

**PROCEEDINGS AT HEARING  
OF  
FEBRUARY 10, 2021**

**COMMISSIONER AUSTIN F. CULLEN**

**INDEX OF PROCEEDINGS**

<b>Witness</b>	<b>Description</b>	<b>Page</b>
	Proceedings commenced at 9:30 a.m.	1
<b>Terrance Doyle (for the commission)</b>	Examination by Ms. Latimer (continuing)	1
	Proceedings adjourned at 11:12 a.m.	78
	Proceedings reconvened at 11:26 a.m.	78
<b>Terrance Doyle (for the commission)</b>	Examination by Ms. Friesen	79
	Examination by Mr. Stephens	87
	Examination by Mr. McFee	88
	Examination by Ms. Mainville	90
	Examination by Mr. Skwarok	99
	Examination by Ms. Latimer	130
	Proceedings adjourned at 12:44 p.m. to February 11, 2021	139

**INDEX OF EXHIBITS FOR IDENTIFICATION**

<b>Letter</b>	<b>Description</b>	<b>Page</b>
---------------	--------------------	-------------

No exhibits for identification marked.

**INDEX OF EXHIBITS**

<b>No.</b>	<b>Description</b>	<b>Page</b>
569	River Rock UFT/STR Review completed by AML Unit - February 12, 2016	7
570	GPEB Internal Memo from Parminder Basi to Len Meilleur re Cash Flow Review of River Rock Casino High Limit Rooms - December 15, 2015	13
571	BCLC letter from Ross Alderson to Pat Ennis re large Cash Transaction Reporting at RRCR - April 21, 2017	34

572

Amended and Restated Casino Operational Services Agreement  
between BCLC and Great Canadian Casinos Inc, effective as of  
November 17, 2005

82

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3  
4  
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**February 10, 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, Ms. Latimer.

MS. LATIMER: Thank you, Mr. Commissioner.

**TERRANCE DOYLE, a  
witness for the  
commission, recalled.**

**EXAMINATION BY MS. LATIMER (continuing):**

Q Good morning, Mr. Doyle. Can you hear me okay?

A I can hear you, yes. Good morning.

Q Okay. I wanted to start at paragraph 12 of your affidavit. And I'm looking about four lines down. Four lines down there you indicate that one of your responsibilities was to ensure a high level of engagement and focus on compliance in all areas of the business; correct?

A Yeah. Just one second here. Yes. Okay.

Q Okay. And despite that engagement and focus, you were aware of issues that River Rock had with non-compliance with anti-money laundering measures since 2015; correct?

1           A     So I don't think that what I would characterize  
2                    that as a correct statement. I believe, again,  
3                    Great Canadian followed all of the rules,  
4                    regulations and practices regarding anti-money  
5                    laundering practices, so no, I think that is an  
6                    incorrect statement.

7           MS. LATIMER: Okay. Madam Registrar, can I have  
8                    BCLC00001111, please, placed before the witness.

9           Q     Mr. Doyle, do you recognize this as a report of  
10                   BCLC entitled "River Rock UFT/STR Review," and  
11                   if you look at the third page -- Madam  
12                   Registrar -- at the bottom, this was completed  
13                   in February 2016.

14          A     Correct. Yes. No, I'm familiar with the work  
15                   and I'm familiar with the summary, yes.

16          Q     Okay. You were aware that BCLC conducted a  
17                   review of River Rock's unusual financial  
18                   transaction reporting for the period  
19                   September 1, 2014, to October 31, 2015; correct?

20          A     That is correct.

21          Q     Okay. And if we just stay on page 3, this  
22                   report identified some problems with that  
23                   reporting; correct?

24          A     That is correct.

25          Q     And one of the issues was that River Rock was

1 acting under a threshold reporting criteria and  
2 assuming that buy-ins under \$50,000 were  
3 generally not reportable as suspicious; correct?

4 A That is correct. And, again, this was -- the  
5 reporting discussion and this summary was  
6 brought to my attention after the fact. But  
7 yes, what you're stating is correct.

8 Q Okay. And another issue was that only \$20 bills  
9 were being considered suspicious; correct?

10 A That is the way I understand it. And, again, it  
11 was also discussed with one of the other  
12 participant's testimonies. This wasn't an issue  
13 where River Rock was specifically or purposely  
14 circumventing rules. And, again, it's important  
15 to highlight the fact that, you know, River Rock  
16 doesn't provide Suspicious Transaction Reports  
17 to FINTRAC. We provide unusual financial  
18 transaction reports to BCLC, and they also go  
19 off to GPEB. And it's clear in the analysis  
20 going through this period of time that there  
21 were some communication issues between the  
22 various groups regarding reporting and what was  
23 mandatory reporting and what would be reported  
24 through other indicators. And this caused this  
25 confusion around the \$50,000 threshold that you

1 speak about, which was obviously disappointing.

2 That being said, as I reviewed the incident  
3 in quite a bit of detail, I was able to get  
4 comfort with the fact that nothing was done  
5 intentionally or in any sort of a non-compliant  
6 manner because all of the transactions were  
7 recorded as large cash transactions and  
8 appropriately put into the system as large cash  
9 transactions to be able to be viewed by all of  
10 the appropriate individuals. And once the  
11 communication issue was clarified around the  
12 threshold, all of the documentation was at River  
13 Rock so that they could be filed to FINTRAC,  
14 although late. They were filed with FINTRAC at  
15 a later date. So it wasn't a situation where  
16 none of the reports were filed because of this  
17 communication error; they were filed late. But  
18 again, at the time of the transactions, all the  
19 documentation was taken.

20 Q Okay. And the third issue identified by this  
21 report at (c) is that there appeared to be  
22 number of high value patrons that the site  
23 became comfortable with and simply overlooked  
24 some of their suspicious large cash buy-ins,  
25 irrelevant of which denomination was used;

1 correct?

2 A So I think I'd clarify the wording there just a  
3 little bit. I think there was -- as part of  
4 this group, there were some regular VIP  
5 customers that were buying in for large amounts,  
6 and in each case the transaction was recorded as  
7 a large cash transaction, but due to the fact  
8 that the customers were known to us and their  
9 information was known to us and that there was  
10 nothing flagged from the investigations or  
11 diligence that were done by others on these  
12 people, therefore were they were not unusual  
13 transactions because they were actually normal  
14 transactions for these individuals. So through  
15 know your customer, the team felt confident that  
16 there were no additional indicators that would  
17 flag these as unusual.

18 But, again, to the main point, there was no  
19 situation where information wasn't recorded or  
20 the large cash transactions weren't dealt with  
21 appropriately. It was only the flagging whether  
22 they were unusual or not that wasn't done, and  
23 because River Rock very diligently took all of  
24 the documentation and recorded it, they were  
25 eventually filed by BCLC. Again, unfortunately

1                   late, but because the documentation was there,  
2                   they were filed.

3                   Q     Right. But you didn't disagree with BCLC's  
4                   conclusion that some of these transactions had  
5                   been simply overlooked, some of these suspicious  
6                   large cash buy-ins; correct?

7                   A     So I will agree with BCLC, and I agree  
8                   wholeheartedly that the situation was  
9                   disappointing in the sense there was this  
10                  communication around the \$50,000 threshold. I  
11                  don't think I would agree things were simply  
12                  overlooked. I think there was definitely an  
13                  issue here with communication where between the  
14                  various groups and probably too many cooks in  
15                  the kitchen, I would say. Through that  
16                  correspondence and communication, people  
17                  understood wrongfully that some of these  
18                  transactions did not have to be recorded as  
19                  unusual.

20                  Q     Okay. And these problems, you understood, were  
21                  restricted to the River Rock; correct?

22                  A     That is my understanding that they're  
23                  exclusively to River Rock. Again, I have no  
24                  transparency into other casinos besides Great  
25                  Canadian facilities.



1 MS. LATIMER: I'd ask that this document be marked  
2 the next exhibit, please.

3 THE COMMISSIONER: Yes. Very well.

4 THE REGISTRAR: Exhibit 569, Mr. Commissioner.

5 THE COMMISSIONER: Thank you.

6 **EXHIBIT 569: River Rock UFT/STR Review**  
7 **completed by AML Unit - February 12, 2016**

8 MS. LATIMER:

9 Q That \$50,000 threshold issue ultimately resulted  
10 in BCLC filing a voluntary self-declaration of  
11 non-compliance to FINTRAC; correct?

12 A That is correct.

13 Q And what was your reaction to learning about  
14 these issues of non-compliance that we've just  
15 reviewed?

16 A So, you know, again, I don't clarify them as  
17 non-compliance; I clarify them as confusion over  
18 the compliance requirements. But, again, you  
19 know, that's -- maybe I'm being too meticulous  
20 with my wording. But I don't consider these  
21 non-compliance.

22 As far as my reaction to what took place as  
23 far as the communication issues and our people  
24 misunderstanding the reporting requirements, I  
25 was extremely disappointed and I was upset.

1                   And, you know, I immediately reported this to  
2                   our board of directors, who was, I would say,  
3                   extremely upset and very pointed with me that  
4                   these type of incidents, you know, cannot and  
5                   should not be happening and we should be, you  
6                   know, putting whatever [indiscernible] in place  
7                   to make sure that communication errors like this  
8                   don't happen in the future.

9                   So I was fairly diligent moving forward that  
10                  we had to make sure that any requirements that  
11                  were put in place that were different than a  
12                  written policy or procedure had to be documented  
13                  very clearly in writing because we can't allow  
14                  these type of communication issues to happen  
15                  again. So I was very upset, quite honestly.  
16                  And, you know, as the -- you know, the key  
17                  person with the responsibility and  
18                  accountability to run the company, this was  
19                  obviously, you know, not a good day for me. And  
20                  quite honestly, you know, the direction was very  
21                  clear from our board at the time that these type  
22                  of incidents cannot happen. And, you know, I  
23                  don't -- you know, stress the fact that it's my  
24                  job on the line if these things happen; it's  
25                  nobody else's. I'm the person responsible.

1 MS. LATIMER: Okay. Madam Registrar, can I have  
2 GPEB0791 placed before the witness, please.

3 THE WITNESS: There we go.

4 MS. LATIMER:

5 Q And, sir, this is an internal GPEB memo from  
6 Parminder Basi, Commercial Gaming Auditor, to  
7 Len Meilleur. It's dated December 15th, 2015,  
8 and the subject is "Cash Flow Review of River  
9 Rock Casino High Limit Rooms." Did you see this  
10 memo at the time it was produced?

11 A I did not see this at the time it was produced,  
12 no.

13 Q Okay. Were you aware that there was this review  
14 of cash flow occurring in respect of River Rock  
15 Casino's high limit rooms in or around this  
16 time?

17 A So I was aware that GPEB and BCLC were doing  
18 work around cash flows in the casino. I wasn't  
19 aware of the specific piece of work or the  
20 details around it, but I was aware that they  
21 were, you know, reviewing some of this stuff.  
22 And, again, we were always very, you know,  
23 helpful and cooperative with those type of  
24 reviews.

25 Q Okay. This document under "Executive Summary"

1 provides that this review is an analysis of cash  
2 flows at the River Rock with a focus on the  
3 site's high limit rooms. Do you see that?

4 A I do, yes.

5 Q And it looks -- it's looking at cash buy-ins  
6 conducted at the cages for the period January 1,  
7 2015, to June 30th, 2015?

8 A Yep.

9 Q And if you look at the black bullet, there's a  
10 series of black bullets at the second half of  
11 this page. And the second one from the bottom,  
12 it says that:

13 "BCLC is aware of the patrons that most  
14 often conduct cash buy-ins at the cage.  
15 At the time of testing, of the 33 patrons  
16 that conducted cash buy-ins at the cage of  
17 \$1 million or more:

18 - 28 are on BCLC's 'watched' status, due  
19 to unusual or suspicious activity."

20 Correct?

21 A And that's what it says, correct.

22 Q And:

23 "- 16 of the 33 patrons, including eight  
24 of the top 10 [patrons], have been  
25 issued directives by BCLC stating the

1 patron is not permitted to buy in with  
2 'un-sourced' cash (all cash without a  
3 bank or ATM withdrawal slip)."

4 Correct?

5 A Correct, yes.

6 Q And were you aware at that time that the patrons  
7 that were doing these large cash transactions  
8 had these characteristics?

9 A So, again, I wouldn't say that we -- again, at  
10 this time we weren't doing the analysis around  
11 characteristics or indicators. That work would  
12 have been conducted by BCLC. BCLC would then  
13 advise us through their analysis if customers  
14 should be put on restrictions or not. So we  
15 wouldn't have known the -- you know, these  
16 very -- bits and pieces of analysis.

17 Q Okay. The last paragraph on this page says:

18 "A review of cash transfers between the  
19 VIP cages and the vault indirectly shows  
20 that patrons buying-in with smaller  
21 denomination bills are cashed-out with  
22 \$100s. Our analysis was further  
23 corroborated through discussions with  
24 [cash] cage personnel at River Rock who  
25 indicated that patrons will be paid out in

1                   large denomination bills if the site deems  
2                   the patron had reasonable play or  
3                   reasonable net gaming losses."

4                   Do you agree that that is another example of  
5                   River Rock's non-compliance with anti-money  
6                   laundering measures?

7                   A    No, I believe it's actually an example of us and  
8                   the cage personnel following the standard  
9                   operating practices of the business and, you  
10                  know, also the requirements put in them from a  
11                  compliance point of view. You know, it clearly  
12                  states here that they're paid out with hundred  
13                  dollar bills or denomination if the play is  
14                  warranted, meaning that they're playing through  
15                  their money and they're -- you know, have normal  
16                  gaming habits and they're not just cashing in  
17                  and cashing out for larger denominations. So I  
18                  believe this is not non-compliance. I think  
19                  this is absolutely compliant behaviour by the  
20                  staff.

21                  Q    Was it your understanding that BCLC at this time  
22                  viewed this buying out [indiscernible] when  
23                  patrons bought in with smaller denominations to  
24                  be compliant with anti-money laundering  
25                  controls?

1           A     Again, I think it depends on the type of  
2                   transaction, but if a player comes in, buys in,  
3                   plays for a considerable amount of time and --  
4                   through there buy-in and they cash out, that  
5                   would be deemed as a fairly regular transaction  
6                   and they could be paid out in hundred dollar  
7                   bills or other denominations, and I believe that  
8                   BCLC supported that concept.  If they come in  
9                   and their play was not consistent with normal  
10                  play, then obviously different procedures would  
11                  be followed.

12          Q     You didn't understand there to be a concern  
13                  about refining or colouring up with this kind of  
14                  practice?

15          A     Again, I understand the concept of colouring up,  
16                  but no, we did not believe or we were not  
17                  advised that if players had normal play and were  
18                  gambling in a normal manner that, you know, in  
19                  any way this would be seen as colouring up.

20          MS. LATIMER:  Okay.  I'd ask that this be marked as  
21                  the next exhibit, please.

22          THE COMMISSIONER:  Very well.  570.

23          THE REGISTRAR:  Exhibit 570.

24                         **EXHIBIT 570:  GPEB Internal Memo from Parminder**  
25                         **Basi to Len Meilleur re Cash Flow Review of**

1                   **River Rock Casino High Limit Rooms -**  
2                   **December 15, 2015**

3                   MS. LATIMER: And I don't need that on the monitor  
4                   any longer, Madam Registrar.

5                   Q     In 2016 you took on more direct responsibility  
6                   for overseeing the operations of the River Rock  
7                   Casino as part of your responsibilities as chief  
8                   operating officer; is that right?

9                   A     That's correct. As I said, you know, really  
10                  from 2013 on I was somewhat the senior delegate  
11                  as far as the executives to run the company,  
12                  including River Rock. I think the title change  
13                  was more just making it more optically official.  
14                  So I would say that yes, the title was given  
15                  then, but I was really, again, the senior  
16                  delegate executive responsible for the company,  
17                  including River Rock, since about 2013.

18                 Q     Okay. You understood that in May 2016 Mr. Ennis  
19                  issued a directive to refuse buy-ins by cash  
20                  facilitators or associates driving a Sienna;  
21                  correct?

22                 A     That's correct.

23                 Q     What precipitated that directive? Do you  
24                  recall?

25                 A     I do. It was a conversation that Mr. Ennis and



1 I had regarding information that he was becoming  
2 aware of and was advising me on, and that was he  
3 was becoming more aware through his discussions  
4 with BCLC and others, as I understand it, that  
5 there was an investigation going on into certain  
6 individuals and that certain individuals were  
7 known to have some sort of illegal affiliation  
8 or getting their money or sourcing money in an  
9 illegal and inappropriate manner.

10 You know, my suggestion to Mr. Ennis -- and  
11 he supported it completely -- was that there is  
12 a big difference between dealing with  
13 transactions where customers come in and they  
14 have sums of money and we take their information  
15 and somebody is doing an investigation and we're  
16 waiting to be able to see if, you know, that  
17 person has got any type of criminal affiliations  
18 and the difference between when we're being told  
19 that somebody does have criminal affiliations  
20 and they're coming in, and we should take their  
21 information to get more direct information. I  
22 strongly advised that I wanted nothing to do  
23 with people that we knew and were being told had  
24 any type of, you know, criminal intentions, and  
25 I did not want them in our facility and we

1                   should not accept their money.

2                   So it was, again, the first time that I was  
3                   ever informed that any of these individuals were  
4                   linked to somebody that had some sort of, you  
5                   know, illegal affiliation. So I made it very  
6                   clear and Mr. Ennis supported my view that we  
7                   should not be dealing with these customers if we  
8                   knew they had any type of nefarious intentions.

9                   Q    Mr. Ennis gave evidence that this directive was  
10                  targeted at Mr. Jin and his associates. Was  
11                  that your understanding as well?

12                 A    That was my understanding.

13                 Q    And yesterday you mentioned that the -- some of  
14                  those initial sourced-cash conditions were  
15                  placed against individuals who were believed to  
16                  be receiving from Mr. Jin and his associates; is  
17                  that right?

18                 A    That's correct, yes.

19                 Q    Were any additional steps taken to place  
20                  additional conditions against those patrons at  
21                  this time?

22                 A    So, again, the direction was, you know, we were  
23                  provided direction from BCLC around the sourced  
24                  cash, which, once we understood the reason, we  
25                  support it completely. Again, it was important

1           for us to understand why these conditions were  
2           being put on players. BCLC, I think, very  
3           diligently continued to put conditions on  
4           players that were linked to this individual. I  
5           had no way of knowing if people were linked to  
6           this individual unless, you know, we were told  
7           by BCLC lest through our surveillance activities  
8           we were able to link that individual to players.

9                       And sometimes, as you can imagine, if it was  
10           due to surveillance activities, those reviews  
11           would be done after the fact, so we would become  
12           aware of the link after an initial transaction.  
13           But then once it was flagged to BCLC, BCLC,  
14           through, you know, Brad Desmarais and Rob  
15           Kroeker, were always diligent about taking the  
16           appropriate steps.

17           MS. LATIMER: Okay. Madam Registrar, can I have  
18                       BCLC0004837, please.

19           THE WITNESS: 70?

20           MS. LATIMER:

21           Q     4837. And, sir, do you recognize this as an  
22                       April 21, 2017 letter from Ross Alderson to Pat  
23                       Ennis on which you were copied?

24           A     I do, yes.

25           Q     And the subject is "Large Cash Transaction

1                   Reporting At the River Rock Casino." Do you see  
2                   that?

3           A     I do, yes.

4           Q     And this letter addresses in the second  
5                   paragraph an issue where the River Rock between  
6                   dates of March 2017 had not identified 29 large  
7                   cash transactions based on FINTRAC's 24 static  
8                   reporting period; correct?

9           A     I do. Yep, I do.

10          Q     And there were also two single transactions that  
11                 were in excess of \$10,000 where no report was  
12                 submitted; right?

13          A     I do, yes. Yep.

14          Q     And six of the 29 transactions were reported  
15                 late to FINTRAC; correct?

16          A     Correct. Yes.

17          Q     And if you jump down to the last paragraph above  
18                 the bullets, and I'm looking at three lines  
19                 above the bullets. Mr. Alderson says:

20                         "This would indicate this is an issue  
21                         specific to non-compliance at the [River  
22                         Rock]."

23                 And did you agree with that?

24          A     I think the thing I wouldn't agree with is to  
25                 say that this issue was specific to River Rock.

1                   We can talk about that in a second, but I would  
2                   disagree that it was specific to River Rock.  
3                   This letter may have been specific to River  
4                   Rock, but the issue around the 24-hour rule was  
5                   not a specific issue to just River Rock or to  
6                   just casinos in British Columbia, quite frankly.

7           Q       Okay. Because he goes on to outline his  
8                   observations about Great Canadian and more  
9                   specifically the River Rock, where he says there  
10                  have been "multiple significant compliance  
11                  concerns identified since October 2015." Do you  
12                  see that?

13          A       I do, yes.

14          Q       And he sets out what his compliance concerns  
15                  were, and those included disclosure of personal  
16                  information; correct?

17          A       Correct, yes.

18          Q       And also non-compliance with the proceeds of  
19                  crime legislation; correct?

20          A       I see that there, yes. Yep.

21          Q       And sexual assault of gaming workers in the  
22                  high-limit room; correct?

23          A       Correct. And, again, we can speak to all these,  
24                  if you like, to go through them in detail, but I  
25                  see it all, yes.

1           Q     Okay. Well, is there some more context you can  
2                   provide about the sexual assault of the gaming  
3                   worker in the high-limit room?

4           A     We can certainly provide context to many of  
5                   these if need be. The first one on the  
6                   non-compliance around the \$10,000 reporting over  
7                   a 24-hour period, this was simply an error that  
8                   many casinos in Canada had made, and it had to  
9                   do with when the 24-hour clock started to tick.  
10                  So under the FINTRAC requirements there was a  
11                  specific, you know, 12:00 till 12 o'clock where  
12                  most casinos use the 24-hour period as a gaming  
13                  day from, let's say, 7 a.m. to 7 a.m., so there  
14                  was still reporting done in a 24-hour period, it  
15                  was just when the 24-hour period started.

16                         And, again, it's, you know, disappointing  
17                         that these type of communication issues  
18                         happened, but this by no means was any  
19                         intentional way of trying to circumvent money  
20                         laundering rules or regulations. And this type  
21                         of -- I'll call it administrative error was  
22                         certainly not confined just to River Rock or  
23                         even just to British Columbia. So that one I  
24                         think is a fairly straightforward, you know,  
25                         administrative mistake that absolutely is

1           unfortunate, but, you know, not only did it have  
2           no bad intentions, it was still -- clear that  
3           reporting was still being done in a 24-hour  
4           period, it was just when the clock started and  
5           ended.

6                        As far as the other \$10,000 transactions  
7           that weren't reported, they, again, had to do  
8           with just how the transactions happened within  
9           the facility. And yes, there was some  
10          administrative issues there with the cage that  
11          caused that error. And, again, there was  
12          retraining and additional training and  
13          procedures put in as time went on to deal with  
14          that. I was very, very adamant that we needed  
15          to have the right review process and audit  
16          process in place to make sure these type of  
17          administrative errors, you know, could not and  
18          shouldn't happen again. And, again, I was given  
19          very firm and very direct direction from our  
20          board of directors and our then, you know, CEO  
21          at the time, who was, you know, more of a board  
22          member as far as the role goes that whatever  
23          action and whatever, you know, money had to be  
24          spent to make sure that we had the right  
25          training and staff in place, you know, we should

1 do that, and we did take those steps.

2 As far as the points below on the privacy  
3 issues, again, fairly -- I don't want to say  
4 typical because they're always unfortunate, but  
5 as far as marketing and promotions and how items  
6 are disclosed or promotions are put out there  
7 with customers' names, errors like this do  
8 happen and are dealt with very, very quickly.  
9 And, again, these type of situations, although  
10 unfortunate, are not in any way exclusive to  
11 River Rock or even the casino industry, and this  
12 is something that especially during that period  
13 of time with new legislation, new systems, there  
14 was administrative errors in many companies, and  
15 we certainly were taking all the right action to  
16 make sure that they were not happening.

17 The 266 STRs are really the same problem we  
18 talked about before with the communication error  
19 around the \$50,000 threshold, I believe. And  
20 again, you know, the diligent work of River  
21 Rock, they still provided all of the  
22 information. There was all the LCTs that were  
23 reported. This was truly a very unfortunate  
24 incident around communication. And, again, I  
25 take full responsibility for these and think



1                   that, you know, we've taken the appropriate  
2                   steps to make sure those kind of communications  
3                   don't happen again. And, you know, that's why  
4                   we've really revamped the compliance department  
5                   team and processes to make sure we have people  
6                   that are more administratively savvy so that we  
7                   don't have communication errors again.

8                   As far as the February 10th sexual assault  
9                   incident, again, it's a very, you know,  
10                  unfortunate incident where a VIP player playing  
11                  at a table assaulted, inappropriately touched a  
12                  gaming worker and security was -- and they  
13                  were -- they came to the site intoxicated and  
14                  were intoxicated at the site, which, again, is  
15                  something we don't condone. And, you know, in  
16                  this case, you know, our main objective was to,  
17                  you know, make sure that the worker was  
18                  supported. You know, we did cooperate with law  
19                  enforcement. The player was, you know, barred  
20                  from the facility.

21                  And we pushed hard to have the player barred  
22                  from all facilities in British Columbia, not  
23                  just River Rock, because we thought to send a  
24                  message to any player that's going to be  
25                  inappropriate, they should be barred from all

1 casinos, not just River Rock because it's not  
2 much of a punishment if they just, you know, go  
3 to the casino across the street. And eventually  
4 that player was -- actually we increased that  
5 barring to forever. The player is still barred  
6 from our facilities because, again, we just  
7 don't want that kind of action, you know, at our  
8 facilities.

9 Q Well, eventually the player was banned, but this  
10 letter indicates that after sexually assaulting  
11 the gaming worker in the high-limit room, this  
12 player continued gaming after the incident. Is  
13 that consistent with your recollection of  
14 events?

15 A So the events happened over a few hours. So,  
16 again, what happened on site that night, you  
17 know, the incident happened, you know, things  
18 were being dealt with at a site level to a  
19 certain degree. As the report was read and was  
20 flagged and, quite honestly -- I was made aware  
21 of it the next day -- there was more -- harsher  
22 reaction taken because I believe strongly, you  
23 know, any customer that, you know, has an action  
24 or does something like this, you know, this does  
25 not support the core values of the company.

1           And, you know, our main objective here is to  
2           support our employees and to make sure we don't  
3           have this type of customer in our facility, no  
4           matter what level they're playing at. Like, we  
5           just can't condone any type of action that would  
6           put any of our workers in jeopardy.

7           Q    On the next page the letter carries on outlining  
8           some of these compliance issues. This one is  
9           that River Rock management was overriding  
10          direction from surveillance and permitting a  
11          \$97,000 cash transaction from an individual on  
12          sourced-cash conditions in direct contravention  
13          of BCLC's direction where those funds came from  
14          the trunk of a person's car. Do you see that?

15          A    Yeah, I do. So, again, the timing of when some  
16          of this stuff happened was key, and when the --  
17          I'll call it the report from surveillance went  
18          to management. And, again, there's fairly  
19          straightforward, you know, policies in place for  
20          how this stuff is dealt with, especially if  
21          there is any type of management override that  
22          happens that gets reviewed. And if there is a  
23          situation where management overrides something,  
24          then there would be the appropriate disciplinary  
25          action. And, again, that is one of the, I'd

1 say, strong parts or strong way casinos operate  
2 is that the surveillance department that  
3 oversees these areas, even if there is a  
4 management override on site, there's reports  
5 generated so they can be reviewed, and if the  
6 override was done in an inappropriate way, the  
7 appropriate action would be taken.

8 Q In this instance, do you agree that override was  
9 inappropriate in light of the sourced-cash  
10 conditions and the origin of those funds?

11 A So I do. In this particular incident there was  
12 some confusion at the time because there was the  
13 belief by management due to declarations or  
14 statements by the player that it was verified  
15 wins. And there was some work done on site to  
16 try to collaborate that it was actually verified  
17 wins, the \$97,000, therefore it was allowed to  
18 be bought in. And management at the time  
19 believed that it was verified wins.

20 I think on further due diligence it was very  
21 hard to corroborate that it was verified wins,  
22 and that's why, you know, this bullet exists.  
23 And I actually agree with the bullet. And,  
24 again, we dealt with this, you know, over the  
25 days after this incident to make sure that, you

1 know, people understood if there's any question  
2 that it's a verified win, then we should take  
3 the position that it wasn't and follow the  
4 sourced-cash procedures.

5 Q The next bullet is that FINTRAC found that  
6 80 percent of the staff at River Rock  
7 demonstrated limited knowledge of money  
8 laundering or terrorist financing.

9 A Yeah.

10 Q Nor were they aware of suspicious transaction  
11 indicators relevant to casinos.

12 A Yeah, yeah. So, yeah, I'm aware of the report  
13 by FINTRAC and I'm aware of this statement.  
14 And, you know, there's, I think, a fairly simple  
15 explanation for some of it. You know, first of  
16 all, absolutely, you know, additional training,  
17 more training around this area is important as  
18 we go forward and this is something that we've  
19 implemented and we've learned over time. The  
20 more training you can provide and quite honestly  
21 the more aware you can make staff around not  
22 only AML procedures but just the fact that it's  
23 everybody's responsibility to be diligent around  
24 this is important.

25 In this specific case when the staff were

1 interviewed at River Rock and the people from  
2 FINTRAC were there, there was a language barrier  
3 with the FINTRAC people and many of our staff.  
4 And many of our staff, English is a second  
5 language and many of them struggle with English,  
6 and you know, quite -- you know, quite  
7 appropriately. And we're proud of the fact that  
8 many of our workers choose this industry because  
9 they can work on the front lines, get paid very  
10 well and they don't have to have, you know,  
11 strong English skills and especially for, you  
12 know, new immigrants and the rest, it's a great  
13 opportunity for them.

14 Unfortunately when FINTRAC comes in and  
15 they speak to the staff in English, sometime it  
16 is very hard to communicate with them. So this  
17 was definitely a learning opportunity for us and  
18 for BCLC around the fact that we have to make  
19 sure that, you know, both as the training is  
20 provided and even as FINTRAC and the rest are on  
21 site, you know, we can provide training in more  
22 languages so that people can understand it  
23 better. And when FINTRAC or others are on site  
24 doing this, we can have the right people to make  
25 sure that there can be proper communication with

1                   the staff. So this was absolutely, I think, a  
2                   great flag by, you know, FINTRAC to be able to  
3                   have us understand that we have to do a better  
4                   job around both training and different languages  
5                   and also have FINTRAC understand, when they're  
6                   there, these language barriers that do and can  
7                   exist.

8                   Q    Because when communications were important you  
9                   obtained a translator; correct?

10                  A    So we would have a translator if it was a  
11                   one-on-one discussion with a VIP, absolutely.  
12                   But, you know, when FINTRAC is there and you've  
13                   got dozens of people and thousands of staff, to  
14                   have a translator for every interaction -- and  
15                   FINTRAC rightfully so, you know, gets pretty  
16                   unfetterred access to your facility and your  
17                   people, which is totally appropriate, so having  
18                   a translator following around behind them I  
19                   think would be difficult and almost  
20                   inappropriate.

21                  Q    Well, wouldn't it facilitate access if they were  
22                   having a language barrier?

23                  A    Again, I think as we move forward, it was a  
24                   learning opportunity for us, absolutely. But at  
25                   this time it wasn't something that had been





1                   situation where, you know, I'd say we got caught  
2                   doing something. This is actually our security  
3                   and surveillance people and compliance team  
4                   filling out the report and providing this to  
5                   BCLC. So, again, this, again, shows that we  
6                   have strong practices in place to make sure that  
7                   any type of non-compliance is flagged and can be  
8                   appropriately dealt with.

9                   So although any of these incidents are  
10                  always disappointing, it also shows that we have  
11                  strong controls in place to flag them and to  
12                  deal with them appropriately.

13                Q   Well, actually, the document in the last line of  
14                  this bullet says that there was no iTrak  
15                  incident created by the River Rock until  
16                  prompting by BCLC. So do you agree that -- in  
17                  this instance that River Rock was caught not  
18                  making a report and that's why it came to BCLC's  
19                  attention?

20                A   No, I don't agree with that. It says no iTrak  
21                  report. It doesn't mean there wasn't an  
22                  incident report and it wasn't flagged through  
23                  surveillance and our monitoring. It just has to  
24                  do with what is deemed to be an iTrak incident  
25                  or not. But it was still -- again, BCLC had no



1                   overcoming what BCLC believe has become a  
2                   trend of serious non-compliance at the  
3                   [River Rock], not experienced at other  
4                   facilities."

5                   Was it your understanding that there was a trend  
6                   of serious non-compliance at the River Rock in  
7                   or around these times?

8                   A     I would -- again, I would say that  
9                   Mr. Alderson's comments here are definitely a  
10                  bit overstated as far as non-compliance at River  
11                  Rock compared to any other facilities or  
12                  business.  But, again, I certainly don't want to  
13                  gloss over the fact that compliance is  
14                  absolutely, you know, key to our business.  And  
15                  when things happen and we have individual  
16                  employees that step out of bounds, you need  
17                  strong controls to make sure that you can detect  
18                  those issues and then react to them  
19                  appropriately and promptly, which I believe, you  
20                  know, River Rock and Great Canadian has in place  
21                  and has continued to develop and enhance as we  
22                  move forward.

23                  Q     And you'll agree that BCLC is better positioned  
24                  than the River Rock or indeed Great Canadian to  
25                  understand how River Rock is performing as

1 compared to other facilities; correct?

2 A I do. Again, I have a great deal of respect for  
3 BCLC and the work that they do and for their  
4 compliance team. Again, I think certain  
5 statements made by Mr. Alderson are maybe  
6 overstated in here, but I absolutely believe  
7 that yeah, BCLC does, and I have a great deal of  
8 respect for their team. And I think that we  
9 work the very closely and collaboratively so  
10 that when issues are found by individuals, we  
11 work as a team to resolve them in an appropriate  
12 way.

13 MS. LATIMER: I'll ask that this be marked the next  
14 exhibit, please.

15 THE COMMISSIONER: Very well. That will be -- I  
16 think we're at 571.

17 THE REGISTRAR: Yes, exhibit 571.

18 **EXHIBIT 571: BCLC letter from Ross Alderson to**  
19 **Pat Ennis re large Cash Transaction Reporting at**  
20 **RRCR - April 21, 2017**

21 MS. LATIMER:

22 Q In September 2017, Lisa Gao was a VIP employee  
23 at the River Rock; correct?

24 A That is correct, yes.

25 Q And she was deregistered and then terminated;

1 correct?

2 A That is correct, yes.

3 Q What do you recall about that incident?

4 A So that incident -- what I recall and what I  
5 read and understand after the fact, Ms. Gao was  
6 involved with a customer who processed a  
7 transaction at River Rock, basically bought in  
8 with an amount of money. And I can't remember  
9 the amount, but it was a large sum of money to  
10 buy chips from River Rock. And that customer  
11 disclosed to Ms. Gao that he was buying the  
12 chips for someone else, for a third party. And  
13 I can't remember the exact details, whether he  
14 stated it was going to be a gift or something,  
15 but the fact of the matter is he was buying in  
16 for a third party. He made Ms. Gao aware of  
17 that before the buy-in.

18 The transaction happened at the cage where  
19 he bought in. He did not disclose at the cage  
20 that it was a third-party buy-in. If he had  
21 have disclosed at the cage it was a third-party  
22 buy-in, it would have been refused. And then  
23 that player took the chips and left the casino.

24 Ms. Gao was approached very shortly  
25 afterwards about the transaction. She then did

1 disclose that yes, she knew that this was a  
2 transaction for a third party and wasn't -- and  
3 this player wasn't buying the chips specifically  
4 for himself to buy-in. A report was generated,  
5 as you can imagine.

6 I was made aware of the incident the next  
7 day by Mr. Ennis, I believe. At that time I was  
8 very upset because this is obviously not conduct  
9 that we support. It is absolutely not allowed.  
10 It's a violation. I instructed Mr. Ennis at the  
11 time that I believed we should terminate her  
12 immediately due to the incident. Mr. Ennis  
13 rightfully recommended that we wait until GPEB  
14 conducts their investigation, which would kick  
15 off due to the report that we filed with GPEB on  
16 the matter because Mr. Ennis's concern was that  
17 if we fired Ms. Gao, it could interfere with  
18 GPEB's report. And I think he was, again,  
19 100 percent correct in his recommendation to me.

20 So I agreed that we would wait and we would  
21 monitor Ms. Gao during that period of time to  
22 make sure that, you know, she was conducting  
23 herself appropriately and wait for the GPEB  
24 report and then make the determination at that  
25 time and terminate her.

1           Q     Okay. Did you have concerns after that about  
2                    Ms. Gao's involvement in the earlier interview  
3                    of Mr. Sha?

4           A     I didn't. No, I didn't. Again, the  
5                    interactions with Mr. Sha were -- again, there  
6                    was nothing overly confidential or difficult or  
7                    sensitive about the conversations. As I stated  
8                    before, most of the conversations were around  
9                    the safety concerns around bringing in cash.  
10                  And, you know, obviously the good news about  
11                  those interactions were -- is that, you know,  
12                  him declaring that he had a large number of  
13                  River Rock chips. But, again, I wasn't  
14                  concerned that she had taken part in those  
15                  conversations.

16          Q     Were you -- did you have concerns prior to her  
17                    deregistration about Ms. Gao's relationships  
18                    with VIP patrons?

19          A     No, I had no concerns as far as, you know,  
20                    compliance or her conduct. I agree that as a  
21                    company and me personally, we were trying to  
22                    make sure that we had all of the right  
23                    interactions with the customers in a broad sense  
24                    and didn't have relationships with customers  
25                    with any one person. So I was making -- I was

1                   very diligent to make sure that Ms. Gao did not  
2                   have any -- I would call it exclusive  
3                   relationships with our customers, and those  
4                   relationships were much broader with the  
5                   management team. So I had no concerns because  
6                   we had put all of the right processes in place  
7                   to make sure that those relationships were much  
8                   broader than any one person.

9                   Q    You were aware that there had been at least  
10                   three prior incidents that had brought her to  
11                   the attention of BCLC prior to her  
12                   deregistration?

13                   A    So I was aware that there was certain incidents  
14                   that happened, and, you know, she was being  
15                   monitored closely because of them. So I was  
16                   aware that there was issues that had come up.  
17                   But, again, none of them at the time warranted,  
18                   you know, termination or dismissal, and I think  
19                   there was -- at least one of the incidents --  
20                   I'm going back -- there was some disciplinary  
21                   action taken. But, again, she was one staff  
22                   member among, 9,000 staff members. It's hard  
23                   for me to the remember every incident.

24                   Q    Do you remember an incident where a VIP patron  
25                   assaulted another female staff member in a VIP



1                   salon and Ms. Gao tried to smooth things over  
2                   and avoid calling the police?

3                   A    So, again, I think you're talking about the same  
4                   incident that's on here, and that was the sexual  
5                   assault incident. I think it's all the same  
6                   incident. And the answer is yes, I was made  
7                   aware that -- and, again, I think the conduct by  
8                   Ms. Gao at the time when she was talked to was  
9                   that although she was an executive host and she  
10                  was there to try to make a good experience for  
11                  the customers, when there's a situation that  
12                  involves the safety of our staff or other  
13                  patrons, you know, that is basically up to  
14                  security and site management and Ms. Gao should  
15                  not get involved in those type of interactions.

16                 Q    Were you aware of an incident where Ms. Gao  
17                    became heavily intoxicated with another VIP  
18                    patron at the Sea Harbour Hotel and that patron  
19                    then assaulted another individual and was given  
20                    a comped hotel room?

21                 A    So, again, I think you're going back to the  
22                    incident from yesterday. Again, there's only --  
23                    you know, I don't want people to confuse this as  
24                    multiple incidents. That was the second  
25                    incident that we talked about yesterday. So

1                   there's two incidents, I believe, that, you  
2                   know, we keep referring back to, and that was  
3                   the one where there was an executive host that  
4                   was shoved by an intoxicated patron, which was,  
5                   again, completely inappropriate. But, again,  
6                   it's the two incidents. I don't want it to be  
7                   perceived that there was multiple incidents.

8                   Q     Were you aware of another incident where a  
9                   player came in, a player who was described as "a  
10                  real bad dude" with unsourced chips -- \$5,000  
11                  chips and advised that Ms. Gao could vouch for  
12                  him?

13                  A     So I was aware there was an incident, but I also  
14                  am aware that, again, this was handled  
15                  appropriately by our team, our management team,  
16                  our security team that were dealing with the  
17                  buy-in. So, again, I have no idea the  
18                  intentions of the individual or why he would say  
19                  that. I wasn't part of the transaction. I know  
20                  that it happened, but, again, I know that we had  
21                  the right controls in place to make sure that it  
22                  could be handled appropriately.

23                  Q     In light of that history, what controls did you  
24                  have in place to ensure that Ms. Gao didn't  
25                  circumvent compliance policies in favour of VIPs

1                   before her termination?

2           A       So Ms. Gao had no ability to circumvent any  
3                   rules or regulations within River Rock as far as  
4                   cash transactions go. All cash transactions  
5                   happen at the cage or at tables or in other  
6                   areas of the facility where there is very  
7                   specific rules and regulations. There is no one  
8                   individual from frontline staff all the way up  
9                   to, you know, myself as, you know, the ultimate  
10                  person in charge of running these operations  
11                  that can circumvent requirements at the cage or  
12                  other areas.

13                         So, again, from a customer service point of  
14                   view, absolutely positions like Ms. Gao can  
15                   influence the customer experience and how  
16                   they're treated on site, but we have very strict  
17                   controls around how things are processed as far  
18                   as cash goes, including as I've, you know,  
19                   suggested and spoke to before that, you know,  
20                   our surveillance team oversees transactions,  
21                   reports on them with full transparency to BCLC  
22                   and GPEB and others. So I feel confident that  
23                   there was no ability for Ms. Gao or other people  
24                   or very limited ability for anybody to  
25                   circumvent, you know, the procedures that are in

1 place around cash.

2 Q Following her deregistration, were there any  
3 changes made to Great Canadian's VIP program?

4 A So there was and not specifically because of  
5 Ms. Gao or her actions. We were looking to  
6 start to revamp some of the areas of the VIP  
7 program for a period of time and, you know,  
8 especially from the 2015/16 period on when I  
9 become -- became much more, you know, intimately  
10 involved in the day-to-day operations, you know,  
11 at the request of our former CEO and our board.  
12 And so there were certain things that I believed  
13 were important to put in place.

14 So we made some very -- I think, stricter  
15 and more straightforward rules around alcohol,  
16 around events that happened offsite rather than  
17 just, you know, dealing with our Serving It  
18 Right policy on site, but we put in stricter  
19 requirements for offsite events. We also tried  
20 to put in some stricter policies around -- even  
21 any type of controls or authority that the  
22 executive hosts may have around the guest  
23 experience to try to make sure that it was --  
24 you know, I don't want to say bulletproof, but  
25 it was certainly to make sure that there were

1                   the right checks and balances so we didn't have  
2                   any situations where we had individuals making  
3                   decisions. Decisions were being made in a way  
4                   that there was always the proper oversight to  
5                   make sure that they were the right big-picture  
6                   decisions for the company.

7                   Q     Okay. In or around the end of 2017 BCLC  
8                   conducted a review of River Rock's HR practices;  
9                   correct?

10                  A     That's correct.

11                  Q     Can you tell us about that and what led to it  
12                  and what happened and what the outcome was?

13                  A     Yeah. And it all stems from the same incident  
14                  that we talked about, the sexual assault in the  
15                  salon area, which, again, was, you know, very,  
16                  very, you know, disappointing. River Rock and  
17                  our casinos are a place that, you know, that we  
18                  don't have very many incidents of, you know,  
19                  liquor or, you know, assault. I mean, it's just  
20                  not a day-to-day occurrence at these facilities  
21                  in any sort of, you know, manner. So it was  
22                  very disappointing and alarming, especially to  
23                  me personally.

24                                 So there was a request. You know, the RCMP  
25                                 didn't pursue criminal charges in that event,



1                   certainly in favour of.

2                   So they did hire a third-party company and  
3                   we agreed to provide them access to our team, to  
4                   the materials, to our HR materials, to go  
5                   through and to conduct interviews with hundreds  
6                   of staff and the rest to be able to figure out  
7                   if there was any additional stuff we should be  
8                   doing as far as HR goes.

9                   Q    Were you concerned that River Rock staff were  
10                  allowing VIP patrons to bend various rules in  
11                  order to keep them happy and keep the business?

12                A    So, I mean, I'm concerned any time that, you  
13                  know, if there's an incident where somebody is  
14                  perceived to be bending the rules, and from my  
15                  point of view that's obviously a concern. So  
16                  any incident that was ever reported to me where  
17                  there was an issue with somebody bending the  
18                  rules or circumventing the rules, yeah, the  
19                  appropriate action would be taken to deal with  
20                  that. I think, again, we operate in an  
21                  environment where adhering to the policies, you  
22                  know, as closely as possible and practical is  
23                  absolutely the way we should be operating.

24                Q    Does Great Canadian have a practice of requiring  
25                  employees to enter into non-disclosure

1                   agreements or otherwise discourage staff from  
2                   speaking out about incidents like the ones we've  
3                   discussed?

4           A        So we have a policy that basically states that  
5                   people should speak out and we want people to  
6                   speak out about incidents and we absolutely have  
7                   a policy, a culture, around reporting any  
8                   incidents to management and to make sure that  
9                   they're dealt with. So that's something we  
10                  encourage, and I think our management and our HR  
11                  teams do a very good job of making sure any type  
12                  of concerns that the staff have are addressed  
13                  appropriately.

14                         As far as non-disclosure agreements, as a  
15                         corporation we have standard non-disclosure  
16                         agreements within our employment agreements that  
17                         are pretty typical, I think, in most  
18                         corporations. And that doesn't have anything to  
19                         do with speaking out against incidents and sites  
20                         as far as health and safety and the rest.  
21                         That's mostly around confidential information,  
22                         business practices, that type of stuff.

23                         We have never tried to stop our team from  
24                         speaking out about incidents. Just the  
25                         opposite. I think we do our best to encourage



1 people to report to their management, report  
2 issues. We have, I think, a very appropriate  
3 whistleblower program as well that, you know,  
4 allows staff, management and others, to report  
5 through a third-party whistleblower hotline any  
6 type of incident if they don't feel comfortable  
7 reporting it to management

8 Q Okay. I want to ask you about some -- two  
9 meetings you had with Minister Eby. The first  
10 one was prior to Mr. German being engaged. When  
11 did that occur?

12 A I truly can't remember the date, but you're  
13 right, it was sometime before Mr. German was  
14 engaged, and it was after some of the original  
15 media reporting was put out there.

16 Q Where did that meeting occur?

17 A So it happened in Victoria, I believe. Again,  
18 there was two meetings. One happened at his  
19 office in Vancouver. One happened, I believe,  
20 over in Victoria. But I believe it was -- that  
21 one was in Victoria.

22 Q At this first meeting who else was present?

23 A So it was myself. I asked Rod Baker to attend  
24 as well. Again, Rod wasn't overly, you know,  
25 involved in any of the day-to-day management,

1 but I did, you know, ask him to come just as a  
2 show of respect to Minister Eby. Minister Eby  
3 had two or three of his team there as well.  
4 And, again, I can't remember the individuals. I  
5 believe the head of GPEB was there at the time  
6 and a couple others, but I don't want to give  
7 names because I truly can't remember.

8 Q Do you recall whether or not Sam MacLeod was  
9 there?

10 A I believe Sam was there. Again, it was a long  
11 time ago, but I believe he was there.

12 Q You say the meeting followed some media  
13 reporting. What was the -- what were the  
14 concerns raised in the media reporting?

15 A So this was the media reporting, and again, most  
16 of it was quite inaccurate around buy-ins at  
17 River Rock and the ability to -- and there was a  
18 very elaborate diagram that was completely  
19 erroneous around the ability to, again, buy in,  
20 you know, come into the casino with large  
21 amounts of cash, get a cheque from the casino  
22 and then take it to a bank and deposit in your  
23 account and completely circumventing AML rules.

24 And, you know, it was a very -- again,  
25 erroneous reporting, and I think a bit reckless

1                   journalism. But, you know, it obviously hit a  
2                   chord with people that thought that this was  
3                   true and I think hit a chord with government and  
4                   others to understand, you know, what was  
5                   happening. And the purpose of the meeting was  
6                   really for us to make sure that Minister Eby  
7                   understood that we were open to whatever type of  
8                   reviews that, you know, he would like to conduct  
9                   to make sure that he understood that our  
10                  company, as far as Great Canadian goes, was a --  
11                  you know, was a thoughtful partner here and any  
12                  changes or recommendations that would be put  
13                  forward, you know, we would be more than happy  
14                  to work with him and whoever seemed fit to do  
15                  that.

16                         Minister Eby was, I think, appropriately  
17                         concerned after reading the reporting, and it  
18                         was very clear that, you know, he had, you know,  
19                         no time for any type of a company that was  
20                         non-compliant or would put, you know, the  
21                         province at risk. And he was very clear in an  
22                         appropriate way that, you know, he would take  
23                         whatever actions he had to to make sure that the  
24                         gaming industry was one of, you know, integrity  
25                         and ethics and the rest. So he was very clear

1                   that, you know, he was going to take whatever  
2                   actions he had to to make sure that it was good  
3                   people and a good industry.

4                   And we agreed that we would cooperate in any  
5                   manner fit. And, again, I think that overall he  
6                   was, you know, taking appropriate action as the  
7                   minister responsible to make sure that these  
8                   issues or events were appropriately addressed.  
9                   So it was a good meeting. He was very stern, as  
10                  you can imagine, with me, that, you know, people  
11                  would be held accountable if there were issues,  
12                  and if there was changes that needed to be made,  
13                  he was going to make sure they were made. And I  
14                  completely respected his views.

15                Q     You met with Minister Eby again in or around  
16                    2018; is that right?

17                A     That's correct, yes.

18                Q     And do you recall where that meeting took place?

19                A     Again, I can't remember which meeting. There  
20                    was one in Victoria. There was one in his  
21                    Vancouver -- and I can't remember which one was  
22                    which, but again, I think it may have  
23                    happened -- I think that one was in Victoria as  
24                    well. I remember there was some very colourful  
25                    carpet in the room and I believe it was actually

1 at the legislature building itself where we met  
2 with him and several members of his team. And,  
3 again, I think Sam from GPEB was there as well.

4 Q And that's Mr. MacLeod you're referring to?

5 A Yes. Correct. Yes.

6 Q And can you pinpoint the timing of that? Was it  
7 after the release of the German Report?

8 A I believe it was after the release of the  
9 report, correct. And, again, I go back -- you  
10 know, it's a long time ago, but I'm pretty sure  
11 it was after.

12 Q Aside from you and Mr. Eby and Mr. MacLeod was  
13 anyone else present?

14 A So Mr. Baker -- I asked Mr. Baker to attend with  
15 me as well, again, just, you know, to show  
16 respect to the minister. And I do believe there  
17 was one or two others with Mr. MacLeod and  
18 Minister Eby as well, but I can't remember the  
19 names off the top of my head.

20 Q What was the purpose of that meeting?

21 A It was really just a followup. You know, we  
22 had -- as memory serves me, we had received the  
23 German report. We understood that there was a  
24 bunch of recommendations in there. We wanted to  
25 update Minister Eby and quite honestly thank him

1                   for the work. We, you know -- as difficult as  
2                   all this is, we still believe and did believe  
3                   then that anything that can be done to, you  
4                   know, enhance and further firm up this industry  
5                   as far as, you know, a reputable, thoughtful  
6                   industry within British Columbia is the right  
7                   action. So we wanted to thank him for the work  
8                   that he did and make sure that he knew that we  
9                   were committed to work on the recommendations  
10                  and whatever recommendations his government seen  
11                  fit to move forward.

12                  We had a very brief conversation about the  
13                  regulatory framework and environment as far as  
14                  possible moves from what I'll call a very  
15                  prescriptive type of regulatory framework to a  
16                  more risk-based regulatory framework which is  
17                  probably a more advanced framework than is  
18                  currently in place in British Columbia and I  
19                  think was where, you know, GPEB and others were  
20                  trying to move to.

21                  Ministry Eby was, you know, very thoughtful  
22                  in the conversations. Again, made it really  
23                  clear that it was a priority of his to make sure  
24                  that this was an appropriately regulated  
25                  business, had the right oversight and that had

1                   the right players involved and that, you know,  
2                   there was no -- or very limited ability for any  
3                   type of illegal, you know, cash to be entering  
4                   these businesses.

5                   I think he was -- he did -- I think he was  
6                   appreciative that we were cooperative throughout  
7                   the review that Mr. German did and we were very  
8                   cooperative with some of the work that was being  
9                   undertaken by GPEB to further strengthen the  
10                  regulatory environment. But, again, you know,  
11                  Mr. Eby was also -- Minister Eby was also, you  
12                  know, very, you know, direct and appropriate  
13                  that it was a high priority to make sure that  
14                  this industry was very strongly regulated and  
15                  that the right measures would be put in place to  
16                  make sure that business, people, including, you  
17                  know, myself were being held accountable, you  
18                  know, as we move the industry forward.

19                  So I thought it was very positive, but  
20                  again, the minister was very, you know, direct  
21                  in stating the importance that this industry is  
22                  appropriately regulated.

23                  Q     And were you supportive of a risk-based model?

24                  A     Absolutely, yeah. We were very supportive of  
25                  it. It's a big change in a jurisdiction like

1           British Columbia to go from a very prescriptive  
2           type of regulatory model to a risk-based one.  
3           But we're a firm believer -- I'm a firm  
4           believer -- that it is a much more advanced type  
5           of model, and I think that it allows for much  
6           better regulation. And quite honestly the one  
7           thing that a risk-based model does when set up  
8           appropriately, it holds service providers much  
9           more accountable for their actions, and that is  
10          something that I firmly believe in. I believe  
11          in accountability as an individual; I believe in  
12          accountability as a corporation. And a  
13          risk-based model set up in the appropriate way  
14          provides much more accountability to a service  
15          provider in their conduct and how they run their  
16          business.

17          Q     Did you also have a meeting with the Minister of  
18                Public Safety, Mike Morris?

19          A     I did, yeah. That was a long time ago. But  
20                yes, we had a meeting. It was a tour of River  
21                Rock where we toured him around. He had some  
22                interest in the facility and just how it  
23                operated and compliance and the rest. So we  
24                provided Minister Morris a tour of the facility  
25                at the time and had a brief conversation with



1                   him.

2                   Q     When did that occur?

3                   A     I can't remember. I mean, it would be obviously  
4                   when the Liberal government was still in power.  
5                   It probably would have been in the last year of  
6                   their power, so -- I can't remember when that  
7                   was. It would have been before obviously the  
8                   reporting and all that stuff. 2014, '13. I  
9                   can't remember.

10                  Q     Okay. Do you recall who else was present at  
11                   that meeting?

12                  A     It was Minister Morris. We also had our  
13                   Executive Director of Corporate Security there  
14                   as well. I don't believe Mr. Ennis attended. I  
15                   believe he was out of town, actually, at a  
16                   security surveillance conference and couldn't  
17                   attend, and that's why we had our Executive  
18                   Director of Corporate Security attend.

19                  Q     Who was that?

20                  A     That was a gentleman, he's retired now, Greg  
21                   Pattison, who was our Executive Director at the  
22                   time. And Greg has formerly worked for GPEB and  
23                   formerly worked for the RCMP.

24                  Q     Did you understand what Minister Morris's  
25                   particular interest in that site was or what it

1                   stemmed from?

2                   A    Not completely. I know that there was, again,  
3                   you know, work at the government level. Again,  
4                   I had very little transparency into how  
5                   government works, but I think there was some,  
6                   you know, concern or questions around the  
7                   government, around just, you know, gaming in  
8                   general and cash transactions and the rest and  
9                   just, you know, I think, overall public safety I  
10                  would imagine, but I wasn't provided with  
11                  details.

12                  Q    Did anyone raise specific concerns about the  
13                  large cash transactions occurring at the River  
14                  Rock at that time?

15                  A    We didn't. Again, we talked about, you know,  
16                  just transactions in general. Minister Morris  
17                  was very -- you know, asked questions just, you  
18                  know, again, more around the public safety side  
19                  of it. You know, obviously the regulation  
20                  around gaming, I think there was some talk  
21                  about, you know, dedicated police forces and  
22                  whether, you know, they were required or whether  
23                  that stuff would be helpful.

24                                Again, it was an awful long time ago, so I  
25                                can't remember the details of the conversation.

1                   But it wasn't an in-depth conversation on large  
2                   cash transactions, no.

3           Q       At the time of Minister Morris's visit to the  
4                   River Rock, were you aware of much law  
5                   enforcement activity in or around the River Rock  
6                   Casino?

7           A       So we worked very closely with the Richmond  
8                   detachment and with the RCMP. And, you know, as  
9                   you've seen from the material we provided, we  
10                  had several, you know, accommodations and  
11                  certificates from the RCMP thanking us for all  
12                  of our cooperation with, you know, all the work  
13                  in around River Rock. We -- you know, although,  
14                  again, there was not a ton of incidents within  
15                  River Rock, any time there was something either  
16                  in River Rock or even, you know, just different  
17                  incidents around the property in general,  
18                  because we did have advanced surveillance  
19                  capabilities, we became a resource for the RCMP  
20                  to be able to help them in those -- with any of  
21                  those investigations. So we worked pretty  
22                  closely with them and I think pretty  
23                  collaboratively with them and really appreciated  
24                  the relationship we had with them.

25           Q       Was it your experience in around 2013/14 when

1                   this visit occurred that when there were issues  
2                   of concern that you raised to the attention of  
3                   law enforcement, those were attended to?

4                   A     So, you know, we'll set aside, you know, large  
5                   cash transaction, that reporting, as the  
6                   reporting through FINTRAC is a bit different.  
7                   But if we called the Richmond detachment for an  
8                   incident at River Rock, they were prompt and  
9                   they attended and dealt with things  
10                  appropriately if it was a -- you know, I'll call  
11                  it a public safety type of issue or it was some  
12                  sort of an issue with, you know, a guest or --  
13                  yeah, absolutely they would attend and they  
14                  would conduct themselves appropriately.

15                 Q     Do I understand from your evidence that you were  
16                  not raising the question of the large cash  
17                  transactions to the attention of  
18                  [indiscernible]?

19                 A     So we weren't directly -- again, you know, there  
20                  is a -- you know, I think a fairly  
21                  well-documented process for how that works, and  
22                  you know, our job and our responsibility was to  
23                  provide all this reporting to BCLC. It went off  
24                  to GPEB and the rest. And we knew and we were  
25                  aware. Again, I was -- you know, I have a ton

1                   of faith in Mr. Desmarais and Mr. Kroeker, and I  
2                   knew that they were having conversations with  
3                   law enforcement, not just at the Richmond level  
4                   but at a much broader level around these  
5                   incidents. So for us to be bringing up specific  
6                   incidents with the Richmond detachment I think  
7                   would have been a bit strange and unusual. But,  
8                   again, I knew that, you know, Mr. Kroeker and  
9                   Mr. Desmarais were very diligent in bringing  
10                  stuff up, you know, in a more, I'd say, senior  
11                  and appropriate way as far as those transactions  
12                  went.

13                Q     In terms of -- just back to Dr. German. My  
14                    apologies for jumping around a bit.

15                A     No, it's quite all right.

16                Q     One of his recommendations was a source of funds  
17                    declaration, and I'm wondering if you recall a  
18                    sense of what impact, if any, that had on Great  
19                    Canadian's business?

20                A     Yeah. So the source of funds declaration and,  
21                    you know, documentation, you know, in hindsight  
22                    as I looked back I think was a very smart and a  
23                    very thoughtful tool to be put in place as far  
24                    as money laundering goes. You know, at the time  
25                    that it was put in, you know, with only a

1                   limited amount of knowledge, it was hard to  
2                   understand one -- you know, why, but more  
3                   importantly the effectiveness of those -- that  
4                   program.

5                   I think over time it has, you know,  
6                   certainly proven that it is a great way to be  
7                   able to make sure that any cash that's coming in  
8                   the facility, there's a very clear and easy way  
9                   to source it back to the origin as far as, you  
10                  know, a Canadian bank and the rest.

11                  As far as the impact on the business, you  
12                  know, very difficult to put a -- you know, I'll  
13                  call it a dollar figure or a magnitude amount on  
14                  how it impacted the business due to, you know, a  
15                  bunch of other changes, you know, in the world  
16                  at that time and especially the customers that  
17                  we're affecting as they travelled, you know,  
18                  from Richmond and where their homes are to other  
19                  parts of the world.

20                  But definitely as time went on and we were  
21                  able to better understand these transactions,  
22                  there certainly was a reduction in those large  
23                  cash transactions coming in the door that  
24                  ultimately had some impact on, you know, the  
25                  gross gaming revenues of the facility. And,

1                   again, it's hard for me to put any type of a  
2                   dollar figure on that. But it absolutely over  
3                   time had an impact on our gross gaming revenues  
4                   at the facility. And as I've stated before, as  
5                   we became better to understand why those  
6                   restrictions were put in place and some of the  
7                   work that happened as far as the criminal  
8                   investigations going on, you know, we're  
9                   certainly pleased to give up any of that  
10                  business that was associated, you know, or  
11                  possibly associated to criminal activity.

12                Q    Was that reduction across the board or was it  
13                    focused mostly on tables or particular games?

14                A    Yeah, it was definitely -- would be tables and  
15                    it would be, as you can imagine, that -- you  
16                    know, that premium business, that very high-end  
17                    premium business. That's who it was targeted at  
18                    and that's certainly, you know, where the impact  
19                    was seen.

20                Q    You say that was a thoughtful recommendation.  
21                    And I'm wondering if that's a recommendation  
22                    you've implemented at your properties in other  
23                    jurisdictions that don't require it, like  
24                    Ontario.

25                A    So haven't as of yet. And it's important to

1 point out, like, we're not seeing those type of  
2 transactions in those areas. And what we've  
3 done and, you know, as far as our AML  
4 programming -- Great Canadian's AML programming  
5 going forward, you know, the work that was done  
6 in British Columbia and the awareness of the  
7 vulnerabilities or the perceived vulnerability  
8 around money laundering has really been  
9 important to Great Canadian and, you know, most  
10 importantly myself and our board of directors to  
11 say, there's policy; there's procedures; there's  
12 FINTRAC rules and regulations.

13 There's all these things that we have to  
14 follow, but that in no way should limit us to  
15 only following the rules and not looking to be  
16 much more proactive at how we conduct our  
17 business going forward. So we've been much more  
18 proactive around our AML program, our AML  
19 department and our people to make sure that we  
20 try to, in the appropriate way, plug any areas  
21 that are vulnerable or even perceived as  
22 vulnerable.

23 So instead of just saying hey, we're going  
24 to put a sourced-cash restriction on all of our  
25 facilities when most of our facilities don't see



1           those size transactions, we instead actually  
2           really revamped the whole AML department and  
3           program at Great Canadian, and we really rebuilt  
4           it from the ground up. And, you know, we'll  
5           probably get into some conversation just about  
6           the compliance department and the changes that  
7           we've made. And that really started with some,  
8           you know, changes in leadership to make sure we  
9           had people that were much more, I'd say,  
10          administratively savvy and much more strategic  
11          as far as their long-term thinking and planning  
12          as the department goes.

13                       We then set up a specific AML department  
14                       and unit within the company that has the  
15                       experience and the expertise to deal with AML  
16                       issues in a way more proactive role in the past.  
17                       And, again, you know, I take accountability for  
18                       this, and maybe I should have been much more --  
19                       faster to respond, but we -- you know, we  
20                       started to look at all of these transactions and  
21                       not just rely on others to look at them and  
22                       analyze them. And that's, you know, a real  
23                       learning lesson for me.

24                       And so by hiring the right people within  
25                       the department -- we hired an Executive Director

1                   of AML to specifically to head up a department  
2                   and a unit, who is, you know, I think probably  
3                   one of the leading AML experts in Canada. Then,  
4                   you know, we had him put together a team of  
5                   people so that we actually have AML analysts at  
6                   our big sites, especially where we see large  
7                   table games play so that we cannot only just  
8                   report the transactions that are happening on an  
9                   individual basis, but we can do the analysis of  
10                  series of transaction and make determinations  
11                  based on all of those transactions.

12                               And we use a risk-based approach now on our  
13                   customers in other jurisdictions where we will  
14                   look at a certain transaction and we will  
15                   obviously follow all of the FINTRAC requirements  
16                   as far as reporting those, but just because  
17                   somebody has satisfied all of the FINTRAC  
18                   reporting doesn't mean we're not going to  
19                   continue to analyze the player, the buy-ins as  
20                   that player continues to buy in, and we take the  
21                   information and we forward it off to FINTRAC and  
22                   we do all of the required steps.

23                               We have analysts that look at the play, they  
24                   look at the play history, they look at how that  
25                   player is playing and then we risk assess them

1 based on that play. And depending on those risk  
2 assessments will depend on whether we want to  
3 take action against that person or not and  
4 either, you know, refuse play or limit their  
5 play. Or, you know, in most cases have  
6 discussions with regulators or Crown  
7 corporations to say, you know, we've assessed  
8 this player; player's risk is high because of A,  
9 B, C, D; we'd like to have a conversation with  
10 you guys to be able to see what the appropriate  
11 steps are.

12 And in those other jurisdictions -- and  
13 we'll use Ontario specifically -- you know, it's  
14 a very collaborative relationship, and I think  
15 it's been working out well. It doesn't mean  
16 there hasn't been administrative errors as well.  
17 We're not perfect and I'm not going to claim  
18 that, you know, we have a standard of perfection  
19 here, but I think that we have a very, I think,  
20 thoughtful approach. I think it is much more  
21 proactive.

22 I think that we now have the tools to be  
23 able to risk assess these people appropriately,  
24 put the right measures, restrictions in place,  
25 if warranted, and be able to go have

1                   conversations with regulators and Crown  
2                   corporations and certainly regulators that are  
3                   very responsive, extremely responsible --  
4                   responsive to our, you know, to our concerns and  
5                   that will take steps with us.

6                   I don't want to go on too much. One of the  
7                   tools we use is, you know, a Dow Jones software  
8                   which is some software that we've acquired that  
9                   allows our people and analysts to do open-source  
10                  searches on people, you know, very, very quickly  
11                  and proactively so that as players come in and  
12                  buy in and we do the LCTs and get the  
13                  information, we can get additional information  
14                  almost real time on that player to help with  
15                  those risk assessments as well.

16                  So, you know, I've probably be very long  
17                  winded -- and I'm sorry, Ms. Latimer -- with my  
18                  explanation, but it's -- you know, I think we've  
19                  gone above and beyond as far as just simply  
20                  putting in a sourced-cash restriction to be able  
21                  to come up with an AML program that is actually  
22                  much more sophisticated and thoughtful than  
23                  that.

24                  Q     But the source of funds requirement exists in  
25                  BC, and I take it it was expensive -- it was

1                   expensive to implement; is that fair?

2                   A    It actually wasn't overly expensive to implement  
3                   because the sourced cash requirements, you know,  
4                   it's administrative, so it is expensive as far  
5                   as staff, time and people to implement.  But  
6                   quite honestly, the system that we've  
7                   implemented elsewhere is much more expensive  
8                   because we actually have a whole bunch of  
9                   analysts and people and we do -- and software  
10                  and we do a whole lot of work.  And we're trying  
11                  to, again, implement that in BC as well or  
12                  we're -- you know, although, you know, we're not  
13                  tasked in our agreements to do this, we are  
14                  certainly being proactive in starting to  
15                  undertake those more sophisticated approaches as  
16                  well.

17                  But the sourced cash requirements is  
18                  really -- it's definitely additional cost on the  
19                  staffing side, which, you know, we're happy to  
20                  pay, but it's a -- I don't want to say --  
21                  unsophisticated is not the right word.  It's a  
22                  very simplistic view which a customer has to  
23                  bring in documentation to be able to have their  
24                  buy-in, but that still doesn't give you  
25                  transparency on who that customer is or their

1 background.

2 And that's why having the analysts and being  
3 able to do the risk-based -- the risk  
4 assessments is a much better tool and, you know,  
5 they can be used hand-in-hand as well. Like, it  
6 doesn't have to be one without the other. But  
7 we want to make sure that we can actually risk  
8 assess appropriately and do a much better job  
9 at, you know, knowing our customers rather than  
10 just accepting transactions, you know, with  
11 little transparency.

12 Q Do you see a role for more proactive  
13 investigative or enforcement presence in casinos  
14 as part of the solution?

15 A I do. I think, again, you know, the concept --  
16 and I know it's been brought up before of, you  
17 know, just having more uniformed police officers  
18 wandering around the casino. And although, you  
19 know, we're not opposed to that, I don't think  
20 there's a whole lot of effectiveness in that.

21 Having well-trained, you know, law  
22 enforcement officers and investigators that are  
23 onsite or who are regularly onsite that can work  
24 with our analysts, look at these trends and  
25 these customers and then take the appropriate

1                   action in a very proactive and quick and  
2                   thoughtful manner, I think is -- would be very  
3                   good for the industry and I think it would be a  
4                   huge step forward as far as putting the right  
5                   pieces of the puzzle together to create a -- you  
6                   know, a very -- I don't want to say bomb-proof,  
7                   but a very rock solid regulatory environment.

8                   Q    Is JIGIT fulfilling that function?

9                   A    So JIGIT is not. I think JIGIT is a great  
10                  initiative and I support it fully and have  
11                  written letters to the government in my support.  
12                  You know, I think JIGIT is a -- I think JIGIT  
13                  could be enhanced to fulfill this role if that  
14                  is the desire. You know, JIGIT now works -- I  
15                  don't want to say completely in isolation,  
16                  because they do have appropriate interactions  
17                  with us, but you know, my understanding, you  
18                  know, JIGIT has investigations that are going on  
19                  and they investigate and they will come on site.

20                            And they've been to sites where they've  
21                            conducted investigations with our surveillance  
22                            staff, but it's somewhat -- I call it after the  
23                            fact. They're investigating something that  
24                            they've got on their side and they're trying to  
25                            lead their investigation to catch bad guys,

1                   which is a good thing.

2                   I think that we need more -- a more  
3                   proactive approach and whether that's an  
4                   extension of JIGIT or that's an additional  
5                   division. I don't know if that's a right word.  
6                   But I think we need people that come on site,  
7                   understand the business and are able to work  
8                   with our people proactively so that when we see  
9                   a concern -- and I certainly want to set up a  
10                  system that can -- again, from a risk assessment  
11                  point of view can risk assess customers and  
12                  transactions so we can flag it. And when these  
13                  things are flagged they actually come and work  
14                  on site to help figure out if there is a  
15                  problem, and if there is a problem then take the  
16                  appropriate action, you know, and not weeks and  
17                  months or years down the road. You know, hours  
18                  or days down the road so that things are  
19                  happening a little bit more real time

20                Q    You recommended that Mr. Ennis be terminated  
21                    from his position; correct?

22                A    I did.

23                Q    Did that decision have anything to do whatsoever  
24                    with his competency in his AML compliance role?

25                A    So Mr. Ennis, I think, did a very good job for



1                   Great Canadian for many years and I think highly  
2                   of him as a person. I think he's a person of  
3                   integrity and ethics. So the dismissal had  
4                   nothing to do with Mr. Ennis's conduct while he  
5                   was at Great Canadian.

6                   Our business, as you can imagine, is  
7                   evolving and changing quite rapidly, and not  
8                   just the gaming industry as a whole but Great  
9                   Canadian's business. And as I stated earlier,  
10                  you know, we were moving into a jurisdiction in  
11                  Ontario, you know, and we were already in a  
12                  jurisdiction in New Brunswick and Nova Scotia  
13                  but they were smaller. But especially in  
14                  Ontario where it is an extremely different  
15                  regulatory environment.

16                  And as I said, in BC where Mr. Ennis  
17                  fulfilled the role and I think did a good job  
18                  fulfilling the role for many years is very  
19                  prescriptive, meaning -- and I'll paraphrase it,  
20                  but you get a binder of rules and it's a big  
21                  binder of rules and your job as a head of  
22                  compliance is to take that big binder of rules  
23                  and make sure that everybody is following the  
24                  rules to the best of your ability. And if you  
25                  catch anybody stepping outside of that binder of

1                   rules, it's your job as the head of compliance  
2                   to make sure that you are making the right  
3                   recommendations around penalizing those people.

4                   And Mr. Ennis under those kind of -- under  
5                   that environment did a great job. In Ontario  
6                   where it's going to a risk-based approach where  
7                   the regulator is giving you a number of  
8                   high-level risks to the organization and the  
9                   business and then your job is to completely  
10                  develop that book of rules, regulations and  
11                  policies, and then also not only develop it but  
12                  then implement it and control it and change it  
13                  and amend it and upgrade it as the business  
14                  changes needs a very different skill set.

15                  And so, you know, I am -- fortunately or  
16                  unfortunately the way you want to look at it,  
17                  you know, I have been tasked by our board, you  
18                  know, as the senior person to run this company  
19                  and I have to make difficult decisions. So  
20                  although I think highly of Mr. Ennis, I had to  
21                  look at his skill set and his competencies and  
22                  make the determination that Mr. Ennis didn't  
23                  have the competencies as far as where our  
24                  business was going to be able to build this new  
25                  regulatory environment, you know, including the

1 AML side of it as well.

2 And I am certainly of the belief that this  
3 risk-based model will be used elsewhere, and  
4 whether it's adopted in BC or elsewhere, I  
5 needed to bring people into the organization  
6 that had the skills to be able to excel under  
7 that environment. And the decision was not easy.

8 And to a certain degree I did look for  
9 opportunities for Mr. Ennis to fill other roles  
10 in the company, but in the end, you know, as --  
11 you know, anybody in senior management will  
12 understand, sometimes if you take somebody from  
13 a very senior position and you try to give them  
14 a, even a lateral or a demotion it's not good for  
15 them personally from our career's point of view  
16 and it's not good from a morale point of view  
17 for everybody around them. So I did make the  
18 difficult decision to terminate Mr. Ennis.

19 Q You also made the decision or recommendation to  
20 terminate Mr. Soo; correct?

21 A I did, that's correct. And it's a similar but  
22 different situation with Mr. Soo. Again,  
23 certainly know I have no disrespect for Mr. Soo  
24 and have lots of respect for who he is as a  
25 person. But, again, our company is going and

1 heading in a very different direction in -- you  
2 know, in many markets. But most importantly,  
3 you know, there was a strategic plan and there  
4 was strategic thinking put in at Great Canadian  
5 many, many years ago, and I go back to 2013,  
6 2014 as far as the growth of our company.

7 And as I've highlighted before, our board of  
8 directors that basically provides direction to  
9 myself and our former CEO, and our former CEO  
10 was very much a strategy guy. He wasn't an  
11 operator. He's, I think, an incredibly smart,  
12 talented finance person that knows how to, you  
13 know, commit and make sure that the right  
14 capital structure and the right strategies are  
15 being implemented by a business. So, you know,  
16 between him and the board of directors, their  
17 direction to me was, you know, the strategy  
18 going forward would be to look for -- into other  
19 markets, try to figure out how we could use some  
20 of our development expertise and, again, our  
21 strong balance sheet to go into other markets  
22 and to buy, acquire, bid facilities to be able  
23 to come in and then operate them and then refine  
24 them in a way that was profitable.

25 And at that period of time there was a big

1           initiative in Ontario, the modernization of the  
2           facilities there where the government was  
3           outsourcing. And so to the strategy of the  
4           company at that time very clear was, you know,  
5           British Columbia was a -- you know, again, I use  
6           the word "steady state business." There was  
7           little opportunity for massive growth. The  
8           business there was the business there. It was  
9           going to -- you know, we were hoping we would  
10          see -- you know, I call it, you know, keeping up  
11          with inflation as far as the growth and, you  
12          know, continue to run a solid business.

13                    But the strategy was very much to go and to  
14          pursue these opportunities in Ontario and put as  
15          much time, effort and money into -- that was  
16          required to hopefully win some opportunities to  
17          run some of these, you know, very exciting  
18          opportunities in Ontario. And we did that and  
19          led that initiative for a bunch of years and won  
20          a bunch of opportunities in Ontario and got the  
21          opportunity to work with, you know, a great  
22          Crown corporation there and great regulators  
23          and, you know, some great partners.

24                    During that period of time it was difficult  
25          for certain people at Great Canadian that

1                   couldn't understand that our business was  
2                   changing and that wanted to continue to, I'd  
3                   say, rehash old business cases and dreams about  
4                   what they perceived the business should be in  
5                   British Columbia and River Rock in particular,  
6                   and it just wasn't the direction the company was  
7                   heading as far as growth.

8                   So in Mr. Soo's case, I think there was  
9                   definitely a disconnect between where he thought  
10                  the time and attention should go into, which was  
11                  continuing to put more capital and more  
12                  investment into River Rock to attract more  
13                  players from abroad, that I was openly and  
14                  consistently opposed to compared to the strategy  
15                  that was put in place by our board of directors  
16                  and by Mr. Baker to me, which was to pursue  
17                  these opportunities in Ontario.

18                  So as we moved forward in Ontario and as,  
19                  you know, the person in charge, I did my best to  
20                  try to engage Mr. Soo in the Ontario  
21                  opportunities, including offering up for him to  
22                  spend most of his time in Ontario to help build  
23                  out, you know, VIP programs and to help our  
24                  development department with the VIP offerings as  
25                  far as the ambience, you know, the colours, the

1           decor, the food and beverage offerings and to  
2           put together a very thoughtful plan on how we  
3           could execute on, you know, VIP facilities and  
4           VIP accommodations and offerings in Ontario.

5                     After numerous requests and sending him on  
6           numbers of trips to Ontario to work with the  
7           team there and to put this together, it became  
8           more and more apparent he was incapable of  
9           providing me with any type of plan on paper on  
10          how to move anything forward. And after, you  
11          know, numerous conversations, it became more and  
12          more apparent he just, you know, was unable to  
13          articulate any type of plan on how he was going  
14          to move forward in Ontario.

15                    So at that time, again, this was a big  
16          opportunity for us. There just was no  
17          significant opportunity at River Rock -- as per  
18          his numerous, you know, requests to build out  
19          the facility, there just was no longer a  
20          position in the company for that skills because  
21          he was unable to provide us in Ontario. So,  
22          again, you know, a good human being and I  
23          certainly have nothing but respect for the  
24          individual. But, again, I am tasked with making  
25          the difficult decisions in the company as we

1           evolve and we grow on who can add value and the  
2           skill sets we need and he didn't have the core  
3           competencies involved to be able to move the  
4           business forward ahead in our key growth market  
5           the way we needed him to do it. So the decision  
6           was made to terminate him.

7           Q     Nothing to do, I take it, whatsoever with  
8           anti-money laundering compliance issues. Is  
9           that correct?

10          A     No, none. I -- you know, I don't -- I have no  
11          concerns with Walter as far as anti-money  
12          laundering issues or any of that. So that did  
13          not weigh into the equation at all.

14          MS. LATIMER: Thank you, Mr. Commissioner. Those are  
15          my questions for this witness.

16          THE COMMISSIONER: Thank you, Ms. Latimer. I think  
17          what we'll do now is take 15 minutes.

18          THE WITNESS: Thank you.

19          THE COMMISSIONER: And then we'll resume with  
20          questions from the participants.

21          THE REGISTRAR: This hearing is adjourned for an a  
22          15-minute recess until 11:27 a.m.

23                   **(WITNESS STOOD DOWN)**

24                   **(PROCEEDINGS ADJOURNED AT 11:12 A.M.)**

25                   **(PROCEEDINGS RECONVENED AT 11:26 A.M.)**



1 THE REGISTRAR: Thank you for waiting. The hearing  
2 is resumed. Mr. Commissioner.

3 THE COMMISSIONER: Thank you, Madam Registrar.

4 **TERRANCE DOYLE, a**  
5 **witness for the**  
6 **commission, recalled.**

7 THE COMMISSIONER: I'll now call on Ms. Friesen on  
8 behalf of the province, who has been allocated  
9 25 minutes.

10 MS. FRIESEN: Yes. Thank you, Mr. Commissioner.

11 **EXAMINATION BY MS. FRIESEN:**

12 Q Mr. Doyle, can you hear me all right?

13 A I can hear you loud and clear.

14 Q Great. Thank you. Many of my questions have  
15 been addressed, but I do have a few for you.

16 A Sure.

17 Q First, you're aware that BCLC has responsibility  
18 to conduct and manage gambling in British  
19 Columbia?

20 A I am aware of that, yes.

21 Q As part of that responsibility, BCLC contracts  
22 with gaming service providers, including Great  
23 Canadian to operate casinos; is that right?

24 A That's correct.

25 Q And the contract is referred to as the

1 operational services agreement or the OSA; is  
2 that right?

3 A That is correct, yes.

4 Q And you're familiar with Great Canadian's  
5 operational services agreement with BCLC?

6 A I am familiar with them, yes.

7 Q And the OSA is a fairly lengthy and detailed  
8 contract; correct?

9 A It is. Correct.

10 Q And it sets out Great Canadian's obligations,  
11 including details relating to gaming supplies,  
12 marketing and promotion, security and  
13 surveillance, among many other things; is that  
14 right?

15 A That is correct, yes.

16 MS. FRIESEN: Madam Registrar, could you please turn  
17 up document BCLC0010225.

18 Q So this is the casino operational services  
19 agreement between BCLC and Great Canadian, and  
20 it's dated November 17th, 2005. This is not the  
21 current operational services agreement; is that  
22 right?

23 A That's correct. This would be the former one.  
24 Correct.

25 Q Okay. And -- but you were working with Great

1 Canadian in 2005?

2 A I was, yes.

3 Q And you understand that the terms of the OSAs  
4 are generally 10 years in length; is that right?

5 A That's correct. 10 years with 10-year  
6 extensions. Correct.

7 Q Okay. And effectively since 2013, as I  
8 understand your evidence, you were the senior  
9 delegate to run the company, including River  
10 Rock, and you would have familiarity with the  
11 obligations required by providers -- required of  
12 service providers by BCLC?

13 A I -- that is correct, yes.

14 Q Okay. I would like to just turn now to page 9  
15 of this document.

16 THE REGISTRAR: Am I ...

17 MS. FRIESEN: Yes, that's the correct page. If you  
18 scroll down a little bit, Madam Registrar.

19 Q And so there's the bold heading there,  
20 "Article VI, Conduct of Service Provider?"

21 A Yep.

22 Q Do you see that there, Mr. Doyle?

23 A I do, yes.

24 Q And then under -- sorry. Thank you. And under  
25 6.01 it states:

1                   "The Service Provider covenants and  
2                   agrees."

3                   And then if you turn to the next page, and you  
4                   look under (g), it states:

5                   "To abide by all Player cash and credit  
6                   policy restrictions prescribed by the  
7                   Corporation from time to time."

8                   Did I read that correctly, Mr. Doyle?

9                   A     That is correct, yes.

10                  Q     Is it your understanding that if BCLC required  
11                   restrictions to player cash or credit, then  
12                   Great Canadian was to comply?

13                  A     That is correct.

14                  MS. FRIESEN: Thank you. Mr. Commissioner, I'd like  
15                   to mark this as the next exhibit, please.

16                  THE COMMISSIONER: 572.

17                  THE REGISTRAR: Exhibit 572.

18                               **EXHIBIT 572: Amended and Restated Casino**  
19                               **Operational Services Agreement between BCLC and**  
20                               **Great Canadian Casinos Inc, effective as of**  
21                               **November 17, 2005**

22                  MS. FRIESEN: Madam Registrar, can we please turn up  
23                   document -- exhibit 76, appendix B.

24                  Q     You'll see from the first page there, Mr. Doyle,  
25                   that this is the operational services agreement

1                   between BCLC and Great Canadian Casinos for  
2                   River Rock Casino dated June 3rd, 2018?

3           A       That's correct, yes.

4           Q       And you're familiar with this document?

5           A       I am familiar with this one, yeah. This is the  
6                   new OSA, correct.

7           Q       Right. In fact you're one of the signatories to  
8                   this agreement?

9           A       I believe that's correct.

10          Q       I'd like to turn to page 4 of the document,  
11                 please. So under -- on page 4 you see under the  
12                 heading "Article 3, Compliance & Integrity of  
13                 Gaming." Do you see that there?

14          A       I do, yes.

15          Q       And under 3.1 it states:

16                         "Conduct, management and operation. The  
17                         Service Provider acknowledges that the  
18                         Corporation is responsible for the  
19                         conduct, management and operation of the  
20                         Gaming at the Facility. The Service  
21                         Provider will provide the Services under  
22                         the control of the Corporation."

23                 Did I read that correctly?

24          A       That is correct.

25          Q       And you gave evidence yesterday that Great

1 Canadian is provided with prescriptive rules  
2 regarding how to operate its business. Is it  
3 fair to say that some of those prescriptive  
4 rules are found in the OSA as well as BCLC  
5 standards, policies and procedures?

6 A That is correct.

7 Q Thank you. Now, in paragraph -- I just want to  
8 turn to your affidavit for a moment. In  
9 paragraphs 25 and 26 -- you don't need to  
10 have -- I don't need it to pull it up, but you  
11 can have it in front of you if you like.

12 A Sure.

13 Q You could look at it, but you don't necessarily  
14 need to. Now, in those paragraphs you provide  
15 some evidence regarding BCLC investigators' work  
16 at casinos. And you state that there are BC  
17 investigators on site. Do you mean on site at  
18 the casino? Is that right?

19 A That's correct.

20 Q Okay. And that includes River Rock Casino?

21 A That's correct.

22 Q And you state that Great Canadian provides  
23 offices on site for the exclusive use of BCLC  
24 investigators; correct?

25 A That is correct.

1           Q     And Great Canadian has provided these exclusive  
2                   offices to BCLC for some time?

3           A     That is correct.

4           Q     Do you know how long?

5           A     I think we've always provided offices.  We've  
6                   definitely always provided offices to BCLC and  
7                   their investigators have been there as long as I  
8                   can remember, so I believe there's always been  
9                   offices for them.  Through the years we provided  
10                  more additional offices as requested and  
11                  required.

12          Q     Thank you.  And you further state that the  
13                  offices help enable BCLC investigators to  
14                  facilitate and monitor compliance with Great  
15                  Canadian with AML reporting requirements;  
16                  correct?

17          A     That is correct.

18          Q     And presumably this also enables them to monitor  
19                  compliance with the OSA and -- as well as BCLC  
20                  standards, policies and procedures?

21          A     That is correct.

22          Q     And if BCLC investigators asked for any  
23                  paperwork or information that they required,  
24                  Great Canadian would provide that to them?

25          A     We have always complied and will continue,

1 correct.

2 Q And GPEB investigators do not have an office  
3 located on site; is that right?

4 A That is correct.

5 Q Now, just -- I want to turn now to -- you  
6 answered some questions from Ms. Latimer  
7 regarding the issue regarding that period of  
8 time in which buy-ins under \$50,000 at River  
9 Rock were not being reported as STRs. Do you  
10 recall answering those questions?

11 A I do, yes.

12 Q You didn't impose that threshold, did you?

13 A We did not impose a threshold, no.

14 Q Okay. But you weren't aware of it until you  
15 were advised by Pat Ennis of the issue --

16 A That is correct.

17 Q -- after BCLC [indiscernible]?

18 A That is correct, after BCLC -- yes. Correct.

19 Q Okay. And you don't have any direct knowledge  
20 regarding anyone from GPEB issuing such a  
21 directive?

22 A No. Not firsthand, no.

23 MS. FRIESEN: Thank you. Those are my questions.

24 THE WITNESS: Thank you.

25 THE COMMISSIONER: Thank you, Ms. Friesen.



1 I'll now turn to Ms. Gardner on behalf of  
2 Canada, who has been allocated five minutes  
3 MS. GARDNER: Thank you, Mr. Commissioner. Based on  
4 the evidence that's come out during Mr. Doyle's  
5 direct, we have no questions at this time.

6 THE COMMISSIONER: Thank you, Ms. Gardner.

7 I'll now turn to Mr. Stephens on behalf of  
8 the British Columbia Lottery Corporation, who  
9 has been allocated 10 minutes.

10 **EXAMINATION BY MR. STEPHENS:**

11 Q Hello, Mr. Doyle.

12 A Hello.

13 Q I have a question for you. Ms. Friesen asked  
14 you about BCLC having investigators on site. Do  
15 you recall that?

16 A I do, yes.

17 Q And that BCLC investigators have an office or  
18 offices at -- on site at the casino; is that  
19 right?

20 A That's correct.

21 Q Are you aware, has GPEB ever asked to have  
22 office available for it on site?

23 A I'm not aware of them asking for offices, no.  
24 There was one request after the Peter German  
25 report that, you know, we should look to make

1 space available, if required, which we did, but  
2 other than that, no.

3 MR. STEPHENS: Thank you, Mr. Doyle.

4 Those are my questions, Mr. Commissioner.

5 THE WITNESS: Thank you.

6 THE COMMISSIONER: Thank you, Ms. Stephens.

7 I'll now turn to Mr. McFee on behalf of  
8 James Lightbody, who has been allocated  
9 10 minutes.

10 **EXAMINATION BY MR. McFEE:**

11 Q Mr. Doyle, you stated that Great Canadian's  
12 obligation was to gather information, log the  
13 information and provide reports to entities so  
14 that investigations could be undertaken. Do you  
15 remember that evidence yesterday?

16 A I do. That's correct.

17 Q And Great Canadian sent UFTs and Section 86  
18 reports to GPEB?

19 A That is correct.

20 Q And I take it when you were sending those  
21 reports to GPEB you understood that GPEB had an  
22 investigation division with a compliment of  
23 investigators?

24 A That was our assumption, correct.

25 Q Well, it was more than an assumption. You knew

1                   that GPEB had an investigation division with a  
2                   compliment of investigators; correct?

3           A        I'm sorry, I clarify that.  Correct.  I knew  
4                   that they had those investigators.  Correct.

5           Q        And when you were sending -- when I say "you"  
6                   I'm talking about Great Canadian.  When Great  
7                   Canadian was sending these reports to GPEB, did  
8                   you expect GPEB would be reviewing those  
9                   reports?

10          A        I did expect that they were being reviewed.  
11                   Correct.

12          Q        And did you have an expectation that GPEB would  
13                   conduct an investigation arising from those  
14                   reports where they deemed it necessary?

15          A        I did.  Correct.

16          Q        And did you expect that in circumstances where  
17                   GPEB conducted an investigation they'd notify  
18                   Great Canadian if there was an issue with a  
19                   patron or group of patrons that arose from that  
20                   investigation?

21          A        That is correct.  That was what I expected.

22          Q        And to your knowledge did GPEB -- as opposed to  
23                   BCLC -- did GPEB ever provide Great Canadian  
24                   with notice respecting concerns about any patron  
25                   or group of patrons?

1 A Not that I'm aware of.

2 MR. McFEE: Those are my questions. Thank you,

3 Mr. Doyle.

4 THE WITNESS: Thank you.

5 THE COMMISSIONER: Thank you, Mr. McFee.

6 Now Ms. Mainville on behalf of Mr. Kroeker,

7 who has been allocated five minutes.

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

9 **EXAMINATION BY MS. MAINVILLE:**

10 Q Hi, Mr. Doyle.

11 A Hello.

12 Q I just want to first clarify your use of the  
13 terms "prescriptive" and "risk-based." I take  
14 it, first of all, when you talk about  
15 prescriptive, you're implying that there are a  
16 lot of rules for service providers to follow;  
17 correct?

18 A That's right. Detailed rules. Exactly.

19 Q And when you talk about risk-based -- and you've  
20 explained a little bit your reference to a  
21 system in Ontario. I take it another expression  
22 that's used for the system in Ontario is  
23 standards-based?

24 A That is correct, yeah. They're used  
25 interchangeably. Correct.

1           Q     And so as you've explained a little bit,  
2                   standards -- high-level standards are set out  
3                   that the service provider has to meet in  
4                   whichever way they deem appropriate for their  
5                   own facility and anything that's unique to that  
6                   particular facility?

7           A     Correct.  Correct.

8           Q     And are you aware that FINTRAC's reporting  
9                   system and the guidance provided by FINTRAC  
10                  is -- that BCLC follows and has followed is  
11                  risk-based and so it's not merely prescriptive?

12          A     I do -- I do.  And I know that that was  
13                  something that was discussed with BCLC and  
14                  specifically around expectations.  But correct,  
15                  I do -- I am aware of that.

16          Q     So that the federal system, at least at BCLC, is  
17                  the reporting entity for -- it relies on a  
18                  risk-based system?

19          A     That is correct, yes.

20          Q     Okay.  And you explained, I believe, to  
21                  commission counsel, so in your will say, that  
22                  the Ontario regulator plays a much more  
23                  comprehensive role in day-to-day operations in  
24                  Ontario.  Do you recall that?

25          A     I do, yes.

1           Q     Can you -- and you also indicated the regulator  
2                   in Ontario is extremely responsive and helpful.  
3                   Can you explain a little bit your own knowledge  
4                   or understanding of that.

5           A     Yeah. I guess I'll explain my experience and  
6                   how it works. You know, in Ontario there are  
7                   dedicated OPP and Ontario police people that are  
8                   part of the AGCO, which is the regulatory body  
9                   in Ontario, and those people are assigned to  
10                  individual locations and operations and are  
11                  located on site and spend a considerable amount  
12                  of time at the site. So that's -- you know,  
13                  that's one of the -- you know, the nuances is  
14                  that they're there. And as far as the  
15                  responsiveness, because they are there on site  
16                  and they're very accessible when there is a  
17                  problem or an issue, we have the ability to flag  
18                  it to them immediately and then they can review  
19                  and work with us to understand, you know,  
20                  solutions or mitigations or actions that are  
21                  required.

22                         And because of that close cooperation,  
23                         things have a tendency to be dealt with, you  
24                         know, almost real time, depending -- rather  
25                         than, you know, being put -- I'll call it, in a

1                   queue and waiting days, weeks or months for  
2                   somebody to get back to you.

3           Q       And sorry, to be clear, is that the OPP or also  
4                   the AGCO, which is the regulator?

5           A       Yeah, so that's the AGCO. But the AGCO members  
6                   are actually OPP members as well. So --

7           Q       I see.

8           A       Yes. Sorry.

9           Q       Okay. No, no, that's good to understand.

10                    You've spoken in fairly glowing terms of  
11                    Mr. Kroeker and said he did a fantastic job for  
12                    GCGC. And I just wanted to get a sense from you  
13                    of what makes you say that or what is it that he  
14                    put in place or accomplished that makes you say  
15                    he did a fantastic job

16           A       Yeah. Again, when we hired Mr. Kroeker, the  
17                    goal or the mandate that I had was to find, you  
18                    know, the most qualified person to come in and  
19                    fill the head of compliance role at Great  
20                    Canadian. And AML was obviously a key  
21                    competency that we wanted. Mr. Kroeker  
22                    certainly filled all of those requirements and  
23                    checked all the boxes in a -- you know, in,  
24                    quite honestly, a fairly easy fashion.

25                    What I thought was one of his best traits

1                   was, you know, Mr. Kroeker liked to really take  
2                   a good view of the company and do the analysis  
3                   and the work to be able to figure out what was  
4                   required to really have a strong regulatory, you  
5                   know, culture or environment and he was in no  
6                   way afraid of pushing forward ideas or concepts  
7                   that were either, you know, costly or difficult  
8                   to implement. You know, he always had, you  
9                   know, the core of his intentions were always to  
10                  make sure that the business was protected and  
11                  that we were always doing the right thing.

12                   And Mr. Kroeker and I, you know, had many,  
13                   many conversations and debates around different  
14                   topics because he's a collaborative person that  
15                   wants to make sure things are talked through and  
16                   the right decisions were being made. So we  
17                   would often have long conversations around  
18                   procedures, compliance activities and the rest,  
19                   and he always wanted to make sure that I was  
20                   aware of risks to the business and what we could  
21                   or should be doing to mitigate those risks to  
22                   the business. And I really appreciated his open  
23                   and straightforward approach to always flagging  
24                   this stuff and coming with solutions rather than  
25                   just problems. So, again, I enjoyed working



1                   with him. And in my opinion he always put, you  
2                   know, compliance and the company first, and he  
3                   had this view -- and I think, you know, it's  
4                   just the way his brain works -- is he's always  
5                   risk assessing things and trying to understand  
6                   where the risks lie and understand how he can  
7                   put measures in.

8                   But he wasn't knee-jerk, which I think  
9                   sometimes compliance people are. He likes to do  
10                  the analysis. He wants to do his work. And  
11                  once he does the work, he wants to lay stuff out  
12                  in front of you that is factual and data driven  
13                  rather than just, you know, assumptions or  
14                  hearsay, and I really appreciated that approach.

15                Q    And do you recall that commission counsel took  
16                    you to a -- I think it was an email chain in  
17                    respect of the 46 players that would be placed  
18                    on BCLC's sourced-cash conditions program?

19                A    I do.

20                Q    And where you wrote "our business is in serious  
21                    trouble"?

22                A    Yeah, I do. Yes.

23                Q    That was on September 14th, 2015, if you recall.

24                A    Yes, that's right.

25                Q    Do you recall that originally -- earlier in the

1                   summer of 2015 10 players had been placed on  
2                   cash conditions and then an additional 36 in  
3                   September of 2015?

4           A       Yeah, that's correct. I mean, those dates  
5                   reconcile. I can't remember them exactly, but  
6                   that -- yeah, that makes sense. And I remember  
7                   reading it as well.

8           Q       And are you aware that when the 36 were added  
9                   this was after Mr. Kroeker had arrived at BCLC  
10                  from GCGC?

11          A       I do. I believe his first, you know, start date  
12                  was roughly around September of 2015. Correct.

13          Q       And when you say "our business is in serious  
14                  trouble," can I ask you -- I take it cash  
15                  conditions like the ones that were being  
16                  implemented on high-level players were more  
17                  important for some sites or gaming sites like  
18                  the River Rock than for, one would expect, other  
19                  facilities in British Columbia?

20          A       Yeah. No, that's absolutely correct. And I  
21                  think there was many players on that list that  
22                  weren't exclusive to River Rock but where  
23                  customers had -- you know, competitors  
24                  facilities said well, they weren't exclusive  
25                  River Rock customers.

1           Q     And so while it may have had a significant  
2                    impact potentially for River Rock, in terms of  
3                    overall revenue from gaming in the province,  
4                    would you say that it was -- it would have a  
5                    significant impact and only to the extent you  
6                    are aware?

7           A     So the answer is yes, it would have an impact.  
8                    I think it's hard to define "significant,"  
9                    especially when you talk about the province,  
10                    which is a much larger bucket of revenue, so to  
11                    speak, than any individual service provider.  
12                    There was certainly the opportunity for it to  
13                    have an impact at River Rock. I think sometimes  
14                    it's not totally understood even with that  
15                    impact would be from a service provider's point  
16                    of view, and I like to try to explain to people  
17                    that the VIP business is certainly a good  
18                    business. The margins in that business as a  
19                    service provider are quite low. So although  
20                    it's an impact on the business, even at River  
21                    Rock when I look at the total -- and I look at  
22                    it different than maybe some of our operations  
23                    people, even BCLC, because I look at it not  
24                    gross gaming revenues; I look it as net profit  
25                    to our business. From a net profit to our

1                   business, you know, even if a hundred percent of  
2                   that revenue went away, the net profit, even  
3                   just to River Rock was only -- probably would  
4                   be, if it went away completely, a 10 to  
5                   15 percent reduction net profits to River Rock.  
6                   And as to Great Canadian as a whole, of course  
7                   River Rock was only, you know, a portion of our  
8                   overall revenue. So it wasn't -- although, you  
9                   know, I certainly don't like to give up any  
10                  revenues, it wasn't a catastrophic reduction.

11                  Now, the portion to the province is much  
12                  larger because they get 60 percent and, you  
13                  know, quite honestly they don't have as many  
14                  expenses against that. So it would have been a  
15                  bigger impact. But at the time -- and I was  
16                  able to talk to Mr. Kroeker, you know,  
17                  especially around that September time frame, and  
18                  we both agreed and I think it was always  
19                  Mr. Kroeker intentions that, you know, revenues  
20                  can't be put first, we have to make the right  
21                  decisions here for the industry as far as making  
22                  solid decisions. And I agreed with him.

23                  Q     Okay. Just a last area of questioning. If --  
24                          this follows up on questions I believe  
25                          Ms. Friesen asked you and Mr. Stephens for BCLC.

1                   If a member of GPEB, of the regulator, had been  
2                   present at a casino monitoring transactions and  
3                   asking to obtain source of funds information  
4                   from a customer, would you have felt legally  
5                   compelled to comply with that request?

6           A     We would, absolutely.

7           Q     And would GCGC have complied with that request?

8           A     Absolutely. We absolutely would.

9           Q     And if a member of GPEB had been present at the  
10           casino monitoring transactions and asked you to  
11           refuse a transaction, would you have felt  
12           legally compelled to comply with that request?

13          A     We absolutely would have complied, yes.

14          MS. MAINVILLE: Okay. Those are all my questions.

15                Thank you.

16          THE WITNESS: Thank you.

17          THE COMMISSIONER: Thank you, Ms. Mainville.

18                        Now Ms. Skwarok for Great Canadian Gaming  
19                        Corporation, who had been allocated 45 minutes.

20          MR. SKWAROK: Thank you, Mr. Commissioner.

21          **EXAMINATION BY MR. SKWAROK:**

22          Q     Mr. Doyle, you were asked questions about the  
23                FINTRAC finding that 80 percent of River Rock  
24                employees did not understand money laundering,  
25                nor did they appreciate the indicators of

1 suspicious activities. Do you recall being  
2 asked those questions?

3 A I do.

4 Q And you attributed much of those results to  
5 language barriers; is that right?

6 A That is correct.

7 Q To your knowledge did your compliance and  
8 surveillance departments understand AML rules?

9 A They did.

10 Q And did you ever evaluate their competence or  
11 diligence?

12 A So they receive ongoing training around this  
13 area, and I think as far as their knowledge and  
14 expertise, it is, you know, at the highest level  
15 of the company and those departments because  
16 they are, you know, to a certain degree, you  
17 know, our first line of defence around these  
18 type of actions. So I'm very confident in the  
19 ability of those departments.

20 Q To your knowledge did Mr. Kroeker and Mr. Ennis  
21 similarly evaluate the competence of  
22 surveillance and compliance?

23 A Yeah, absolutely. Again, Mr. Kroeker and  
24 certainly Mr. Ennis that came up through that  
25 department in surveillance, I think, took a

1                   great deal of pride in making sure that those  
2                   individuals were trained and had all of the  
3                   proper training as far as AML and other areas of  
4                   gaming surveillance as well.

5                   Q    I'd like to ask you a couple of questions  
6                   regarding business strategy for the company.  
7                   I'll start off with who's responsible for Great  
8                   Canadian's overall strategy for business  
9                   development?

10                  A    Yeah. So our overall strategy is set by the  
11                  board of directors and our CEO of the company.  
12                  That strategy is put in place by the board  
13                  working with the CEO on -- where they believe  
14                  the opportunities lie as far as sustaining the  
15                  company and appropriately growing the company.  
16                  That strategy is then handed off to somebody  
17                  like myself and for many years it's been me to  
18                  put together an executable tactical road map to  
19                  be able to deliver on those strategies.

20                  Q    Did you play any role in assisting the board to  
21                  decide on what overall business strategies?

22                  A    Yeah. We worked for, again, many years in  
23                  discussions with the board specially around  
24                  Ontario and the opportunities to grow the  
25                  business by acquiring new opportunities in

1 Ontario and New Brunswick. So from -- you know,  
2 for many years going back as far as, you know,  
3 2013, 2014, that was, you know, absolutely the  
4 direction and the focus of the company was  
5 moving forward with those opportunities.

6 Q Did you bring details of pros and cons of  
7 various activities for consideration to the  
8 board?

9 A From time to time we did. Certainly from 2013,  
10 '14 on it was really focusing in Ontario, those  
11 growths and this -- you know, emanating merger  
12 acquisition type of strategy where we'd seen the  
13 growth. So I would report on an ongoing basis  
14 on how those activities were going. And, you  
15 know, any approvals, recommendations that  
16 were -- or any approvals that were required as  
17 we went through that would be provided. And  
18 obviously if there was any deviation from that  
19 strategy that would have been provided. But  
20 again, our board was, you know, very insistent  
21 as far as our strategy in Ontario goes. And as  
22 I've said before, the level of engagement by the  
23 board to me around insisting around compliance  
24 was very, very clear because we knew through --  
25 as we went forward with M and A opportunities,



1           any type of compliance issues could have  
2           material impacts, not only on our operating  
3           businesses, but on the ability to grow our  
4           business. So there was a clear mandate to me  
5           regarding compliance and expectations from the  
6           board. And I had very, very thoughtful  
7           conversations, I would say. They were very  
8           direct and sometimes can be very, you know -- I  
9           don't want to say difficult, but very, very  
10          direct around their expectations around me and  
11          how I conducted the business.

12          Q    Once the board decided on an overall strategy,  
13                who was primarily responsible for executing on  
14                that strategy?

15          A    Again, that was myself. And, again, you know,  
16                our former CEO, who was a board member, you  
17                know, delegated those responsibilities to us.  
18                Again, he did a fantastic job with strategy and  
19                capital structure and the rest, but again, the  
20                day-to-day operations of the business were not  
21                his expertise, and he delegated that to me. You  
22                know, I think he was somebody that did a very  
23                good job at making sure he provided direction.  
24                And as he would state, his job was to make sure  
25                that he hired the best person possible and the

1 best people possible to run the company and then  
2 to be able to provide that strategic help and  
3 capital structure to them. And, you know, I  
4 think he hit -- between him and the board I  
5 think he did a good job and were very diligent  
6 and direct with me.

7 Q You were referred to a number of emails and  
8 memos that related to attracting overseas  
9 patrons, junkets, getting agents to attract  
10 patrons and that type of thing. Did you bring  
11 those types of ideas to the board?

12 A No. As you could imagine, those -- you know, I  
13 use the term "gatekeeper." You know, we have --  
14 we encourage all of our management to be  
15 entrepreneurial and thoughtful and bring  
16 business proposals or ideas forward that they  
17 had as far as how to run their business. So it  
18 wasn't uncommon for me to get, you know,  
19 numerous business opportunities or ideas from,  
20 you know, various levels of management within  
21 the company with business ideas, including ideas  
22 around focusing on spending capital money, time  
23 and attention around, you know, more business.  
24 But I -- you know, I do -- I was the gatekeeper  
25 and ultimately the person responsible to bring

1                   that forward. And I see no advantage to  
2                   bringing that forward or bringing that to the  
3                   attention of our board or the rest because I  
4                   just didn't see that as a worthwhile  
5                   opportunity. And, again, any discussions with  
6                   that stuff would have been shot down by the  
7                   board, so I see no reason to bring them forward  
8                   because I had no interest in them.

9                   Q    You testified that you disapproved of trying to  
10                   market Great Canadian to Asians to come here to  
11                   gamble, I guess as a destination resort.  
12                   Amongst other things, this is because Great  
13                   Canadian couldn't compete with the likes of  
14                   Las Vegas or Macao or Australia; correct?

15                  A    Correct. And I think sometimes River Rock is  
16                   misunderstood because people think that because  
17                   it has a high Asian demographic and we had a  
18                   large number of high-value Asian Chinese  
19                   clientele that these were international  
20                   travellers. That's not the case. There was  
21                   very, very little business from international  
22                   travel directly here to gamble. I would say  
23                   almost none of the business. The clientele at  
24                   River Rock were local people that live here and  
25                   may have businesses or may have also homes in

1           China, but they were residents of Richmond and  
2           they played here and they spent a significant  
3           amount of their -- you know, of their life here,  
4           but they were not international travellers. We  
5           have no ability to be able to attract or compete  
6           with the large international facilities like in  
7           Las Vegas or in Australia.

8                   And to be clear, even if we -- and as I  
9           explained many times to some of the -- you know,  
10          some of the teams that would put this forward to  
11          me, when I have a commission structure of 39,  
12          40 cents on the dollar, and we have to attract  
13          customers and pay them to get here and give them  
14          great accommodations when they're -- you just  
15          can't afford to do it. It's a money-losing  
16          opportunity and exercise. And although people  
17          put lots of business cases in front of me with  
18          numbers, the bottom line is because we work off  
19          of such a small fraction of the money, it is not  
20          profitable for us to try to go and to attract  
21          international players. And certainly from a  
22          compliance point of view and as far as the  
23          foundation of our company, trying to put any  
24          type of concept forward where you're attracting  
25          a player that may have some sort of nefarious

1                   associations is just bad business. It just  
2                   makes no sense.

3                   So, again, I had no interest in those type  
4                   of proposals.

5           Q       Even if Great Canadian could compete with the  
6                   likes of Las Vegas for attracting international  
7                   patrons, would you ever condone a business  
8                   strategy that was aimed at getting business from  
9                   people who didn't want to comply with China's  
10                  anticorruption laws or didn't want to comply  
11                  with United States money laundering rules?

12          A       No. I mean, it's a concept that is totally  
13                  counter to the values of our company and quite  
14                  honestly would be bad business for so many  
15                  reasons. You know, it's hard for me to even  
16                  begin to state that, but there is no opportunity  
17                  for Great Canadian. And certainly even if  
18                  management wanted to pursue something like that,  
19                  there would be no opportunity from our board,  
20                  who from a governance point of view would never  
21                  allow those type of actions to happen, nor would  
22                  I personally.

23          Q       I'd like to ask you a couple of questions  
24                  regarding audits of Great Canadian. The company  
25                  was regularly audited by a number of bodies.

1                   Who were those bodies?

2           A     Oh, boy.  You know, we're audited by BCLC.  
3                   We're audited by GPEB.  We're audited by  
4                   FINTRAC.  We're audited by third parties that  
5                   are engaged by people like BCLC.  We have  
6                   internal audit where we do our own internal  
7                   audits, then obviously from a financial point of  
8                   view we have auditors that review all of our  
9                   financial as a public company as well with  
10                  Deloitte.  So, you know, there was also audits  
11                  that were conducted through this period of time,  
12                  special audits by groups like E&Y.  We also, you  
13                  know, implemented a procedure, you know, as the  
14                  cash, the source of cash restrictions came in,  
15                  to audit all of the paperwork and the  
16                  documentation around the sourced cash to make  
17                  sure it was appropriately.  And, you know,  
18                  that's something that I'm really pleased that we  
19                  did and we did that in cooperation with BCLC,  
20                  and it was originally Rob Kroeker's idea, and I  
21                  think it was a really smart one, which was --  
22                  there was all kinds of documentation that had to  
23                  be filled out as far as the source of cash.

24                         Some of it was a bit confusing as far as --  
25                         you know, I call it, you know, you had to use a

1                   black pen in box 3 and a red pen in box 4, so it  
2                   was, you know, fairly detailed. So there was --  
3                   you know, there was lots of administrative  
4                   errors where the wrong box was filled out. So  
5                   we implemented a system to have that audited by  
6                   the third party to try and get the error right  
7                   down to as low as possible. I actually hired  
8                   PwC to come in and do additional audits on that  
9                   as well to make sure that we could find where  
10                  the errors were happening and then educate our  
11                  staff to make sure those errors weren't being  
12                  repeated.

13                                So the amount of audits that our company  
14                                undergoes is, you know, pretty extreme. And,  
15                                again, it's the business we're in. So we  
16                                support it and welcome it.

17                  Q     You mention audits by Deloitte, who are  
18                                typically retained by BCLC; right?

19                  A     Yeah. Deloitte does our financial reporting  
20                                stuff but specifically as it's related to this,  
21                                they were engaged by BCLC to review the  
22                                documentation. Correct.

23                  Q     Those are the source of funds documents?

24                  A     That's correct.

25                  Q     And was there audit periods for a set period of

1 time?

2 A It wasn't for -- it was for a set period of  
3 time. I think it was a number of months. I  
4 can't remember. And I know that, you know, Rob  
5 Kroeker and I had some conversations because  
6 some service providers wanted the audits to stop  
7 because they -- obviously they didn't like the  
8 financial burden of paying for them. And from  
9 my perspective, I actually asked Rob to continue  
10 them for Great Canadian because, again, I wanted  
11 to make sure that there was sufficient oversight  
12 for a longer period of time so that I could  
13 hold, you know, the teams accountable. So I  
14 actually asked that to be extended, and Rob  
15 happily complied. And we continued to pay for  
16 them.

17 Q And I presume that the bills that the company  
18 received for this extended Deloitte's audit as  
19 well as the PwC audit were not inconsequential?

20 A No, they're quite significant. But I think it  
21 was -- again, it was an investment, so it was  
22 money well spent.

23 Q In your affidavit you refer to a number of  
24 things that the company did to try and augment  
25 its compliance program. And one of the things



1                   you pointed out was using advanced technological  
2                   solutions. Is that -- do I have that right?

3           A       That's correct, yes.

4           Q       And at paragraph 36 of your affidavit, you refer  
5                   to the introduction of licence plate technology  
6                   and how the company supported that. Just to be  
7                   clear, was this something that BCLC developed  
8                   and mandated or was it Great Canadian that did  
9                   that?

10          A       Yeah. No, it was BCLC that required that, and  
11                   we cooperated with them, the licence plate  
12                   technology readers we think are very important  
13                   and they're tied into our surveillance systems  
14                   in our surveillance rooms. So, again, it gives  
15                   additional transparency to us and to BCLC around  
16                   patrons that are coming on site, and I think  
17                   it's a great tool as far as making sure that we  
18                   can appropriately track individuals and then,  
19                   you know, link that licence plate up with an  
20                   individual that comes into the casino and, you  
21                   know, for the vast, vast majority of people are  
22                   fine, but for that small number that may be  
23                   associated to a list of individuals on a BCLC or  
24                   some sort of watch list, we can identify them  
25                   quickly.

1           Q     There's been some evidence about Great  
2                   Canadian's camera system.  But if I could just  
3                   ask you to briefly state how did your camera  
4                   system at River Rock meet or exceed BCLC  
5                   requirements?

6           A     Yeah.  You know, the BCLC requirements are  
7                   fairly, you know, straightforward, and I think  
8                   probably adequate.  That being said, you know, I  
9                   think we take a lot of pride in those systems  
10                  and I know that Mr. Ennis, who overseen that  
11                  department for a number of years, takes a lot of  
12                  pride in, you know, not just, you know, meeting  
13                  the requirements but actually putting things in  
14                  place that we believe not only exceed the  
15                  requirements but really give us the tools to be  
16                  able to operate our business and help law  
17                  enforcement and really track who's coming in and  
18                  out of our facilities.

19                         And this is an area where we've continued to  
20                         invest millions and millions of dollars on an  
21                         annual basis, on a regular basis, to make sure  
22                         that these systems at all of our facilities meet  
23                         or exceed any of the requirements at River Rock.  
24                         As --- you know, as a prime example we have  
25                         systems throughout the hotel, throughout all the

1           parking structures, surveilling all the  
2           properties around us that -- you know, none of  
3           this is mandated or required, but we put those  
4           systems in place so that we can assist law  
5           enforcement, if required, and certainly BCLC and  
6           GPEB or others, if required to do so. And, you  
7           know, we've been called on many times to use  
8           footage from our cameras that have nothing to do  
9           with the casinos to help in these  
10          investigations.

11                   And, you know, I would point out as well  
12          that it is sometimes misunderstood when some of  
13          the reporting is happening around incidents at  
14          River Rock where you see cash coming into the  
15          casino or at the cages and it's been portrayed,  
16          you know, in the media and other sources almost  
17          like it's a leaked video or it's a top secret  
18          video. This was actually our reporting because  
19          we have these systems. So we actually provided  
20          that video surveillance as an unusual  
21          transaction. So it wasn't a situation where  
22          that was a normal transaction. It was actually  
23          unusual, and that's why it's flagged and then  
24          it's sometimes portrayed as some sort of a top  
25          secret video that's been leaked. It was

1                   actually our report of an unusual transaction  
2                   because of our systems, you know, that they're  
3                   picking up on.

4           Q        You said that the surveillance camera system was  
5                   not something that was mandated. And I take it  
6                   that you mean it wasn't mandated by BCLC. Is  
7                   that right?

8           A        Yeah. Or any other regulators as far as what  
9                   was done over and above. Correct.

10          Q        Great Canadian expanded its compliance program  
11                   to educating non-gaming employees about AML, is  
12                   that right?

13          A        That is correct, yes.

14          Q        And this included hotel staff and food and  
15                   beverage people?

16          A        That is correct. As, you know, discussed with  
17                   Ms. Latimer, you know, we understood after --  
18                   you know, once things started to progress and  
19                   move on that although, you know, we certainly  
20                   met the requirements and we did all of the  
21                   reporting that was required as a company during  
22                   this period of time, you know, we also believe  
23                   that always an opportunity to improve and as,  
24                   you know, these events happen that we better  
25                   understood some of the vulnerabilities. We

1           decided the best thing we could do as a  
2           corporation -- and this was certainly very stern  
3           and strict direction from our board and our then  
4           CEO -- to expand our program way past gaming.  
5           That gaming is only -- you know, it's an  
6           extremely part of the business, but we have  
7           auxiliary businesses as well.

8                         So we didn't just limit our AML program to  
9           the casino. We provided training and have now  
10          implemented that into -- you know, whether it's  
11          hotel, food and beverage, conference centres,  
12          because as we start to hire more sophisticated  
13          AML people and we understand AML vulnerabilities  
14          more. We understand that there is a risk out  
15          there in the conference business. There is  
16          risks out there in the entertainment business.  
17          There's risks out there in the hotel business.  
18          So we wanted to make sure that we were proactive  
19          and put the right controls in place and  
20          education and training in those departments as  
21          well.

22          Q         Did BCLC direct Great Canadian to do AML  
23                     training for these non-casino worker employees?

24          A         No. They didn't direct us to do it. And, you  
25                     know, have no ability to direct us as far as

1                   stuff outside of the casino. That being said,  
2                   they were very supportive of us doing it and I  
3                   think were pleased that we were taking those  
4                   type of steps to do so.

5                   Q   All right. Let me ask you a pretty obvious  
6                   question. If Great Canadian's obligation in the  
7                   AML regime is to do as they're instructed by  
8                   BCLC et al., why did Great Canadian undergo the  
9                   expense of trying to exceed those requirements?

10                  A   Well, again, I think, you know, we have to take  
11                  a look at the business and put measures in place  
12                  that make sense for running a business. And  
13                  certainly the direction that I've always  
14                  received from our board or former CEO was to put  
15                  items in place to make sure that the business  
16                  and the integrity of the business is protected.

17                         You know, as I've said before, the period of  
18                         time, you know, during 2011, '12, '13, '14,  
19                         we've learned a lot as a company and we've  
20                         learned some of the vulnerabilities, and I've  
21                         been given extremely direct and quite honestly  
22                         sometimes, you know, difficult direction as far  
23                         as -- you know, I don't want to say that it's my  
24                         job on the line, but I'm the person in charge,  
25                         so I've been given direction that we have to

1                   make sure that we're proactive and putting in  
2                   place what's needed to protect the company and  
3                   not just, you know, look at the lowest common  
4                   denomination as far as what is required.

5                   And, again, hindsight is 20/20. When I look  
6                   back, I wish I had have been more proactive  
7                   about certain things sooner. But I think,  
8                   again, we fulfilled all of our obligations, but  
9                   we can always get better.

10                  Q   All right. Counsel and witnesses have thrown  
11                   around the term, including me, "VIP patrons."  
12                   What do you understand by that term?

13                  A   Well, again, a VIP patron is a pretty loosely  
14                   defined term because a VIP patron can be, you  
15                   know, looked at in a number of different areas  
16                   in a different way. I think, again, when we --  
17                   you know, as part of the review that's being  
18                   conducted, when we talk about VIP players, we're  
19                   really talking about high value, high net worth,  
20                   high -- you know, customers that are buying in  
21                   with large amounts of -- you know, for large  
22                   buy-ins, you know, for -- on an ongoing basis.  
23                   So they're I think what is being referred to  
24                   here kind of loosely as VIP, but it's a very  
25                   loosely undefined term.

1           Q     All right. Did you ever instruct any of your  
2                   employees to bend or ignore AML rules to help  
3                   out a VIP?

4           A     No. Absolutely not. And as I said, you know, a  
5                   certain few individuals through the years have  
6                   obviously done certain things and the company  
7                   has taken action against them. But there has  
8                   been no direction. There has been no -- any  
9                   kind of push or hint or anything by the  
10                  corporation by myself, by our board or others  
11                  ever to circumvent any rules or regulations. On  
12                  the contrary, it's always been the opposite, is  
13                  to make sure we're adhering to all the rules and  
14                  regulations that are put in front of us.

15          Q     Did you ever become aware of employees trying to  
16                   bend or ignore the AML rules because the  
17                   individuals concerned were VIPs?

18          A     Yeah, so we talked about the one individual and  
19                  the one incident with the buy-in for a third  
20                  party that was discussed with Ms. Latimer, and  
21                  again, although it was an extremely  
22                  disappointing event that I was very upset over,  
23                  you know, the company took the appropriate and  
24                  thoughtful action to terminate that employee  
25                  once the investigation had concluded.



1                   And although these type of incidents are  
2                   very few and far between, you're always going to  
3                   have a situation when you have thousands of  
4                   employees where even with the best policies and  
5                   training have individuals step out on their own,  
6                   as I say, on a breakaway and do their own thing.  
7                   And as a company the best thing you can do is  
8                   have strong controls in place to be able to  
9                   identify and catch those type of actions and  
10                  then take the immediate action. And I feel very  
11                  confident that Great Canadian has those controls  
12                  in place.

13                  And, you know, as we look through some of  
14                  the reporting that's been provided around, you  
15                  know, memos from BCLC or others around  
16                  non-compliance, I'd really like to point out  
17                  that, you know, those areas of -- you know, and  
18                  those incidents are because of our own controls  
19                  and our self-reporting saying hey, this is  
20                  what's happened, and we want to make sure we  
21                  report it. So any of these incidents are  
22                  disturbing and upsetting, but we have controls  
23                  in place to catch them and to deal with people  
24                  immediately and appropriately.

25                  Q     All right. Mr. Duff, who was a General Manager

1                   of the company some years ago, his recollection  
2                   was that 50 percent of all table game revenue  
3                   came from VIPs. Do you agree with that?

4           A        So I know Mr. Duff well. You know, a great  
5                   individual. So, again, I think there's lots of  
6                   ways to define revenues, and I think, you know,  
7                   first, you know, there was never a situation  
8                   where -- and I have looked at our detailed data.  
9                   There was never a period of time where VIP --  
10                  you know, I'd say that salon play, those  
11                  high-value players was ever 50 percent of table  
12                  games revenues. I think it got as high as  
13                  39 percent, but more importantly, I don't look  
14                  at revenues nearly the same way as, you know,  
15                  Mr. Duff did as far as a very simplistic view of  
16                  GGR.

17                         As I said before, I look at this as net  
18                         profits to the casino. So when you look at  
19                         something like even 40 percent, 39 percent of  
20                         table games revenue coming from these VIP  
21                         players, table games revenue is still only a  
22                         portion of the total revenue of the facility.  
23                         Then you take a look at VIP table games and you  
24                         factor in the cost of that, meaning how much we  
25                         have to pay to get those customers and look

1           after those customers in our facility, then you  
2           look at the fact we only get 39 cents of those  
3           dollars. The margin on that VIP play is  
4           actually extremely low.

5                        So when you look at a facility like River  
6           Rock and you look at the actual profitability or  
7           net profits attributed to that VIP play, it's  
8           probably more like 15 percent of River Rock net  
9           profits. And then you take a look at that  
10          15 percent of net profits and you say okay,  
11          that's for River Rock, but then you extrapolate  
12          that across all of Great Canadian, that becomes  
13          single digit percentages as far as net profit.

14                       So, again, when we make business  
15          decisions -- and again, I have to look at things  
16          holistically, you know, jeopardizing the whole  
17          company's revenue off of single digit  
18          percentages is just really bad business. And  
19          that's why I was always, again, quite opposed to  
20          any business strategies that focused too much  
21          time and attention specifically on this area of  
22          the business.

23          Q       Where does the bulk of Great Canadian's revenue  
24                    come from?

25          A       So if you look at it across all of our different

1           business lines, you know, slots. If you look at  
2           it across all of our properties, slots are  
3           obviously the largest percentage. If you look  
4           at it from net profits, slots are a much higher  
5           margin. They're much -- I don't want to say  
6           less labour, but there's a lot less labour  
7           involved. You know, the square footage as far  
8           as your revenue per square footage in the  
9           facility is higher as well.

10                   And, again, just to be clear, table games  
11           are a still a great part of the business and  
12           they're a very important part of the business  
13           that we want to make sure is always properly  
14           addressed. But, you know, I would call it  
15           the -- you know, the core gamer is not somebody  
16           coming out playing \$100,000 a day on tables.  
17           You know, our core gaming -- gamer and the  
18           people that are really the sweet spot of table  
19           games are the people that are coming out and  
20           spending, you know, hundreds or a few thousand  
21           dollars on table games, not hundreds of  
22           thousands of dollars.

23                   So, again, people sometimes misunderstand  
24           the business and where the revenue is generated  
25           from. And again, I want to be a hundred percent

1           sincere. It's all important to us and when  
2           you're making, you know, again, 39 cent dollars,  
3           you have to be very thoughtful with all of your  
4           customers, but we're not a business that relies  
5           solely on this VIP play.

6           Q   All right. Has that been the case for a period  
7           of time?

8           A   I think that's -- you know, I don't want to say  
9           always been the case because our business has  
10          changed, but yeah, definitely for, you know, a  
11          lot of years.

12          Q   All right. I'd like to ask you a couple of  
13          questions about large cash transactions.  
14          Firstly, is it your understanding that BCLC  
15          investigators had access to cage reports?

16          A   They do, yes.

17          Q   And what information is contained in the cage  
18          reports?

19          A   They have -- again, they have access to all the  
20          information. You know, they can see the LCTs,  
21          they can see any of that stuff that is required.  
22          Again, you know, BCLC and our sites work pretty  
23          collaboratively together, so if BCLC wants  
24          something, our sites do their best to  
25          accommodate. And the investigators, you know,

1                   also I think do a good job of trying to, you  
2                   know, request information without being overly  
3                   disruptive.

4           Q       Did these cage reports include ones that showed  
5                   patrons' buy-ins, including the amounts and the  
6                   denomination of bill that they brought in?

7           A       They have access to all that information, if  
8                   requested.

9           Q       If Great Canadian wanted to issue a policy that  
10                  they wouldn't accept cash buy-ins above a  
11                  certain amount, could they?

12          A       We could if we got the right approvals to do so.  
13                  Again, you know, it's not a situation -- we  
14                  don't operate in a regulatory environment where  
15                  we can just make our own rules. So if we have  
16                  to -- if we wanted to implement something  
17                  different, then we have to go and get the right  
18                  approvals to do so from the appropriate bodies.

19          Q       All right. And those bodies include BCLC;  
20                  correct?

21          A       Yep. Correct.

22          Q       If Great Canadian wanted to issue a policy  
23                  limiting the number of \$20 bills that a patron  
24                  bought in with, could it on its own do that?

25          A       Again, it is very difficult. We don't operate



1 something that as a service provider we didn't  
2 have and I didn't personally have. And  
3 Mr. Desmarais was always incredibly responsive  
4 and had an open door policy with service  
5 providers and certainly myself, which if I had  
6 questions that needed clarification or if I  
7 needed somebody to explain some of this stuff,  
8 he always did so. And he was an absolute, in my  
9 opinion, wealth of knowledge in this area, and I  
10 think the industry was lucky to have him.

11 Q Before the summer of 2015, you had conversations  
12 with Mr. Desmarais; correct?

13 A I did.

14 Q And did any of those conversations focus on  
15 potential money laundering in casinos?

16 A We had conversations about all kinds of things,  
17 but certainly about cash transactions and the  
18 rest we had many conversations and, you know, he  
19 explained to me through his experience, you  
20 know, some of the -- you know, some of the  
21 reasons why or how this could be happening as  
22 far as underground banking and the rest. And,  
23 you know, as they walked me through them, and  
24 you know, certainly areas I don't understand, it  
25 all seemed very plausible as far as what was



1                   being described and understood.

2                   Q     So he was describing potentially legitimate  
3                   sources for the large influxes of cash; is that  
4                   right?

5                   A     Yeah. No, correct. Exactly. And I think he  
6                   absolutely believed that there was legitimate  
7                   sources for this.

8                   Q     Prior to the summer of 2015, were you aware that  
9                   GPEB, BCLC and the police were having meetings  
10                  about money laundering through casinos?

11                  A     So I was aware through my conversations with  
12                  Mr. Desmarais and others that there was  
13                  conversations with law enforcement happening,  
14                  and I was very encouraged by it and pleased  
15                  because, you know, from my point of view it was  
16                  important that law enforcement was aware, you  
17                  know, of any situation where there could be any  
18                  type of illegal sources or activity.

19                  Q     Were you invited to these regulator and police  
20                  meetings on potential proceeds of crime in  
21                  casinos?

22                  A     No, I wasn't. I mean, it was -- there was an  
23                  information sharing agreement between BCLC and  
24                  law enforcement. I did attend one meeting at  
25                  River Rock with Mr. Desmarais and some others

1 with law enforcement very early on that I  
2 supported and, you know, I was quite pleased  
3 that Mr. Desmarais invited me to that meeting.  
4 But as far as the detailed meetings that -- you  
5 know, on an ongoing basis, they were between law  
6 enforcement and BCLC and they had special  
7 agreements in place. So it would have been  
8 inappropriate for me to attend, quite honestly.

9 Q And that's because your job as a service  
10 provider is to do as directed by these other  
11 groups?

12 A Yeah, absolutely. Yeah.

13 Q Do you recall a meeting that you attended with  
14 Mr. Kroeker and Mr. Tottenham from BCLC and  
15 others in the summer of 2015 about police  
16 investigations?

17 A Yes.

18 Q What can you say about that meeting?

19 A Well, I think it was, again -- it was an attempt  
20 to make sure that law enforcement was  
21 appropriately up to speed and to try to get more  
22 law enforcement involvement in a more proactive  
23 way.

24 Q And that was law enforcement regarding -- what?

25 A Yeah. Any of these investigations around cash

1 transactions and the rest.

2 Q But if the police were involved, there was  
3 always a chance that they would arrest some of  
4 these money facilitators, isn't that right?

5 It's a possible outcome.

6 A Yeah, I mean, from our point of view we were  
7 hoping that if there was anybody that actually  
8 was involved in anything illicit or nefarious or  
9 illegal, we wanted them arrested. Like, again,  
10 it's bad business to have anybody associated  
11 with crime in your facility. So the last thing  
12 we wanted was to have anybody on a regular basis  
13 coming into our casino that had any sort of, you  
14 know, illegal activities. Like, we did not want  
15 those type of customers in our facility ever.

16 Q And that was so despite the fact that these  
17 money facilitators, cash facilitators, were  
18 allegedly providing cash to VIP patrons to  
19 gamble; is that right?

20 A No, absolutely. Again, there is -- you know, it  
21 is bad business to have anybody associated with  
22 illegal activities in your facility and whether  
23 they're providing cash and they come in with  
24 cash and they play or not, there was no appetite  
25 for Great Canadian to have that sort of money in

1                   our facilities if it was deemed to be from, you  
2                   know, illegal or illicit activity.

3                   MR. SKWAROK: Thank you, Mr. Doyle. Those are my  
4                   questions.

5                   THE WITNESS: Thank you.

6                   THE COMMISSIONER: Thank you, Mr. Skwarok.

7                                 Anything arising from that, Ms. Mainville?

8                   MS. MAINVILLE: No, thank you.

9                   THE COMMISSIONER: Mr. McFee?

10                  MR. McFEE: Nothing arising. Thank you,  
11                  Mr. Commissioner.

12                  THE COMMISSIONER: Mr. Stephens?

13                  MR. STEPHENS: Nothing, Mr. Commissioner. Thank you.

14                  THE COMMISSIONER: Ms. Friesen?

15                  MS. FRIESEN: No, nothing, Mr. Commissioner.

16                  THE COMMISSIONER: Ms. Latimer? I think you're --

17                  MS. LATIMER: Yes, Mr. Commissioner. Just -- I  
18                  apologize. Can you hear me?

19                  THE WITNESS: I can, yes.

20                  MS. LATIMER: Just a couple of questions arising.

21                  **EXAMINATION BY MS. LATIMER:**

22                  Q     Mr. Skwarok asked you some questions about Great  
23                         Canadian's efforts, if any, to attract  
24                         international players. Do you recall those  
25                         questions?

1           A     I do, yes.

2           Q     Mr. Graydon is the CEO of BC Lotto Corporation.  
3                 Are you familiar with Mr. Graydon?

4           A     Yes, I know Mr. Graydon. I haven't spoke to him  
5                 in many years, but I know him and think he did a  
6                 great job with BCLC as far as creating some --  
7                 I'll call it great relationships during his  
8                 period of time. So yeah, I know of his tenure  
9                 well.

10          Q     I expect Mr. Graydon will be giving evidence  
11                 before this commission that service providers  
12                 wanted to develop BC as a destination for gaming  
13                 tourism, and that was behind requests for bet  
14                 limit increases for table games in or around  
15                 2013. Do you agree with that?

16          A     I do, yeah. No, I agree with it, and I agree  
17                 with Mr. Graydon's statements. Again, I was  
18                 involved and I got involved roughly around that  
19                 period of time, and that's when Mr. Baker, our  
20                 former CEO, you know, started to delegate  
21                 authority to me as far as running the business  
22                 and became more of a -- in the background on the  
23                 board. And as I further understood what was  
24                 being requested, it's basically when I  
25                 recommended that this was a loss leader and

1 quite honestly was not the right direction for  
2 the company to be heading.

3 So you will see and I think you've probably  
4 seen in the documentations that this started to,  
5 I would say, stop around 2013 as far as people  
6 putting a lot of time or effort into this  
7 because I see no ability for this to generate  
8 any additional revenues for the company or the  
9 possibility of an operation like River Rock  
10 attracting these customers. So we headed in a  
11 different direction.

12 Q These bet limit increases, I understand, were  
13 sought in or around September 2013. So I take  
14 it -- is it your evidence that the shift  
15 occurred sometime after that?

16 A So I think it was -- so I would say in 2013 I  
17 was becoming aware of this, and I was very --  
18 again, I thought it was a waste of time, quite  
19 honestly. So the bet limits were part of it.  
20 The bet limits were also to satisfy the  
21 customers we had here. We did -- as I pointed  
22 out, we were lucky enough to live in a part of  
23 the world where we had a lot of high net worth  
24 guests that like to game and like to game at  
25 high levels. So the bet limits in part were due

1                   to, you know, some of that thinking, but quite  
2                   honestly from my point of view, that was noise.  
3                   This was about the customers we had and their  
4                   requests for larger limits.

5           Q        You were asked some questions about expanding  
6                   Great Canadian's anti-money laundering  
7                   compliance regime to auxiliary businesses. Do  
8                   you recall those questions?

9           A        I do, Yes.

10          Q        Great Canadian has had experience with  
11                   individuals attempting to pay large hotel bills  
12                   with suspicious cash; correct?

13          A        Yes. We had at least one, you know, specific  
14                   incident where that occurred.

15          Q        And the risk there is that the cash could be  
16                   proceeds of crime; correct?

17          A        Correct.

18          Q        And I suppose it's a risk that the person could  
19                   have received proceeds of crime from an  
20                   illegitimate lender and may have to repay it  
21                   somewhere else; correct?

22          A        Yeah, that's one of the many risks. Correct.

23          Q        Okay. Mr. Skwarok asked you some questions  
24                   about VIP players and VIP hosts. Do you  
25                   remember those questions?

1           A     I do, yes.

2           Q     Were VIP employees entitled to receive benefits  
3                    from VIP patrons?

4           A     So by benefits you mean tips, or ...

5           Q     Well, let's start with tips.

6           A     So -- okay. So we have -- so the answer is yes  
7                    to a certain degree. We have policies in place  
8                    around, like, a perks set policy around what can  
9                    be accepted and what can't be accepted. And as  
10                  far as, in general, and just going back to the  
11                  policy, if there is, you know, cash tips, you  
12                  know, Chinese New Year, red envelopes, there's a  
13                  process that they have to be declared and in  
14                  many cases, you know, they have to be put in tip  
15                  boxes as part of the tip pool.

16                         But there's not a situation where we allow  
17                         executive hosts and the rest to get large gifts  
18                         or expensive items or cash from customers. We  
19                         do have a fairly strict perks policy that is for  
20                         all staff and levels of management, you know,  
21                         from myself through the whole organization.

22           Q     What about other kinds of benefits, like  
23                    dinners, drinks or social benefits?

24           A     Yeah, so as far as dinners, drinks, you know, we  
25                    have a policy that any time you go to dinner



1           with a customer or quite honestly even a  
2           business meeting with a vendor, Great Canadian  
3           has to pay. We don't allow our staff or our  
4           management to accept dinners and the rest. And  
5           it's kind of a bit of a pet peeve of mine  
6           because I think that, you know, just business in  
7           general there's too much -- there's too much of  
8           that and it's not needed. You know, I just  
9           don't like it. So we have a pretty strict  
10          policy around that.

11                        Does that mean that if somebody is at a  
12          coffee shop and they want to buy you a coffee, I  
13          think it's probably fine and I think people  
14          accept that and that wouldn't be a problem. But  
15          as far as dinners and the rest, the policy is  
16          Great Canadian is supposed to pay; you're not  
17          supposed to let a customer or even a vendor pay  
18          for you.

19          Q       When did -- these policies that you've referred  
20                   to about tips and dinners and other kinds of  
21                   benefits, when were those policies implemented?

22          A       So the tip policy has always been a policy, as  
23                   far as I know, as far as it have to be going in  
24                   a tip box and the rest. And, you know, I've got  
25                   to be careful, but I'm pretty sure that's been

1 in place for a long -- like, as long as I can  
2 remember, 10, 15 years going back.

3 As far as many of the other policies, a lot  
4 of those were put into place probably more  
5 recently, 2014, 2015, 2016. I think it was  
6 something that as I -- you know, as I, you  
7 know -- I don't want to say took over, but as I  
8 became more tasked with running the company in  
9 that 2013, 2014 period of time, and, you know,  
10 kind of understood, you know, some of the  
11 vulnerabilities, I started to put in stricter  
12 policies, including, you know, travel as well.  
13 You know, I stopped all travel as far as anybody  
14 travelling to Asia and these other places. I  
15 didn't think there was any need for that in the  
16 business. We needed to focus on stuff that was  
17 happening here.

18 Q You were asked questions about some meetings you  
19 had with Mr. Desmarais and others. Do you  
20 recall those questions?

21 A I do, yes.

22 Q One of those meetings occurred in November 2014  
23 at the River Rock; is that correct?

24 A It sounds right. Again, a lot of dates, but I  
25 think that sounds right.

1 Q Also present were Walter Soo, Brad Desmarais and  
2 Rob Kroeker; correct?

3 A Correct, yeah.

4 Q What was the purpose of that meeting?

5 A I think, again, it was to talk about, you know,  
6 the business. It was to talk about, you know,  
7 the players and cash transactions and to make  
8 sure that we were addressing things  
9 appropriately and understanding, you know, if  
10 law enforcement had to get involved, should they  
11 be involved at the right time, how to interact  
12 with customers. Because, again, to this --  
13 certainly at this point, you know, we seen all  
14 these customers still as just good customers,  
15 not associated with crime. So I think it was,  
16 you know, making sure that any interactions with  
17 those customers would be done in a respectful  
18 way, you know, until somebody told us that there  
19 was something wrong or inappropriate about these  
20 customers. But a long time ago, so again, I  
21 can't remember all of the dialogue.

22 Q In an exhibit to Mr. Tottenham's affidavit,  
23 page 404, that meeting was described as  
24 including lengthy discussions on Paul Jin  
25 problems, cash deliveries, concerns over lack of

1                    police activity. Does that refresh your memory  
2                    as to some of the topics that were discussed on  
3                    that occasion?

4                    A    Yeah, definitely the cash and the cash drop  
5                    being dropped off. I truly can't remember if  
6                    Paul Jin's name was used. Again, I think at  
7                    that time BCLC was being fairly --  
8                    inappropriately weren't giving all the  
9                    information to service providers, so the name  
10                   may have come up. I definitely remember there  
11                   was talk about, like I said, the cash and cash  
12                   drop offs, but I don't want to state they  
13                   specifically used Paul Jin's name during that  
14                   meeting. They may or may not have.

15                   Q    But you were aware in November 2014 that cash  
16                   deliveries were an issue of concern; correct?

17                   A    Yeah. That's when basically it started to  
18                   become a concern and was being brought to our  
19                   attention around that period of time.

20                   Q    And it was a concern that was of a criminal  
21                   nature; correct?

22                   A    So yes. Again, we were only told little bits of  
23                   information, but that certainly was my feeling  
24                   at the time. Correct.

25                   MS. LATIMER: Okay. Those are all my questions in

1 re-exam.

2 THE WITNESS: Thank you.

3 THE COMMISSIONER: Thank you, Ms. Latimer.

4 Thank you, Mr. Doyle. I'm appreciative of  
5 the time you've taken and your provision to us  
6 of your experiences and insights with GCGC.  
7 You're now excused from further testimony.  
8 Thank you.

9 THE WITNESS: Thank you, Your Honour. Thank you.

10 **(WITNESS EXCUSED)**

11 THE COMMISSIONER: All right. I take it,  
12 Ms. Latimer, we're in a position to adjourn  
13 until tomorrow morning. Is that right?

14 MS. LATIMER: That's right.

15 THE COMMISSIONER: Thank you.

16 THE REGISTRAR: The hearing is adjourned until  
17 February 11th, 2021, at 9:30 a.m. Thank you.

18 **(PROCEEDINGS ADJOURNED AT 12:44 P.M. TO FEBRUARY 11,**  
19 **2021)**

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