
6 long list of thing, and then the creation of the
7 joint task force. I mean, me and Minister de
8 Jong specifically spoke about that and, you
9 know, as I said, we got it done and I think it's
10 made a difference. I think all of the things
11 actually that we did around gaming, the Kroeker
12 Report, the other changes that I've talked about
13 and the creation of JIGIT, I think, have made a
14 significant difference.

15 Q Okay. And you talk about some of these programs
16 that were undertaken, and I gather they were
17 undertaken within the gaming portfolio by either
18 BCLC or GPEB under the direction of the minister
19 responsible for gaming.

20 A Yes.

21 Q What I'm trying to understand is whether you as
22 Premier gave -- went beyond the mandate letter
23 or the service plans and gave specific
24 directions either to your minister or those
25 agencies to ensure that the issue of money

1 laundrying was given sufficient priority and was
2 adequately addressed.

3 A I said, get it done. And I knew that it had
4 been addressed or it was being adequately
5 addressed because it was so prominent in the
6 letters of expectation and the service plans.
7 You know, it wasn't a buried detail in any of
8 those things. So when I said get it done, I
9 knew that they were getting it done because they
10 were -- they were following up. And I also knew
11 that in the reporting back they weren't --
12 government wasn't identifying issues, which they
13 certainly would have if it had -- if that action
14 hadn't been taken and wasn't being observed.

15 Q Okay. You said you said get it done. Who did
16 you say that to?

17 A Well, I said that to every minister about all of
18 their ministries. I mean, you know, the thing
19 is, Mr. McGowan, as I said, ministers know that
20 they don't -- that it's an honour to serve and
21 they serve at the -- you know, it's kind of an
22 old-fashioned thing, but at the pleasure of the
23 Premier. And I didn't have a lot of patience
24 for ministers who weren't getting their job
25 done.

1 Q Okay. And you told the commission that you knew
2 they were getting it done. By that do you mean
3 that they were adequately addressing the issue
4 of suspicious cash in casinos?

5 A Well, I think they were addressing it. And they
6 were -- they were taking the advice of the
7 experts and making sure that that advice was
8 implemented. And, you know, that to me is an
9 important part of making sure someone is doing
10 their job.

11 Q Okay. Were you made aware by your ministers or
12 anyone else that surveillance at Lower Mainland
13 casinos suggested that some high-level players
14 were having hundreds of thousands of dollars in
15 \$20 bills delivered to them, sometimes late at
16 night or early in the morning, either on or near
17 the properties of casinos and were using those
18 funds to buy in at British Columbia casinos?

19 A No. And, you know, I have to say the daily work
20 of law enforcement wasn't something that I was
21 engaged in. As I said, what government does is
22 set the rules, makes sure everybody observes
23 those rules and, you know, law enforcement sets
24 its own priorities except where government is
25 able to successfully influence them. But, you

1 know, law enforcement did its job, and those
2 wouldn't necessarily be the kinds of things that
3 a Premier is advised about on a daily basis.

4 Q If you had been told that somebody was dropping
5 off a shopping bag at midnight containing
6 \$200,000 in \$20 bills and that was then being
7 accepted by a service provider, would that have
8 been something you thought was appropriate?

9 A I can't tell you what might have happened. I
10 can only just tell you that we, I mean,
11 recognized it was a serious problem in the
12 province and that we wanted, that we were taking
13 action to deal with it. Which we did.

14 Q Okay. Well, if your minister had told you this
15 is happening, would you have let that continue,
16 or would you have intervened to -- or raise some
17 concern about that?

18 A Yeah, well, I mean, again, I can't answer
19 questions about what might have happened, but
20 you know, the work that we -- I can say that we
21 took significant action in the years that I was
22 there, and, you know, I think confirmation of
23 its effectiveness is that the current government
24 is continuing with those actions that we
25 undertook.

1 Q Well, I know you've said you can't answer what
2 might have been, but I do want you to try to
3 assist the Commissioner by telling him what
4 degree of concern would you have had had you
5 been told that shopping bags of \$20 bills and
6 hundreds of thousands of dollars were being
7 dropped off and accepted by service providers at
8 Lower Mainland casinos.

9 A Ensuring we lived in a civil society where
10 people were safe and where the rules were
11 observed and respected was a central part of our
12 government's promise to the people of British
13 Columbia. And so, you know, I'm not of the --
14 I'm not of the school that says some crime is
15 worse necessarily than other crime. I think all
16 crime needs to be addressed appropriately. And,
17 you know, so if -- you know, one of the issues
18 that we were dealing with a lot was gang
19 violence and shootings, and the sense that the
20 huge impact that that had on not just people's
21 perception of their safety, but their actual,
22 the safety of citizens. And, Mr. McGowan, I
23 wouldn't be someone who said one gang shooting
24 is something that we would have paid a little
25 bit of attention to and 10 gang shootings is

1 something we would have paid a lot of attention
2 to. Money laundering was -- is a real, very
3 serious problem in British Columbia, and, you
4 know, whatever -- at whatever level it needs to
5 be dealt with seriously by law enforcement and
6 by the relevant agencies in government. And,
7 you know, from my government's perspective, we
8 took action in response to that throughout the
9 time that I was there.

10 Q I gather given your evidence that you were aware
11 at least by 2015 that there was a significant
12 number of transactions at Lower Mainland casinos
13 that were being reported by the service
14 providers or BCLC as either unusual or
15 suspicious.

16 A Well, certainly -- I mean, we spoke about this
17 in 2015 that spike that the Minister of Finance
18 reported to me was a cause of, you know, serious
19 concern, evidence that the reporting was
20 happening, the diligence was being increased,
21 but also that the problem was apparently at an
22 all-time high. So I was, you know -- that was
23 how I heard about it and that was why we created
24 the joint task force on illegal gaming.

25 Q Were you aware in the -- or did you understand

1 that in the vast majority of cases where funds
2 were reported as suspicious they were also
3 accepted by the service provider to buy in for
4 gaming?

5 A No.

6 Q That's not something that was discussed with you
7 by your ministers?

8 A No.

9 Q What did you think was happening to the funds
10 that were reported as suspicious?

11 A I thought that they would be -- well, I know
12 that many of them were reported to FINTRAC and
13 to law enforcement, which is the requirement
14 that government sets out. So whether or not all
15 of them were wasn't something I was involved in,
16 but I certainly do know that many of them, that
17 many of those reports were made both to law
18 enforcement, to the RCMP, to local police and to
19 the federal government at FINTRAC.

20 Q And what did you think was happening to the
21 funds that were reported as suspicious?

22 A Well, I mean, law enforcement had a job to do in
23 ensuring that -- you know, at that point once
24 the report is made to law enforcement, law
25 enforcement's role in this is to investigate,

1 find evidence and prosecute.

2 Q Okay. Did you think these funds that were being
3 reported as suspicious were refused or
4 ultimately accepted and contributed to the
5 revenue of the province?

6 A Well, I mean, I think I've already answered that
7 question. My -- I knew that many, many reports
8 had been made. Whether or not all of the
9 reports were made or whether or not all the
10 suspicious activity was refused or even tracked
11 isn't a level of detail that I was engaged in.

12 Q Did you ever inquire whether these funds that
13 were reported as suspicious were ultimately
14 accepted into casinos and subsequently funded
15 provincial revenue?

16 A Well, I think I've already answered that
17 question with my previous one. But I would say,
18 you know, again, all illegal activity in casinos
19 has to be fought vigorously and diligently. And
20 so whether it's that or some other form of
21 illegal activity, it needs to be -- it needs to
22 be fought. So I don't -- you know, I don't -- I
23 can't really expand on that previous answer, I
24 don't think, Mr. McGowan.

25 Q Well, you keep saying you've answered the

1 question and with respect, I'm just not sure
2 that you have. It's a relatively simple one.
3 Did you ask whether this money that was reported
4 as suspicious was accepted by casinos and
5 ultimately gamed with and subsequently
6 contributed to the provincial revenue or whether
7 it was refused? Did you make that inquiry?

8 A I didn't. I knew that we were going to -- what
9 we did instead is we created JIGIT. And because
10 we needed to make sure, ultimately the problem
11 was, I think, the remaining problem that needed
12 to be addressed was the lack of cooperation
13 between the agencies and ensuring that
14 enforcement, that reporting, enforcement,
15 operations, oversight were much better
16 integrated to make sure that all of those parts
17 were working together. And that was why JIGIT
18 was created in response to that. And that's why
19 JIGIT continues to this day and continues to
20 be -- continues to be successful. So, you know,
21 I think your question -- if your question is did
22 I do something about it, the answer is yes.

23 Q My question wasn't whether you did something, it
24 was whether you asked if the money was accepted
25 or refused.

1 A Then I did answer that.

2 Q Okay. Were you aware that GPEB investigators
3 had been raising concerns about the possibility
4 that at least some of these large cash buy-ins
5 in 20s might be proceeds of crime since 2010 or
6 2011?

7 A Well, I mean, I wasn't -- as I said, I wasn't
8 being kept abreast of the large cash buy-ins and
9 the reports from law enforcement specifically
10 and what law enforcement was doing in response
11 to that. You know, my -- my assumption was, and
12 I think appropriately so, that when law
13 enforcement received reports of suspicious
14 transactions that law enforcement was acting on
15 that, gathering evidence, you know, proving
16 their case and then prosecuting it.

17 Q Did you ever have a discussion with any of the
18 ministers responsible for gaming or anyone else
19 about the possibility of instituting a cap on
20 the quantity of cash that could be used to buy
21 in at British Columbia casinos?

22 A No.

23 Q Did you ever have a discussion with one of your
24 responsible ministers or anyone else about
25 implementing a requirement that cash be sourced

1 prior to acceptance?

2 A No.

3 Q Were you ever advised of a degree of friction
4 that existed by at least certain departments in
5 BCLC and GPEB?

6 A No.

7 Q Were you aware that during your time as Premier
8 the bet limit rose on high-limit gaming to the
9 point where a single player could wager up to a
10 \$100,000 on a single hand of baccarat?

11 A No.

12 Q Are you surprised to learn that somebody could
13 bet that much on a single hand?

14 A Well, I have to say I don't know a lot about --
15 I don't gamble. So I don't know what's normal
16 in a casino. So -- but, you know, again, you
17 know, Mr. McGowan, I wasn't -- I wasn't involved
18 in the day-to-day operations of ministries and
19 of Crown corporations, and so it's not something
20 a Premier would normally be advised about, I
21 don't expect, because there are so -- you know,
22 the Premier is sitting atop 20 ministries, each
23 of which have tons of really important issues,
24 and not everything can be reported or is
25 reported back directly to the Premier. But what

1 the Premier can do is set in place plans and
2 charge each of her ministers with meeting those
3 plans, and then rest assured if you have a -- if
4 you've got great deputies, which we did, that
5 the progress in meeting or failing to meet those
6 plans would be reported back. That's really how
7 the system works. Rather than a day-to-day kind
8 of management. Because the system wouldn't work
9 if the Premier was managing every single
10 ministry and every element of law enforcement.

11 Q Did you ever have any discussions with your
12 responsible ministers about the advisability of
13 engaging in these high-limit games with limits
14 up in the hundred thousand dollar range in the
15 context of an industry that was still very much
16 driven by cash or funded by cash?

17 A No, I didn't. You know, again, I mean, we had
18 the actions that we'd taken. I think they were
19 significant actions that were underway. Yeah,
20 so I'll leave it at that.

21 Q We've touched on this a bit, but I want to give
22 you an opportunity to address the Commissioner
23 on whether you ever turned your mind to the
24 possibility that proceeds of crime might be
25 being used to buy in at British Columbia casinos

1 and in turn be contributing to the province's
2 revenue?

3 A Well, I wasn't -- you know, I have to say I
4 wouldn't have framed it that way in my mind.
5 The way I framed it was illegal activity in BC
6 casinos is a big problem, and, you know,
7 remember when previous government, a previous
8 government long ago created the gaming industry
9 in British Columbia and decided that it would be
10 government run, it did so with the
11 understanding, you know, with the intention that
12 if it was run by the government that it would be
13 better regulated than if it was just run in the
14 private sector. You know, sort of I imagine
15 they thought it would be sort of a similar
16 approach to having government sell liquor, that
17 if government is selling liquor, which also has
18 a lot of social harms attached to it, that there
19 would be better regulation, ability for
20 regulation on it.

21 So, you know, that's sort of -- that was
22 the approach with gaming, to see -- to make sure
23 that that regulation was done and well done, but
24 the idea was never to try and get revenue at the
25 expense of public safety or public confidence in

1 our casino system. Stopping crime, stopping
2 money laundering was always a primary concern
3 way over and above the revenue that came from BC
4 lotteries.

5 Q Okay. Did you ever have discussions with any of
6 the ministers responsible for gaming about how
7 to manage the potentially competing pressures of
8 maximizing revenue versus minimizing the risk of
9 proceeds entering British Columbia casinos,
10 proceeds of crime?

11 A That discussion was never necessary because, you
12 know, we were very clear amongst ourselves and I
13 was very -- you know, all of our ministers ran
14 on two principles that I've already talked
15 about, one that we were profoundly concerned
16 about public safety and controlling crime in
17 British Columbia. That was central to kind of
18 the -- it's central to the identity of who we
19 all were. And second, we were not a government
20 that was primarily interested in always trying
21 to just get more revenue. That's really not who
22 we were. And we were -- we thought a lot about
23 trying to constrain the growth of government to
24 try and make sure that government was working
25 efficiently for people. And, you know, it's

1 kind of -- if you -- any political party, any
2 government is going to really choose one of the
3 two sides of that coin. And we weren't pushing
4 Crown corporations to constantly be producing
5 more revenue the way that some previous
6 governments have. We were focusing on trying to
7 make sure the government costs didn't -- the
8 size of government didn't require tons more
9 revenue instead.

10 Q Okay. You've referred a few times to the
11 implementation of measures recommended by
12 Mr. Kroeker in his report. From the time that
13 report came out in 2011 up to 2015 when you say
14 you learned of a spike in suspicious
15 reporting -- reporting of suspicious activity,
16 did you have the impression that the
17 implementation of the Kroeker measures was
18 having the desired effect in respect of limiting
19 money laundering in casinos?

20 A I did.

21 Q Did any of your ministers come to you between
22 the implementation of the Kroeker Report in 2015
23 and suggest to you that the measures being
24 pursued by BCLC and GPEB were not sufficiently
25 addressing the problem?

1 A Well, no, not until 2015 when the Minister of
2 Finance, who was responsible for gaming, came to
3 me and said hey, we have a problem that's been
4 reported to me and I want to do more. So we
5 talked about it and that was how the -- how
6 JIGIT ended up being created.

7 Q You're referring to Minister de Jong coming to
8 you in 2015?

9 A Yes.

10 Q And prior to that had any of the ministers
11 responsible for gaming ever suggested to you
12 that the risk that proceeds were entering
13 British Columbia's casinos in significant
14 quantities has risen to an unacceptable level?

15 A No. I wasn't aware of that, or I wasn't told
16 about that.

17 Q You've referred to the creation of JIGIT, and I
18 gather this followed Minister de Jong, from the
19 evidence you've given followed Minister de Jong
20 coming to you and raising concern in 2015.

21 A M'mm-hmm.

22 Q At that time did your government or you turn its
23 mind to whether a unit focused solely on the
24 gaming industry perhaps had too narrow a focus
25 and whether it might be more advisable if you

1 were creating a unit focused on combatting at
2 least in part of money laundering that it have a
3 broader focus than just gaming?

4 A Well, I was -- I was satisfied to accept the
5 recommendation that the ministries put forward,
6 and, you know, partly because they're the
7 experts in it, not me, but also it was done in
8 consultation with the ministry for Solicitor
9 General and Attorney General. Minister de Jong
10 brought the ministries together to have that
11 discussion, and so the output would have
12 certainly reflected their feedback on that. And
13 remember though, too, we were in a rush to get
14 it done, and my recollection is that Minister de
15 Jong brought all the ministries together,
16 identified the focus, found the funding for it
17 within about two weeks of those suspicious
18 reports finding their way to his desk. So, you
19 know, it's possible if you're asking could it be
20 improved upon, I'll leave that to the experts.
21 I think -- but -- you know, looking back, I
22 would say it was really very important that
23 rather than trying to make sure that it was
24 perfect, we needed to make sure that it was
25 done, knowing that these -- that an agency like

1 that, once it's created, its focus can be
2 adjusted over time.

3 Q I gather given the urgency in your mind and the
4 mind of Minister de Jong you essentially had the
5 funding sorted, the unit mapped out and the
6 initiation underway within a few weeks?

7 A Well, you say "me." I mean them.

8 Q Yes.

9 A But they did a good job of it, I think, yeah.

10 Q But that was -- that really quite large task was
11 undertaken with really a significant degree of
12 haste over the period of a few weeks in 2015?

13 A Well, yes and no. Yes, it was undertaken at the
14 ministerial level very quickly, the funding was
15 found, the ministers were brought together, but
16 remember, the Gaming Policy Enforcement Branch
17 had identified a cross agency task force out of
18 the work that Mr. Kroeker had done back in
19 August 2011. And they'd been working on it. So
20 my assumption, Mr. McGowan, is that much -- some
21 of that work had been done or a significant
22 amount of that work had been done because it had
23 been in the planning process. That's my
24 understanding of it.

25 Q Are you aware of any impediment that would have

1 prevented this hasty action to gather funding
2 and map out the unit in 2011?

3 A No, I don't.

4 Q I guess what I'm asking is --

5 A But as I've already said to you, though, you
6 know, my best guess is the impediment would be
7 bringing all those agencies together. So one of
8 the other recommendations of Mr. Kroeker's
9 report was a restructuring of -- and the change
10 of culture at GPEB so that the Gaming Policy
11 Enforcement Branch was building more informal
12 contacts, had more regular conduits of
13 information flowing both ways between law
14 enforcement and itself. And, you know, so I'm
15 going to guess that GPEB probably understood,
16 and I think rightly so, that they needed to make
17 sure that that work got done first to kind of
18 build those relationships before the formal --
19 before the creation of the formal task force.

20 Q Okay. Had it been deemed sufficiently urgent
21 and important is there any reason the funding
22 that was found in 2015 couldn't have been found
23 in 2011?

24 A Of course it could have been -- funding for any
25 priority in government can be found reasonably

1 quickly where there's a will, and in this case
2 as soon as that report of suspicious activity
3 reached the minister's desk, he was -- he was
4 willful to make sure that it got done. Two weeks
5 is -- as I'm sure many of the commission counsel
6 will know -- is lightning speed in government
7 time to have done that.

8 So but, you know, I don't want to suggest
9 that the ministry, that the folks at GPEB hadn't
10 been doing their job. They'd identified the
11 cross agency task force as a priority, but they
12 knew that it needed to be planned properly and
13 put together properly, and they also had the
14 recommendation for Mr. Kroeker that they really
15 had work to do in building relationships with
16 law enforcement across the province. So my
17 guess is that that's what they were spending
18 those -- that time doing and why they identified
19 this one as the last phase of the Kroeker Report
20 implementation.

21 Q Okay. Did somebody report to you that that's
22 why it was deemed to be the last phase of
23 Kroeker implementation, or is this something
24 you're surmising from your understanding of the
25 circumstances?

1 A Well, it was always referred to as phase 3.

2 Q Okay. We've spoken a fair bit about the issue
3 of -- you know, the possibility of proceeds
4 entering British Columbia casinos and money
5 laundering in British Columbia casinos, but I
6 want to ask you about the issue of money
7 laundering in the province more broadly. Was
8 money laundering in the Province of British
9 Columbia outside of the gaming industry an issue
10 of any note or priority for your government
11 during your time as Premier?

12 A Well, I think -- I mean, our government was
13 really concerned with guns and gangs as well as
14 money laundering, and they're not unrelated. As
15 you say, money laundering doesn't just happen in
16 casinos, it happens outside casinos. And over
17 the -- you know, over the years there had been
18 much discussion about money laundering on the
19 parts of other criminal gangs that have lived in
20 the province a long time, and so yeah, I mean,
21 it was part of our -- you know, gangs and gang
22 activity was certainly an important part of our
23 government's anti-crime agenda.

24 Q I guess what I'm asking is was money laundering
25 as a standalone issue an issue of priority that

1 was considered or discussed at the cabinet level
2 aside from as it related to the gaming industry?

3 A Well, gangs were, and, you know, under that --
4 under the big title of -- big subject of gangs,
5 money laundering is certainly part of that.

6 Q Can you identify any action undertaken by your
7 government to investigate or address the issue
8 of money laundering specifically in the province
9 aside from as it touches on the gaming industry?

10 A Well, we were trying to put gangsters in jail.
11 That helps.

12 Q Okay. Anything else you can point to?

13 A Well, in casinos the creation of JIGIT, the
14 creation of the joint task force, the organized
15 crime task force, which, again, was a provincial
16 initiative that, you know -- so that's guns and
17 gangs. They worked on money -- they had money
18 laundering also in their responsibilities. It
19 just -- you know, JIGIT needed to be created to
20 ensure that there was even more focus on what
21 was going on in casinos, but the organized crime
22 group, cross agency group was dealing with that
23 certainly as well before JIGIT.

24 Q You're referring to CFSEU?

25 A Yes.

1 Q And you understood them to have a specific
2 mandate to investigate money laundering?

3 A Well, the organized -- if you look at the things
4 that the organized crime agency of British
5 Columbia deals with, money laundering is on that
6 list.

7 Q And did you understand that organization to be
8 during your time as Premier engaged in the
9 investigation of money laundering in the
10 Province of British Columbia?

11 A Well, yeah. M'mm-hmm.

12 Q Okay. And from where did you get that
13 understanding?

14 A Because it's on the -- it's on their list of --
15 it's on their mandate. It's part of their
16 mandate. But what I did come to realize,
17 Mr. McGowan, was that, you know, because we
18 needed to create -- the fact that we needed to
19 create an additional task force that was
20 specifically focused on money laundering in
21 casinos suggests that, you know, there wasn't
22 enough focus going on to money laundering. And
23 I don't mean that, you know, from the organized
24 crime agency, and I don't mean that in any way
25 to suggest that they weren't doing their job,

1 but it is an example of how in any organization
2 if there are a lot of priorities, sometimes, you
3 know, some priorities get more focus than
4 others. And I do think the organized crime
5 agency did a great job of fighting guns and
6 gangs. I think they did -- you know, they
7 worked really hard to try and put gangsters in
8 jail. You know, and to the extent that they did
9 that, that would have had an impact on money
10 laundering. Fewer gangsters means less money
11 laundering. But it wasn't enough focus, and
12 that's why JIGIT was created. And of course, as
13 you know, JIGIT now operates underneath that
14 umbrella of those other organizations.

15 Q And do you know whether there were any money
16 laundering prosecutions in the Province of
17 British Columbia during your time as Premier?

18 A I don't think -- you know, I don't know. There
19 may have been prosecutions. I don't know if
20 there were any successful ones, though.

21 Q Okay. I want to ask you during your time --

22 A Mr. McGowan, I will say -- I will say the
23 administration of justice, you know, the courts
24 aren't an area where the provincial government
25 directs. And the court system is properly

1 entirely separate from political priorities and
2 political direction. So, you know, what
3 happened on that side of the ledger isn't
4 something I would argue that the province should
5 have been interfering in, and we didn't.

6 Q You're referring to the court system?

7 A Yes.

8 Q Yes. And the court system of course takes the
9 cases that are brought to it?

10 A Yes.

11 Q During your time as Premier, do you know whether
12 your government took any steps to investigate
13 whether housing prices in British Columbia might
14 have been influenced by the -- by possible
15 illicit proceeds being parked in the BC real
16 estate market?

17 A Yeah, I can. Just to finish the answer to that
18 last -- to your last comment.

19 Q Please.

20 A It's true of course the courts do take the cases
21 that are brought to it. And whether or not
22 those are money laundering specifically or
23 whether or not they deal with the individuals,
24 gangsters who have been dealing with money
25 laundering, it all ends up -- it ends up in the

1 court system, if it ends up in the court system
2 at all, as you inferred, I think. And so the
3 investigation of those crimes also, though,
4 properly sits with law enforcement. And
5 collecting evidence, finding -- finding
6 suspects, collecting evidence against them and
7 then putting together a prosecution is the work
8 that law enforcement does. And, again, that's
9 not an area where government is directly
10 involved and setting day-to-day priorities. So,
11 you know, the government can through GPEB find
12 evidence, identify evidence. BCLC can identify
13 evidence and can refer that to law enforcement
14 and hopefully law enforcement will make sure it
15 finds its way into the courts.

16 I apologize. Can you ask me your question
17 again.

18 Q Yes. At any time if you want to add something
19 to an answer or circle back to something, just
20 let me know. I'm happy to give you that
21 opportunity.

22 A You've been patient about it so far. Thank you.

23 Q What I was asking is whether to your knowledge
24 your government took any steps during your time
25 as Premier to investigate whether housing prices

1 in British Columbia might have been influenced
2 by possible illicit proceeds being parked in the
3 British Columbia real estate market.

4 A I can say no one from law enforcement, from the
5 Solicitor General's ministry, from the Minister
6 of Finance, from anywhere in government or law
7 enforcement ever suggested that the rise in
8 housing prices was as a result of money
9 laundering. I mean, it was pretty -- I mean, we
10 had a strongest economy in Canada. We had the
11 best job growth numbers in Canada. We had --
12 people had more take home pay because we had the
13 lowest taxes in Canada and it's a beautiful
14 place to live. We had huge amounts of in
15 migration from across the country and we had to
16 a lesser extent immigration from other
17 countries. For all of those reasons, plus
18 interest rates were very, very low. So those
19 were the reasons that, you know, I believe that
20 the housing market was going up. And, you know,
21 this is still a beautiful place to live, and
22 even in a pandemic we've seen now housing prices
23 have gotten even more out of control. The
24 crisis has gotten even worse in the last four
25 years. So, you know, I think that there are --

1 I mean, there are very significant factors at
2 play. You know, in our case it was a very
3 strong economy, a lot of jobs and therefore a
4 lot of immigration combined with low interest
5 rates.

6 Q Thank you. During your time as Premier, the
7 realtors in this province lost the privilege of
8 self-governing themselves -- self-governing.
9 Are you able to assist the Commissioner in
10 understanding whether that move was in any way
11 related to compliance with AML requirements?

12 A It was related primarily to the way that some
13 unscrupulous realtors were handling contract
14 assignments. So a contract assignment -- I
15 don't need to explain this to you but perhaps to
16 other observers of the process. You know, a
17 contract assignment would happen in the hands of
18 an unscrupulous realtor, they would sell a home
19 for whatever price, they would then assign the
20 contract and then resell it shortly thereafter,
21 reaping the commission on both and perhaps
22 taking some of the profit when the original --
23 when really that added profit should have gone
24 back, in my mind, to the original owner of the
25 property. Contract assignment exists for all

1 kinds of good and proper purposes in the law,
2 but this was very unethical, and, you know,
3 being a self-regulated profession is a privilege
4 that you earn, and we didn't feel that there was
5 proper -- you know, that the real estate
6 association has shown proper oversight in this,
7 so we took away their right to self-regulation.
8 I mean, it was one of a whole range of things
9 that we did. So the Superintendent of Real
10 Estate was appointed. Self-regulation ended.
11 Contract assignment was very carefully
12 regulated, you know, in appropriate cases so
13 that owners of homes would be required to get
14 the extra money if a contract assignment had
15 been made and somebody made an additional profit
16 on it. We brought in a luxury tax on homes over
17 \$2 million. We brought in the first foreign
18 buyers tax in North America. We built almost --
19 or we planned to build almost a billion dollars
20 in affordable housing. We enabled the vacancy
21 tax in the province. You know, there was a long
22 range of things that we did, including
23 encouraging municipal governments to try and
24 improve their approval processes so more housing
25 could be built. Removing the PTT on some homes,

1 on new homes as an exemption. So, you know,
2 there was a long range of things that we did
3 both on the supply side and the demand side and
4 on the tax side to try and make sure that we
5 were confronting this housing crisis which, you
6 know, we certainly did have an impact for a
7 time, but now we see housing prices five years
8 later far worse and far more expensive than they
9 were then. It really does show, you know, how
10 entrenched and difficult this problem is to deal
11 with.

12 Q I'm going to ask you a few questions about law
13 enforcement in the province. Prior to you
14 becoming Premier, the Integrated Proceeds of
15 Crime Unit in British Columbia was disbanded.
16 Were you aware of this at the time you became
17 Premier?

18 A No.

19 Q Were you ever briefed on what the disbanding of
20 this unit did to the priority afforded to or the
21 capacity on the part of law enforcement to
22 investigate proceeds of crime or money
23 laundering cases?

24 A Well, I knew that, I mean, there was an
25 organized crime agency in British Columbia that

1 existed and I knew that, you know, there was --
2 or that GPEB existed and that they were working
3 across the piece. You know, and Mr. Kroeker,
4 remember, Mr. Kroeker made his report not that
5 long after I was elected, and recommended a
6 cross agency task force. You know, in
7 retrospect my expectation would have been that
8 if he'd felt that that agency had needed to be
9 recreated he probably would have said that in
10 his report. But again, that's looking
11 retrospectively.

12 Q Okay. Was it ever drawn to your attention that
13 for a number of years leading up to 2015 both
14 the British Columbia Lottery Corporation and
15 Gaming Policy and Enforcement Branch had been
16 making efforts to engage law enforcement on the
17 issue of suspicious cash in casinos and were
18 experiencing a degree of frustration because of
19 their perception that their call them lobbying
20 efforts were going unanswered?

21 A Yeah, I think, you know, that was -- it was -- I
22 can't tell you, Mr. McGowan, how I necessarily
23 became aware of that, but it was certainly part
24 of the chatter around government that there
25 really was a shortage of coordination, and

1 complaints in particular about FINTRAC and, you
2 know, I hesitate to offer this because it is
3 anecdotal, but the kind of chatter was that the
4 federal government's focus at FINTRAC had moved
5 and staffing and funding priorities had moved to
6 terrorism side of it and that rather than having
7 resources added to support the money laundering
8 side of it that money had just, you know, sort
9 of -- partly disappeared so that their capacity,
10 FINTRAC's capacity and attention for these
11 issues had really shrunk, which had -- and, you
12 know, remember, the thing about law enforcement
13 in the province, as I've said, is that British
14 Columbia government doesn't get to direct the
15 daily priorities of law enforcement. So in the
16 case of municipal departments that's set by
17 their own police boards locally and funded
18 locally as well from their tax base, but for the
19 RCMP it's a little even more complicated because
20 not only do they contract with their municipal
21 government and respond to some of those
22 priorities on a day-to-day basis as well, there
23 are also impacted by staffing changes, by
24 funding changes that are made in Ottawa. So
25 you've got FINTRAC on the one hand responding to

1 federal funding decisions, you know, and that's
2 a vital part of the process for money
3 laundering. You've got local RCMP also
4 responding to changes from Ottawa and trying to
5 manage what they're doing locally and you've got
6 municipal police forces doing the same thing.
7 So, you know, it's a multi-pronged effort, and
8 sometimes a little bit hard to corral and
9 certainly government recognized that and that's
10 why we created the joint task force, another
11 joint task force because we'd had success with
12 the other ones like IHIT and we'd also had some
13 success, I think, with, you know, seeing the
14 work that the organized crime agency of British
15 Columbia had done. Which was created by the way
16 by a previous government.

17 Q Okay. I gather from your answer that you had
18 some awareness of the frustration on the part of
19 GPEB and BCLC about their perceived inability to
20 engage law enforcement on the issue of cash in
21 casinos prior to the --

22 A I just -- sorry, Mr. McGowan, I just -- I think
23 I would just add to say not specifically. I
24 don't think I said specifically that I heard
25 from GPEB and BCLC, but certainly the chatter

1 around government was, you know, was as I
2 described.

3 Q Fair enough. As a result of that chatter which
4 rose to your level, prior to the creation of
5 JIGIT did you take any action to attempt to
6 influence the priority of law enforcement such
7 that they turned attention to this issue?

8 A Well, we were doing that through the work at the
9 Kroeker Report. I mean, our hope was that the
10 reporting -- making sure that more suspicious
11 transactions were reported would -- you know,
12 and would mean that there would be more action
13 on the part of law enforcement. And I don't
14 want to suggest that that action didn't happen.
15 I'm sure that there was some response. I'm not
16 here to impugn any part of the process, but
17 clearly there wasn't enough going on.
18 Otherwise, the government wouldn't have had to
19 create JIGIT and might have chosen another path
20 for that. Because as you've said, it was very
21 specifically focused on casinos, is very
22 specifically focused on casinos. Which does
23 seem, you know, it's as you say, money
24 laundering happens outside of casinos as well,
25 but the narrow focus of the group does suggest

1 that they really -- you know, that, you know,
2 that work wasn't getting done and it really
3 needed to be laser focused.

4 Q You've suggested to the Commissioner that
5 government doesn't direct law enforcement
6 priorities. But in your mind did government
7 have a role to play in influencing priorities to
8 ensure that the issues, law enforcement issues
9 of most concern to the citizens of the province
10 were being adequately addressed?

11 A Yes, absolutely. I mean, provincial government
12 makes laws, there's that. And, you know, we
13 manage the contract with the RCMP. I mean,
14 that's a fairly long, distant connection, but
15 it's still there. But the government, I mean,
16 the government makes the laws and law
17 enforcement has a job to do in ensuring those
18 laws are respected. And then the courts have a
19 job to do in ensuring that people who break the
20 laws are punished. I mean, that's how the
21 system works.

22 Now, but it's where -- the rubber hits the
23 road where the day-to-day priorities get set.
24 And, you know, as I've said, the best way, you
25 know, I think we've discovered for government to

1 really help refocus those daily priorities are
2 the task forces. So the guns and gangs task
3 force is a really good example. The Province
4 had excellent cooperation with the RCMP,
5 particularly in Surrey but also in Vancouver
6 where these -- we were seeing more gang murders
7 happening, and that was generously funded by the
8 province. RCMP members and people in
9 detachments were eager to get to work on these,
10 to do this. We sort of -- we provided a vehicle
11 for everybody to get into and work together on
12 by making sure that the funding was there and
13 that the staffing was there as well.

14 So in these tasks forces you will -- you
15 know, in the JIGIT task force, for example,
16 there were some non-law enforcement people
17 involved in that who are policy people from
18 GPEB.

19 Q Yes. To your perception, did the fact that
20 the -- much of the province is largely policed
21 by the RCMP, a federal force, hamper the
22 government's ability to influence law
23 enforcement priorities in the province?

24 A I would say it adds a level of complexity. I
25 mean, it adds another layer. Partly because the

1 decisions that are made in Ottawa around funding
2 always flow downstream to detachments, and so it
3 certainly adds that complexity. Because it
4 really, it brings another very important player
5 into the system, into a system where there's
6 already a lot of players. But, you know, I
7 would say in defence of local RCMP detachments
8 in British Columbia, particular our work with
9 the folks in Surrey, they worked incredibly hard
10 to try and find the balance that they saw needed
11 to be met on the ground versus the kind of
12 distant funding directives and staffing changes
13 that would sometimes be imposed on them from
14 Ottawa.

15 Q Did your government ever consider the
16 possibility of or investigate the possibility of
17 transitioning to a provincial police force to
18 enhance its ability to influence law enforcement
19 priorities?

20 A It came up when we were talking about the RCMP
21 contract. Government was dissatisfied with some
22 of the service that the RCMP had been providing,
23 and there was some issues around a very, very
24 expensive building the RCMP had built, the RCMP
25 brass had built in Surrey that was largely -- or

1 was at least a third empty, and we were very
2 concerned about the failure of the folks in
3 Ottawa, what we felt was a failure of the folks
4 in Ottawa to really address the guns and gangs
5 issue at the time. So I guess the contract
6 would have come up in about 2011 or 2012,
7 probably, and so there was some discussion about
8 it.

9 But you know, first of all, local
10 governments were really pleased with the service
11 for the most part that they were getting from
12 their RCMP detachments, and they were the
13 primary contractors with that. And, you know, I
14 kept in mind too that changing, going to a
15 provincial police force or to a Lower Mainland,
16 say a regional police force for the Lower
17 Mainland, would have been a hugely complicated
18 task, and at the time I was primarily interested
19 in getting the work done that needed to be done
20 on the streets to control crime, and I didn't
21 really -- I didn't want to do too much that
22 would disrupt the ability of law enforcement or
23 working on the streets every day to get that
24 work done because there's no doubt that the
25 transition from one to the other would have been

1 a massive and very disruptive process for
2 everybody. But I mean, there certainly were
3 arguments on both sides of it at the time. We
4 just ultimately decided not to do it then.

5 Q Did your government turn its mind to or did you
6 obtain any information about the financial
7 implications of one approach versus the other?

8 A It was -- yeah, we thought it would cost about
9 \$300 million at the time to do. My suspicion
10 would be it would be quite a bit more expensive.
11 But I can't -- you know, I didn't -- I didn't --
12 we didn't investigate it to the extent that I
13 sat down and actually was able to see the
14 financial analysis that was done. And so I
15 can't tell you, Mr. McGowan, whether that
16 information was kind of a ballpark figure
17 provided by experts in the Ministry of Finance
18 or whether they created all that supporting
19 material and done the math. My suspicion is
20 probably no because we didn't -- it wasn't under
21 consideration for very long.

22 Q Thank you. During your time as Premier were you
23 ever advised of an investigation on the topic of
24 the possibility of proceeds of crime being
25 sourced potentially from a money services

1 business and being used to buy into British
2 Columbia casinos?

3 A No. No, although I've seen it in the media
4 since.

5 Q Yes. Other than from the news were you provided
6 any information about E-Pirate during your time
7 as Premier?

8 A I wasn't.

9 Q Were you aware that in 2015 or by 2015 the RCMP
10 had advised executives at the British Columbia
11 Lottery Corporation that they believed organized
12 crime was involved in providing proceeds to
13 patrons to buy in at British Columbia casinos?

14 A No, not specifically. But again, you know, the
15 work that was being done our government had
16 taken a whole range, long list of actions to
17 address money laundering, so I'm -- you know, my
18 assumption is that that work that we did would
19 have been helpful in helping police identify the
20 problems and collect evidence and prosecute
21 those problems and that BCLC would have been
22 being cooperative in that because that was their
23 direction from government.

24 Q I'd like to ask you just a couple of questions
25 on the topic of donations. During your time as

1 Premier, did your party accept donations from
2 gaming service providers in the Province of
3 British Columbia?

4 A Only in the last two years that I was the
5 Premier. Before that our party hadn't -- every
6 party in British Columbia has accepted gaming
7 proceeds -- sorry, gaming donations. Our party
8 stopped doing that in 2001, and we were the only
9 party in British Columbia that didn't accept
10 gaming donations until 2015 when -- what our
11 party did was went through a constitutional
12 renewal process and went through a constitution
13 that had, you know, I think been there as far
14 back as Art Lee, when he was the leader and
15 Gordon Wilson and Gordon Campbell, and there was
16 a long history to it and it was a bit of a
17 mishmash. They decided they wanted to make it a
18 foundational document, which is what a
19 constitution is supposed to be. And so one of
20 the things that came out of that was the ban on
21 gaming donations, which I don't think exists in
22 the constitution of any political party anywhere
23 in Canada.

24 Q Okay. During the time period --

25 A But I wasn't involved in any of those

1 discussions. I mean, that was a -- the
2 constitution of the party is the business of
3 party members and they spent probably two years
4 working on it.

5 Q Okay. I've been told that some publicly
6 available sources suggest that some
7 gaming service -- a couple of gaming service
8 providers, Gateway and Great Canadian, donated
9 to your party during the time you were Premier
10 amounts in the six figures. Is that something
11 you're aware of?

12 A It could be. And, you know, I don't know how
13 much they would have donated to the New
14 Democrats and other parties. I'm sure that they
15 did as well. That would be the -- that would be
16 typical for most donors, to give to both
17 parties. And -- but you know, I would say
18 remember the -- an election spending -- parties
19 typically spend about so million dollars in
20 British Columbia or did then on an election, so
21 if it was \$100,000 it would be -- you know, it's
22 a significant amount, but it's not -- it's still
23 a fraction of the total amount that's
24 contributed to a party, and my view of the
25 reason people gave money to my party wherever

1 they were from was because we believed in a
2 strong economy, we believed in lower taxes and
3 we believed in smaller government and we
4 believed in more jobs for people. And so, you
5 know, people -- there are different philosophies
6 that different parties bring and people donate
7 to those parties based on the ones that are
8 closest to their big philosophical view of, you
9 know, where they want the province to go.

10 Q Do you have a view given your experience as to
11 the advisability of a party forming government
12 taking sizable donations from gaming service
13 providers whom the government has charged with
14 regulating?

15 A Well, government, you know, political parties
16 still to this day take donations from
17 organizations and businesses across the province
18 that we regulate. So forestry companies donate
19 to political parties. That's a regulated
20 business. Mining as well. Liquor companies,
21 also regulated. I mean, you could go right
22 across -- pharmaceutical companies, also
23 regulated. So, I mean, there's a lot of -- that
24 exists right across government, so, you know,
25 it's not unique to gaming by any stretch of the

1 imagination. And, you know, but, again, most
2 donors give money to all the political parties
3 they're allowed to. For the most part they
4 weren't allowed to give it to the BC Liberal
5 Party.

6 MR. MCGOWAN: Okay. Mr. Commissioner, I have reached
7 a convenient time for a pause, and I am very
8 near or perhaps at the conclusion of my
9 questioning. I'm going to suggest a 15-minute
10 break.

11 THE COMMISSIONER: All right. We'll take 15 minutes.
12 Thank you.

13 THE REGISTRAR: This hearing is adjourned for a
14 15-minute recess until 11:21 a.m.

15 **(WITNESS STOOD DOWN)**

16 **(PROCEEDINGS ADJOURNED AT 11:06 A.M.)**

17 **(PROCEEDINGS RECONVENED AT 11:20 A.M.)**

18 **CHRISTY CLARK, a witness**
19 **for the commission,**
20 **recalled.**

21 THE REGISTRAR: Thank you for waiting. The hearing
22 is resumed. Mr. Commissioner.

23 THE COMMISSIONER: Thank you, Madam Registrar.

24 Yes, Mr. McGowan.

25 MR. MCGOWAN: Yes, Mr. Commissioner. I've just about

1 come to the conclusion of my questions for
2 Ms. Clark, and I've asked her a number of them.

3 **EXAMINATION BY MR. MCGOWAN (continuing):**

4 Q But before concluding, Ms. Clark, you were in
5 government for many years and you're familiar
6 with our mandate and our process, and with that
7 context in mind, I wonder if before concluding
8 my questions you have any comments or
9 suggestions you would like to direct to our
10 Commissioner.

11 A No, you know, Mr. McGowan, I think we have
12 covered everything. You know, I would say that
13 there's -- there are -- I'm looking forward to
14 the results of the commission, though, because I
15 think that everything can be improved, and this
16 is one area that certainly can be improved.
17 It's a difficult and complex area of law
18 enforcement and obtaining justice because there
19 are so many agencies involved in it. My hope is
20 that the commission will be able to provide some
21 support for the province and the federal
22 government in making sure that that complexity
23 is either better managed or diminished so that
24 we can ensure that it's easier to get, you know,
25 get our hands collectively around the problem,

1 identify the problem, identify the individuals
2 responsible for it, collect the evidence and
3 ensure that those folks end up behind bars. You
4 know, that's the ultimate goal in all of this,
5 and I hope, you know -- I'm glad to have -- I
6 hope I'm able to have been a little bit helpful
7 with the commission today because I look forward
8 to the results.

9 MR. MCGOWAN: Thank you for answering my questions,
10 Ms. Clark.

11 Mr. Commissioner, those are my questions.

12 THE COMMISSIONER: Yes, thank you, Mr. McGowan.

13 I'll now turn to Mr. Stephens on behalf of
14 the British Columbia Lottery Corporation, who
15 has been allocated 15 minutes

16 MR. STEPHENS: Thank you, Mr. Commissioner.

17 MR. MCGOWAN: We lost the video from Ms. Clark.

18 MR. STEPHENS: Well, if it assists, I have no
19 questions for this witness, while that's
20 addressed.

21 THE WITNESS: I'm good.

22 THE COMMISSIONER: Thank you, Mr. Stephens.

23 Mr. Rauch-Davis on behalf of Transparency
24 International Coalition, who similarly has been
25 allocated 15 minutes.

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

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

3 Q Ms. Clark, can you hear me okay?

4 A I can, thank you.

5 Q Good. So I take it from some of your evidence
6 this morning that you attribute the low number
7 of prosecutions to investigators and I think I
8 have a note saying that you relied on police to
9 investigate and continue to prosecution. Do I
10 have that right?

11 A No.

12 Q No.

13 A No. As I said, it's a complex set of -- a
14 complex number of people and overlapping
15 jurisdictions that are working together on this.
16 So certainly we depend on making sure that the
17 suspicious transactions are all properly
18 reported and then we depend on making sure that
19 the reports are properly delivered and then that
20 the reports are properly acted on and that the
21 evidence that there's enough cooperation around
22 through everyone to be able to coordinate and
23 identify all the evidence that's there and then
24 the prosecution can be put together and find its
25 way to the court system. So there's -- you

1 know, there's a whole range of things that need
2 to happen and all of them really need to happen
3 well, and they don't always happen as well as
4 they should, I guess, and that's -- you know,
5 that's what the commission, I hope, will provide
6 us some direction with.

7 Q Sure. And I take it you would agree, though, at
8 some point it's incumbent on the Premier and
9 cabinet to take action to try and either improve
10 those numbers or at least get to the bottom of
11 why the numbers are so low.

12 A And cabinet did take -- the government did take
13 action. You know, I've been through a couple
14 of -- you know, isolating chips by facility is
15 certainly one important thing, restricting the
16 exchange of small bills for large ones is
17 another one, temporary bans on patrons, more
18 enforcement from GPEB and BCLC in casinos. You
19 know, promoting the use of cash alternatives was
20 really important as well. And then in addition
21 to that, implementing all of the recommendations
22 from the Kroeker Report and then finally the
23 creation of the joint task force, which, you
24 know -- so there was a lot of action taken
25 because it's a big issue, it's an important

1 issue, one that we were really concerned about
2 and one that we took action on throughout the
3 time that I was there.

4 Q Right. And I notice in your answer just now I
5 think every aspect you mentioned refers to
6 gaming. Do I have that right?

7 A Yeah. Well, isn't that what we're talking about
8 here?

9 Q No, I mean generally. I'm asking money
10 laundering in general. You said that priority
11 of your cabinet was to be tough on gang
12 violence, tough on gang crimes, and I think part
13 of your evidence this morning was that of course
14 gangs need to launder their money, and so I'm
15 wondering -- well, I'm wondering you appreciate
16 that there are low numbers of successful money
17 laundering prosecutions in general, not just on
18 the gaming side; right?

19 A M'mm-hmm.

20 Q Yeah, and so I'm wondering in addition to the
21 responses to the gaming issues, what did your
22 cabinet do to address money laundering issues at
23 large?

24 A Well, the organized crime agency of British
25 Columbia and the CFSEU would have -- you know,

1 were focused on those issues specifically.
2 Those are funded by the province and organized,
3 you know, in part by the province. The province
4 participates in those. And every time that we
5 put a gangster in jail, we have an impact, I
6 hope, on the sources of their money and the way
7 that they might recycle that money through the
8 economy.

9 Q All right. And on the topic of the casinos,
10 when you learned of the issue with the large
11 cash transactions at the casinos I think your
12 evidence was that was around 2015 that you
13 learned of those through the media reports?

14 A Learned that there had been a spike in those
15 suspicious transactions that had been reported.

16 Q Did you ever turn your mind to where those
17 bricks of \$20 bills were coming from?

18 A Well, I can say what I turned my mind to is that
19 we needed to make sure that law enforcement and
20 the government's agencies and the Gaming Policy
21 Enforcement Branch and all of the relevant
22 partners in this and BCLC were all working
23 together to ensure that the evidence could be
24 properly collected to figure out where all that
25 money was coming from and where it was going and

1 how it was being laundered so that we would get
2 from, you know, identify some suspects, that
3 they could identify some suspects and we could
4 seek justice through the courts.

5 Q Right. And then part of that was the creation
6 of JIGIT; right?

7 A M'mm-hmm.

8 Q And the scope of JIGIT was, again, specific to
9 gaming; right?

10 A M'mm-hmm.

11 Q M'mm-hmm -- if you could just say yes for the
12 purpose of the record.

13 A M'mm-hmm, yes.

14 Q And I take it -- well, I wonder, I'll ask: what
15 steps did you take to further investigate the
16 source of these bricks of \$20 bills?

17 A Well, it's not -- I mean, it's not government's
18 job to investigate crime. That's why we have
19 law enforcement and we have the GPEB and that's
20 why we created JIGIT, so that they could make
21 sure that that work was done. Because, you
22 know, collecting evidence of crime, identifying
23 suspects in crimes and putting together a
24 prosecution isn't properly something that
25 government and bureaucrats and politicians do.

1 Q Right. And I understand that, but as you said
2 you did create JIGIT in response to a perceived
3 issue, so there are a number of steps that
4 cabinet can take to enable law enforcement to
5 successfully investigate or to have better
6 success; right?

7 A M'mm-hmm.

8 Q And, again, you're saying m'mm-hmm. Yes?

9 A And that's what JIGIT was.

10 Q That's what JIGIT was. Your interpretation of
11 JIGIT was to investigate the source of the
12 \$20 bricks that were coming in?

13 A No, that's not what I said. What I said was the
14 creation of the joint task force, its purpose
15 was to ensure that the coordination could
16 happen, that the organizations were all working
17 together so that these prosecutions could
18 become -- could be successful, the evidence
19 could be collected, and, you know, it was really
20 important that there be a coordinating body that
21 was well funded and properly specifically
22 focused to make sure that we could deal with
23 money laundering that was happening in casinos.
24 Because it was obvious, I think, you know, to
25 parts of government, people in government but

1 also I think people in law enforcement that
2 there hadn't been sufficient coordination
3 between them and you can't get a prosecution.
4 You know, what we were hearing is that you
5 couldn't put together a successful prosecution,
6 couldn't collect the appropriate evidence and,
7 you know, identify the suspects without better
8 coordination. So that was the purpose of JIGIT.
9 And, you know, whether or not, you know, the
10 GPEB folks or whoever it was on the JIGIT -- in
11 the JIGIT group was actually doing the spade
12 work and, you know, kind of doing the
13 investigation on the ground, I suspect that
14 there were probably a lot more people involved
15 on the ground than that.

16 Q My friend Mr. McGowan also asked you a few
17 questions on the impact of money laundering or
18 the perceived impact of money laundering on the
19 housing market and I have a note that your
20 evidence was basically to your mind there was no
21 suggestion of money laundering affecting prices
22 and then you gave a list of reasons why housing
23 prices were going up. Do I kind of have that
24 right?

25 A Yes.

1 Q Yeah. And I take it that's based on your own
2 opinion. Right?

3 A Well, based on input from the -- from folks
4 around the Ministry of Finance in particular but
5 also from economists with whom we would consult
6 about, you know, the future of the economy and
7 also other groups. I mean, there's a huge
8 number of organizations out there from the
9 banking community to organizations that are
10 supporting economic growth, non-profits that do
11 that work that offer that kind of analysis.
12 And, you know, of course as I said the Ministry
13 of Finance as well. So we certainly -- you
14 know, I think -- what I would say too is we've
15 got housing prices are now at record highs. The
16 crisis is far worse now than it was five years
17 ago, and, you know, I'd just be careful about
18 drawing the conclusion that money laundering was
19 the source of all of that -- has been the source
20 of all of that growth.

21 Q Right. Did you ever commission an objective
22 study to see if money laundering was a source of
23 growth?

24 A Well, you know, we hadn't heard any discussion
25 from anyone that it had been a source of that

1 growth, and there are -- as I said, there are a
2 lot of people with deep expertise in this area
3 inside government and outside government. None
4 of them had suggested that there had been --
5 that it was a significant reason for it, and I
6 note too in the Maloney report, which the --
7 which had been provided to the commission, she
8 notes as well that money laundering, you know,
9 that ending money laundering will not impact
10 affordability in British Columbia. So I think
11 there are a lot of reasons and the big ones are
12 interest -- for us were low interest rates, a
13 very strong economy, best job creation numbers
14 in Canada and the resulting in migration from
15 other provinces, people looking for jobs and
16 more take-home pay but also people immigrating
17 from other countries in the world.

18 Q Right. But I take it your answer is that no --
19 yourself and your cabinet did not get an
20 independent study to see if money laundering did
21 contribute to the rising housing prices?

22 A There was no reason to believe that we should.

23 Q Right. So that's a no?

24 A M'mm-hmm.

25 Q Are you aware of the FATF report that was

1 released in 2016? That's the Financial Action
2 Task Force.

3 A No.

4 Q No. Did the issue of corporate transparency
5 ever come up to you while you were in office?

6 A What aspect of it?

7 Q Whether or not beneficial owners should be
8 registered or whether that type of information
9 should be collected on legal entities?

10 A Yes, indeed. And of course we were the first
11 jurisdiction in North America, not just in
12 Canada but in North America, to introduce a
13 foreign buyer's tax. Which did, by the way,
14 have an impact in depressing the price of homes
15 for a little while. It wasn't as sustained --
16 as demand side solutions usually are, it was a
17 temporary impact that it had. But we were the
18 first ones to do that. And in terms of kind of
19 deciding to expand that to trusts, that work
20 just hadn't been done yet, the detailed work
21 hadn't been done on that yet, but we did
22 consider it and we knew that it was a -- we
23 considered it to be a future option for us,
24 something that we might do in the future.

25 Q Did you ever consider a beneficial ownership

1 registry for all corporations, trusts and now
2 real estate?

3 A You know, I can't remember if that was part of
4 it, but I'm sure that that would -- it could
5 have been part of the thinking of the Ministry
6 of Finance.

7 Q And when was this?

8 A Well, we introduced the foreign buyer's tax, I
9 think, in 2015. It could have been 2016. And,
10 you know, as I said, we were the first ones to
11 do it anywhere in North America. It was untried
12 and kind of -- you know, as a result kind of
13 unproven in North America. So we were careful
14 and extremely diligent about how we did it. We
15 wanted to do it with a minimum of complexity
16 because we wanted to make sure that we got it
17 right. So, you know, there are other elements,
18 though, that, you know, in terms of foreign
19 purchases that I know have been added since,
20 which I think makes some sense.

21 Q Perhaps I'll clarify the question. In terms of
22 beneficial ownership, I don't mean to limit my
23 question to foreign entities. I mean local
24 entities as well. Did the issue of beneficial
25 ownership of BC registered companies ever come

1 up as an issue while you were in office?

2 A It was something that government had talked
3 about, but -- and, again, it was something that
4 I thought of as being on a -- potentially on a
5 future agenda for government, and I know that
6 the current government has taken some advice,
7 probably from, you know, perhaps even based on
8 the work that was done then to expand that.

9 Q Thanks. Final few questions here. On the topic
10 of party donations, when you were in office the
11 BC liberals could accept party donations from
12 corporations and trusts; right? Or legal
13 entities?

14 A Yes.

15 Q Yes. And really you had no idea who owned those
16 companies; right?

17 A Well, no, not -- the election law requires that
18 that be disclosed as part of the donations. So
19 anonymous donations were never allowed, or at
20 least not in my recollection, in my
21 participation of politics, from anonymous
22 sources.

23 Q The election law requires the reporting of all
24 owners of the corporate entities that are --

25 A Well, the corporate entity needs to be reported

1 A Yes.

2 Q Yes. And do you recall if it would have been
3 your practice or whether you in fact did review
4 that report when it came in?

5 A I did.

6 Q Okay. And what steps did you take following
7 receipt of the report?

8 A I said -- I mean, my first step was we need to
9 make sure that we're implementing all of this.
10 But, you know, what happened was there is
11 process, and so it went to the ministry and the
12 ministry offered its response. And the
13 ministry's response was exactly what my
14 immediate response had been, which was we're
15 going to get it all done. And I wanted to see a
16 plan to make sure that, you know, they had a
17 plan to do it and they produced that plan and
18 started working on it.

19 Q Okay. And do you recall that plan coming back
20 to you? What format was that?

21 A It came in the form of -- well, the ministry
22 came forward with an action plan, and you're
23 probably going to ask me what date that was, and
24 I honestly -- I can't remember, but I don't
25 think it was very long after Mr. Kroeker had

1 submitted his report in August. So the ministry
2 produced an action plan and it became part of
3 the public record. And then, you know, that
4 action plan found its way into the letters of
5 expectation into the service plans across the
6 relevant ministries in government. And all that
7 reporting back on each of those happened over
8 the years afterwards.

9 Q Okay. And so fair to say, then, I think, based
10 on your evidence, most of your understanding of
11 what was being done at the BCLC level in terms
12 of addressing money laundering was -- came to
13 you through BCLC's letters of expectation and
14 the service plans; is that right?

15 A Yes. And, you know, as I said a little bit
16 earlier to Mr. McGowan, there's -- there is a
17 lot of communication that happens within
18 government and across government, you know, in,
19 up, down and across and every direction. And so
20 I depended on a very capable civil service to
21 make sure that I knew if things were not
22 happening and were not being done that had
23 been -- you know, expectations were not being
24 met, and the reporting structure was pretty
25 thorough throughout government. So everything

1 from treasury board to, you know, interministry
2 and intraministry connections would find its way
3 up to the deputy which would find its way to me
4 if there were problems in general. So, you
5 know, it's a good system that survives the
6 changes in government, and I had a lot of
7 confidence in those folks and I think I was
8 justified in that.

9 Q Fair enough. Exactly. And so I think what
10 you're saying, though, is there was a certain --
11 you relied on your deputies or your ministers in
12 fact to make sure that if there was a problem,
13 it came to your attention.

14 A Yes, I did.

15 Q And I think that's consistent with your evidence
16 that you weren't necessarily involved in the
17 day-to-day operations of the ministries or the
18 Crown corps, the various Crown corporations.

19 A Well, if I had been, I would have been the
20 minister of only one thing.

21 Q Exactly.

22 A There's 20 ministries in government, so you
23 can't -- there's really -- yeah, it's -- I mean,
24 a Premier, a good -- in my experience a good CEO
25 or a good Premier, a good manager, allows other

1 people in the organization to do their jobs and
2 trust them to do it well, ask them to report
3 back on key measures and then makes a judgment
4 about whether or not they're doing their job
5 well based on the results that they've produced.

6 So, you know, it's a question of setting
7 the right, clear goals, setting clear rules, and
8 setting a process for reporting back on that and
9 ensuring that the monitoring is happening.
10 Which is the way that I ran government.

11 Q Right. And so I think based on what you've said
12 today if, for example, one of your ministers
13 from the various different time frames who was
14 more directly involved in the issues, you would
15 agree that perhaps you would defer on the
16 day-to-day operations or the more minute points
17 to their recollections or their evidence.

18 A Yes, yes. And remember though, too, the Premier
19 doesn't just depend on the minister. The
20 Premier also depends on the deputy ministers and
21 the Assistant Deputy Ministers with whom I had a
22 lot of contact because there were frequently
23 cabinet meeting and other meetings that we were
24 having. So there's -- it's -- the Premier
25 doesn't ever just have a -- isn't captive to a

1 single source for information about a ministry.

2 Q Okay. And moving away slightly just to another
3 discrete point. Your evidence, I just want to
4 make sure I have this clear. You said
5 government took action to address money
6 laundering, and I want to make sure I understand
7 what steps to your knowledge were being taken
8 and understanding that based on what you've just
9 said there may have been other steps being taken
10 that didn't come to your knowledge, but just if
11 you can bear with me here. Do I have this right
12 that in response to what you understood to be
13 the money laundering issues in the 2011 to 2015
14 time frame you understood that letters of
15 expectation were being sent to BCLC that
16 included money laundering?

17 A Yes. And further I -- you know, because they
18 were reporting back -- I mean, it's one thing to
19 send somebody a letter and say, here's what we
20 expect you to do. It's a whole other to say,
21 and I want you to report back and we're going to
22 pay attention to what you've done and what you
23 say you haven't done. And so that monitoring
24 was constantly in place across government as
25 well.

1 Q Right. And the reporting back, that would be by
2 way primarily of the service plans?

3 A By the service plans but also all the informal
4 interactions that would happen. I mean, BC
5 Lottery Corporation is a big Crown corporation
6 of government. It's important to the -- in
7 whatever ministry it's located, so there was a
8 fair amount of attention they would have
9 received on a weekly, daily basis because that
10 interaction was -- I'm going to guess probably
11 be fair to say it was constant.

12 Q So to your understanding, then, there was also
13 informal communication occurring, for example,
14 between BCLC and the minister responsible?

15 A Yeah. Yeah. Well, I mean, the minister
16 responsible, probably not daily. I mean,
17 certainly not daily. And certainly not the
18 deputy daily either because the deputies have a
19 big ministry just like the ministers do. But
20 there would have been very regular contact at
21 some level in the civil service between the
22 Crowns and, you know, our civil servants.

23 Q Okay. So we've covered off that bit. The other
24 step you mentioned was implementation of the
25 Kroeker Report?

1 A M'mm-hmm.

2 Q That's another step. Sorry, as Mr. Rauch-Davis
3 mentioned, we do need to say yes or no just for
4 the record.

5 A Okay, yes. Yes.

6 Q Thank you. I know what "m'mm-hmm" means, but --
7 and then the last step that I noted was the task
8 force being implemented.

9 A Yes.

10 Q And by that I understand you're referring to
11 JIGIT.

12 A Yes.

13 Q Okay. Now, so is it your understanding that the
14 recommendations from the Kroeker Report were
15 fully implemented during your time as Premier?

16 A Yeah, I mean, but they were sub -- but they were
17 fully done. You know, when I look back at the
18 list of things that Mr. Kroeker recommended, you
19 know, we can match that forward to what happened
20 and, you know, my understanding then was that
21 yes, we'd substantially completed, especially
22 once JIGIT had been created, the agenda that
23 he'd set out for us.

24 Q Okay. And I take it you're referring there up
25 to about 2015; is that right?

1 A M'mm-hmm. And in addition to that too, I mean,
2 there were other steps which I talked a little
3 bit about, you know, about isolating chips of
4 facilities and bans on patrons and those kinds
5 of things. There were a range of other things
6 that government did in addition to what
7 Mr. Kroeker had recommended and then of course
8 the joint task force.

9 Q Right. And just to be clear there, when you're
10 talking about other steps that government did in
11 terms of the chips and the banning, those were
12 steps BCLC took as Crown corp?

13 A They were indeed.

14 Q Yes, okay. Just to -- as BCLC, as you know, had
15 the obligation for conducting and managing
16 gaming?

17 A Yes.

18 Q Okay. And then just one last point I'd like to
19 nail down with you, Ms. Clark. In your witness
20 statement you mention that Mr. De Jong came to
21 you and mentioned a spike in suspicious activity
22 in 2016, but I heard your evidence this morning
23 that this happened in 2015.

24 A I apologize if I've got that wrong. I thought
25 it was 2015, but -- you know, I apologize if I

1 might have found that --

2 Q I'm just asking whether you --

3 A I think it was 2015, but Mr. De Jong will be
4 testifying, I think. He'll be speaking with the
5 commission, so you can clarify that with him,
6 but that's my recollection of it.

7 Q Okay. And do you have any recollection of when
8 in 2015 that happened?

9 A Well, it was about two weeks before JIGIT was
10 actually created, so if you can -- if the
11 commission can identify specifically that date
12 that the public announcement was made, it would
13 have been go back two weeks and that would have
14 been around the date that he and I spoke.

15 MS. HUGHES: Okay. Thank you, Ms. Clark.

16 Mr. Commissioner, I have no further questions
17 for this witness.

18 THE WITNESS: Thanks, Ms. Hughes.

19 THE COMMISSIONER: Thank you, Ms. Hughes.

20 Mr. Cooper, do you have some questions of
21 Ms. Clark?

22 MR. COOPER: Thank you, Mr. Commissioner. All of the
23 questions that I had thought I might have to ask
24 have been addressed in the evidence heard so
25 far, so there isn't any need for me to ask

1 anything. Thank you.

2 THE COMMISSIONER: Thank you, Mr. Cooper.

3 Anything arising from Ms. Hughes,

4 Mr. Rauch-Davis?

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

6 THE COMMISSIONER: Mr. McGowan?

7 MR. MCGOWAN: I have nothing further,

8 Mr. Commissioner. Thank you.

9 THE COMMISSIONER: Ms. Clark, I would like to thank
10 you for taking the time to share your
11 experiences and recollections with us. It has
12 been helpful to get your perspective as Premier
13 during the period from 2011 until 2017. And it
14 does cast considerable light on the engagement
15 of your government with the issue that we're
16 grappling with, so I am grateful to you for
17 that. You are excused from any further
18 testimony.

19 **(WITNESS EXCUSED)**

20 THE COMMISSIONER: And, Mr. McGowan, I take it we
21 will now adjourn until tomorrow at 9:30. Is
22 that right?

23 MR. MCGOWAN: That's correct.

24 THE WITNESS: Thank you, Mr. Commissioner. It was
25 a -- I'm glad I -- I hope I was helpful, and I'm

1 glad if I was. And I look forward to your
2 report.

3 THE COMMISSIONER: Thank you.

4 THE REGISTRAR: The hearing is now adjourned until
5 April 21st, 2021, at 9:30 a.m. Thank you.

6 **(PROCEEDINGS ADJOURNED AT 11:49 A.M. TO APRIL 21, 2021)**

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