

**PROCEEDINGS AT HEARING
OF
FEBRUARY 23, 2021**

COMMISSIONER AUSTIN F. CULLEN

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February 23, 2021

(Via Videoconference)

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

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

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

MR. MARTLAND: Thank you, Mr. Commissioner. Today we have evidence from RCMP Corporal Karen Best. Madam Registrar, if the witness could please be affirmed.

**KAREN BEST, a witness
called for the
commission, affirmed.**

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

THE WITNESS: My full name is Karen Louise Best.

First name is spelled K-a-r-e-n and surname is B-e-s-t.

EXAMINATION BY MR. MARTLAND:

Q Thank you. Corporal, some of this just to situate ourselves and for the benefit really of the participants and the Commissioner, we have a replacement version of -- we've managed to create a little last-minute flurry of revisions

1 to your affidavit. Canada, the federal
2 government had sent us a replacement version
3 last evening which we circulated and then
4 realized that there were earlier redactions to
5 remove some personal information that our team
6 had made but that weren't reflected in the
7 version that Canada supplied yesterday late
8 afternoon. We've this morning about 8:40 or so
9 circulated the new version to the participants
10 and we're working from that. From your point of
11 view, Corporal, I don't expect that will make a
12 difference. It will simply be that there's been
13 a few parts that have been had redaction boxes
14 added to them.

15 MR. MARTLAND: Canada has raised some questions
16 around the extent of redactions that may be
17 needed, and in light of those concerns,
18 Mr. Commissioner, I'll be turning to the
19 affidavit shortly, but I'm going to make the
20 request for a direction that the affidavit not
21 be displayed on the live stream nor published as
22 an exhibit until we've had the opportunity with
23 the participants to sort out what redactions are
24 needed, hopefully by agreement. If we can't
25 agree, we would then look to address that

1 through an application, but if I could please
2 seek that direction at the outset.

3 THE COMMISSIONER: Yes, very well. I'll make that
4 direction.

5 MR. MARTLAND: Thank you. So Madam Registrar, when I
6 ask to have the affidavit displayed, that's on
7 the basis for the benefit of however few people
8 may be watching on the live stream, it will be
9 on display and you'll see it on your Zoom
10 screen, but this will not be showing up on the
11 live stream of our hearings. And from my point
12 of view that shouldn't cause a concern.

13 Q First of all, do you recognize, corporal, what's
14 on display there as being the affidavit that you
15 swore in relation to the money laundering
16 inquiry?

17 A Yes.

18 Q All right. And we see there in the upper
19 right-hand corner your name and that the
20 affidavit was made on February the 12th of 2021?

21 A Yes, that's correct.

22 MR. MARTLAND: Mr. Commissioner I'll ask that the
23 affidavit be marked as an exhibit, please.

24 THE COMMISSIONER: 652.

25 THE REGISTRAR: Exhibit 652.

1 **EXHIBIT 652: Affidavit no. 1 of Corporal Karen**
2 **Best made on February 12, 2021 (redacted)**

3 MR. MARTLAND: Thank you.

4 Q And, Corporal, we have --

5 Madam Registrar I don't think I need the
6 affidavit. In fact I'll leave that on screen
7 for participants for now.

8 We have in the first page of your CV as well
9 as appended as an exhibit to the CV your CV.
10 I'll just review this in a compressed way but
11 invite you to correct me if I have anything
12 wrong. Your rank is corporal and you presently
13 serve with the RCMP with FSOC, which stands for
14 the Federal Serious Organized Crime arm of the
15 RCMP, and in specific terms with the Financial
16 Integrity Sensitive Investigations Unit; is that
17 correct?

18 A That's correct.

19 Q You've been with FSOC since 2011 and I gather
20 that prior to that there was a different
21 appellation for what became FSOC that you also
22 served with?

23 A Yes.

24 Q And my understanding is you've held the rank of
25 corporal since 2007?

1 A Yes.

2 Q You began with the RCMP as we see there on the
3 CV display in 1996, so in rough math about
4 25 years of experience as a member?

5 A Yes.

6 Q And you -- maybe we could start with this. We
7 see there the reference to the RCMP Richmond
8 detachment, general duty, airport policing,
9 community policing, and then fraud and economic
10 crime unit. Can you give us an understanding of
11 the initial work that you did as an officer and
12 how that seeped into building up expertise and
13 experience in particular in the financial crime
14 field, please.

15 A Sure. Predominantly there would have been some
16 exposure while in my general duty days. There
17 would have been some frauds assigned to me.
18 When I was transferred into the economic crime
19 unit in Richmond there was some initial
20 training, it's a two-week basic fraud course,
21 and was exposed to a number of fraud
22 investigations, largely credit card and
23 banking-related offences.

24 Q Okay. And so that starts out I take it at an
25 early, initial point it is the case that simply

1 you ended up assigned to, for example, the
2 credit card fraud investigation, that sort of
3 thing, that then takes you in that direction.
4 Is that a fair way to describe it?

5 A Yes.

6 Q All right. And then we see on the CV there from
7 2003 to 2008 "E" Division, which is the
8 British Columbia division of the RCMP, the
9 federal Commercial Crime Section, or CCS, as its
10 called. You served in that capacity at Surrey
11 and it notes there your promotion to corporal in
12 2007. And then "E" Division RCMP CCS but now in
13 Victoria from 2008 onwards?

14 A Yes, so at that time commercial crime had the
15 large bulk of the investigators were in the
16 Surrey office and they also had two other
17 satellite teams, one located in Kelowna and one
18 located on the Island. 2008 I call it a lateral
19 transfer from the office on the Mainland to the
20 team in Victoria.

21 Q Okay. And then am I right to say that from that
22 time of 2008 onwards, you've been based in
23 Victoria?

24 A Yes, that's right.

25 Q Okay. And then we see in the CV 2008 onwards

1 with CCS, Commercial Crime Section in Victoria,
2 and in the next entry 2011 to 2014 that becomes
3 Commercial Crime Victoria becomes part of the
4 FSOC Financial Integrity Group 1?

5 A Yes.

6 Q So maybe I understand that from an
7 organizational point of view the RCMP has
8 effectively restructured part of how different
9 arms of the force are working. From your point
10 of view what did that change mean from the move
11 from commercial crime to FSOC in terms of the
12 work you were doing and the duties you had?

13 A Really at that point it was just a name change.
14 There wasn't any direct impact on that.

15 Q Okay. And then in that period of time, then,
16 when you've moved over to Victoria with
17 commercial crime and then FSOC, what's the
18 nature, at a general level what kind of work and
19 files are you involved in at that point, please?

20 A It was a -- there was a variety of
21 investigations. We covered bankruptcy fraud.
22 Was some credit card, like larger in scale
23 credit card offences. I'm trying to think what
24 else would have happened.

25 Q Don't worry, it's not a memory test. I think

1 that's helpful to get a sense of that work with
2 Group 1.

3 A Yeah. Basically the biggest change for me is
4 while I was working over in Surrey with the
5 large group, I had been predominantly with one
6 investigation for about four years, and as I
7 transferred, I went into more individual
8 investigations as opposed to being part of a
9 larger investigative team.

10 Q Yeah, that's helpful, so the flow of your work
11 is not devotion to one big case for many years
12 but rather working, I assume, on smaller files
13 where you have -- maybe you're the lead person.
14 Is that a fair way to put it?

15 A Yes, yeah.

16 Q Okay. And then we see 2013 onwards with FSOC
17 Group 3 Victoria. And there's a description
18 there at the bottom about the different way
19 these teams are constituted, but maybe help us
20 understand in terms of the work you were doing
21 with Group 3 what that was in that period?

22 A Okay. Do you mean prior to the reorganization
23 or and then after?

24 Q Sure. Why don't you address it in terms of the
25 work that you did and whether the reorg had any

1 effect on that, and if so what effect?

2 A Up until the fall of 2014 there had been, I must
3 say, a variety of investigations ongoing, one of
4 which at the time had been a referral from the
5 Vancouver office to the Victoria team and was
6 assigned to me with respect to some intel
7 information that had come from FICOM. I was
8 also concurrently working on two or three other
9 investigations about that time in various
10 stages. And on September 18th I was notified
11 that we -- at least my team and the financial
12 crime team had been amalgamated with two other
13 units on Vancouver Island. Those units were the
14 financial integrity group, the IBET, the
15 Integrated Border Enforcement Team, and the
16 federal drugs team. And they were -- we were
17 renamed to Group 3.

18 Q And I missed the year of that. Was that
19 September of 2014 then?

20 A Yes.

21 Q Thank you. All right. And so effectively the
22 nature of the office at least changes to
23 encompassing a number of other kinds of work,
24 you mentioned the border enforcement, the
25 federal drugs sort of added into the mix?

1 A Yeah. With the amalgamation the mandate shifted
2 for we the financial investigators were -- the
3 focus wasn't on financial investigations. It
4 was largely shifted to drug investigation.

5 Q Okay. And then as I look to the next page of
6 the CV just to round this off it says
7 "currently," which I take it to be 2018 onwards,
8 part of the FSOC Financial Integrity Sensitive
9 Investigations team?

10 A Yes.

11 Q And that's the position you've been in the last
12 number of years, I take it.

13 A Yes.

14 Q All right. Then we see also on that
15 page there's a list of different courses or
16 training that you've undertaken, a number of
17 them dealing with money laundering, proceeds of
18 crime, offence related property?

19 A Yes, that's correct.

20 Q And then in terms of your -- is what we see
21 listed there really the heart of the formal
22 training you've done in relation to financial
23 crime investigations?

24 A Yes. I would like to point out when I was
25 reviewing, I realized that I'd omitted one

1 course. That's the basic fraud course which
2 took place in 2000.

3 Q That's helpful.

4 A Everything else there is what would be related
5 specifically to financial investigations.

6 Q And could you give us a picture from your point
7 of view as you -- maybe if I take you back to
8 your earliest days as a member at Richmond
9 detachment, is the nature of financial
10 investigations work and the people who do it a
11 little bit different or distinctive from much of
12 what other RCMP members are doing? Does it --
13 for example, members who are on patrol or in a
14 major crime section, is it the nature of their
15 work that you see that as being distinctive from
16 a financial investigator's work?

17 A Well in that the distinction would be that you
18 are devoting your time and energy towards just
19 financial investigations as opposed to the
20 variety of investigations that a frontline
21 officer is dealt with. They can be handling
22 quite a number of investigations at one time
23 whereas we have typically there's a fewer number
24 before we can -- that we would work on and
25 depending upon the complexity largely is what

1 distinguishes them from something that could be
2 handled in a relatively shorter period of time
3 than what can often be the case with larger,
4 more complex investigations which can last well
5 over a year or more, depending again on how
6 much -- how complex and what's going to be
7 required to gather evidence.

8 Q I may be oversimplifying, but I would be
9 interested for your take on this. It seems to
10 me if there's a report of an assault and an
11 officer shows up and interviews some witnesses
12 and takes a statement and photographs a victim
13 or what have you, the nature of that police work
14 is essentially evidence gathering and writing a
15 report to Crown and some assignments and tasks
16 but a fairly narrow and contained thing. Is
17 there a distinction -- you may agree or disagree
18 with that description of some part of policing,
19 but is there a distinction between that and the
20 nature of work involved in the financial
21 investigation, especially a complex one?

22 A I'm not sure what it is you're asking in terms
23 of --

24 Q Yeah. Maybe I'll try and approach it
25 differently then. I'm just wondering in terms

1 of the flow and the nature of the work because
2 you served in both capacities, so it seems to me
3 you may have a sense of this. Is it the case
4 that the nature of the work is more detail
5 oriented, it requires more tracing of data and
6 information and leads and being able to
7 understand financial documents? I'm just
8 wondering if there's a distinction there where
9 the nature of the financial investigation work
10 falls out for a different set of skills or
11 abilities?

12 A Largely with financial crime investigation
13 there's a lot more detail involved in terms of
14 it's very much a document-driven investigation
15 as opposed to merely gathering -- well, merely.
16 But instead of just going interviewing
17 witnesses. We also have to deal with reviewing
18 documents and determining what evidentiary value
19 they may or may not be in terms of moving the
20 investigation forward, and often that will
21 require receiving financial information from
22 banks and of that nature. Another aspect of it
23 is typically there's a variety of cultures,
24 businesses and agencies that are effected by
25 fraud and we have to learn about those acts and

1 how that relates to the investigation they're
2 undertaking.

3 Q Yeah, and if I have your point there, the
4 context in which something occurs may mean that
5 you're getting a crash course in whatever that
6 is, whether it's -- if it's a car dealership or
7 it's a credit union or it's a ski hill or who
8 knows, but suddenly you have to learn how are
9 they regulated, what are the rules they're
10 under, do they have external auditors or not,
11 how do they operate?

12 A Well, yes, that's exactly how. An example I can
13 give is when myself and another investigator
14 were assigned to look at a complaint that had
15 come in under the local government act, that was
16 the first thing we had to do was to look at the
17 local government act and understand what the act
18 and the regulations was all about before we
19 could undertake the actual investigation part of
20 it.

21 Q Thank you. What I'd like to do is to move into
22 the next part of the affidavit and I'm going to
23 start with this by way of some explanation of
24 the approach we're taking. First of all, just
25 to describe it in very rough terms, the

1 affidavit that we have, first of all we have
2 exhibit A, which is the CV I've just had on the
3 display here. Exhibit B is a report that you
4 authored that is lengthy. I think it's
5 117 pages. Is that right?

6 A Yes.

7 Q And then after that exhibits C and D are two
8 portions that are lifted out of the general
9 occurrence report, one an email and one a
10 synopsis relating to the investigation report
11 that you prepared; is that fair?

12 A That's fair.

13 Q Okay. And then I've used the word
14 "investigation" report, but I don't want you to
15 just agree with my word. Is that the right way
16 to describe what this report is?

17 A I would characterize more as a summation of
18 findings as opposed to an investigational --
19 exclusively investigation report.

20 Q That's useful. And I may use the shorthand of
21 "report," but maybe as I do that what I will
22 refer to then is the summation of findings, the
23 117-page document that we have here. Just to
24 put that in context, again before I turn to the
25 particular document, it might be useful to have

1 you describe to us what a report to Crown
2 counsel is in general terms, including how those
3 reports are typically oriented to a particular
4 person or people and particular criminal
5 offences and including recommendations with
6 respect to proposed charges.

7 A Okay.

8 Q So why don't I start with that first question
9 and then my next question will be how does this
10 summation differ from a report to Crown because
11 I think that's useful to understand what this
12 is.

13 A Well, essentially with a summation of findings
14 really was to characterize what was learned up
15 to the date when it was asked to wind the
16 investigation down. Really because the
17 investigation was still in progress, really we
18 hadn't reached any conclusions or definitive
19 findings. We still were on a working theory as
20 opposed to a referral to Crown counsel with
21 recommendations to -- for charges with respect
22 to a specific offence, and we'll structure a
23 Crown report with it providing evidence to
24 support our recommendations and that will be
25 focused on a particular individual, or if

1 there's more than one person involved then there
2 may be several suspects or individuals, I guess,
3 would be detailed in the report. And it would
4 make reference to specific documents or
5 statements or other things that had been
6 gathered during the investigation.

7 Q That's very useful so that we have a sense of
8 what this document is. In reviewing the --
9 maybe, Madam Registrar, we can just look at
10 page -- the first page of exhibit B, the cover
11 page there. We see that, the cover page for
12 this summation of findings. Do you recognize
13 that as being the summation, corporal?

14 A Yes.

15 Q All right. And to be clear about it, the
16 subject of the report is a person named Grant
17 Curtis, and am I right to say that he was never
18 charged criminally in relation to the subject
19 matter that the summation was looking into?

20 A Yes, that's correct.

21 Q And so to be perfectly clear about it, he was
22 never charged criminally, clearly never
23 convicted or sentenced or anything further
24 occurring in relation to this investigative work
25 that you undertook; is that fair?

1 A That's fair.

2 Q And is it the case that there was never a report
3 submitted to Crown for consideration of charges
4 in this matter?

5 A Yes, that's correct. That's fair.

6 MR. MARTLAND: Okay. And, Mr. Commissioner,
7 Mr. Curtis has been given notice of the evidence
8 that we are seeking to elicit today, including
9 the affidavit, and given an opportunity to be
10 involved or to take steps. In response he
11 hasn't afforded himself of that opportunity, so
12 I simply say that so it's clear the basis on
13 we're proceeding today.

14 Q What I'd like to do is maybe I'll go to -- back
15 a little bit, Madam Registrar, please to the
16 body of the affidavit page 2. In fact page 1 at
17 the bottom and on to page 2. That's very
18 useful, Madam Registrar. Thank you.

19 We see there:

20 "In 2013, while I was with FSOC Group 1
21 Victoria, I was assigned an investigation
22 into a Lower Mainland mortgage broker,
23 Grant Brian Curtis, with suspected ties to
24 organized crime who was brought to CCS's
25 attention by FICOM, the [provincial]

1 Financial Institutions Commission."

2 And so there's a description of how it is that
3 you came to be involved. Could you help us
4 understand a bit about how it was that FICOM
5 brought this to the attention of the RCMP.

6 A I don't believe I could speak to the how it was
7 brought. I can only really speak to that I was
8 assigned to an investigation related to the
9 intelligence information that FICOM provided us.

10 Q So that's helpful. And so you weren't -- I
11 guess on the day it arrived, so to speak, at the
12 RCMP it didn't go directly to you. You were
13 assigned to it after it had been referred by
14 FICOM; is that correct?

15 A Yes, that's correct.

16 Q Okay. And in terms of your initial dealings,
17 did you have dealings with FICOM whether through
18 correspondence or phone calls or in-person
19 meetings? And if so, with who at FICOM?

20 A Well, I was assigned to this -- to the complaint
21 in August of 2013. I was provided some overview
22 of the nature of the complaint. It was probably
23 a week after receiving it that having reached
24 out to FICOM to the author of a report that was
25 provided was Mr. Mike McTavish. Myself and

1 another investigator travelled to Vancouver and
2 had a meeting with Mr. McTavish and another
3 colleague of his, Colin Chin, and we reviewed
4 what their findings were and we had ongoing
5 communications either by phone or by email
6 over -- as time progressed.

7 MR. MARTLAND: Madam Registrar, I don't think we need
8 the document displayed now, although I will need
9 to come back to it in a little while. Thank
10 you.

11 Q So you described having some of those
12 discussions with Mr. McTavish and his colleague
13 at FICOM. In terms of the materials that you
14 looked at could you help us understand a bit
15 about what you saw and when and how you obtained
16 materials in this matter?

17 A Sure. As I said, I was provided with a written
18 document that, as I learned, was authored by
19 Mr. McTavish, sort of outlined their concerns.
20 With that and the conversation I had with
21 Mr. McTavish, I wrote an application for a
22 production order, which was obtained in
23 September and was served on FICOM, asking them
24 to produce the documents that were -- what they
25 had gathered and that was the basis of their

1 report and their findings.

2 Q All right. And so there's -- if I have this
3 correctly but please tell me if I don't. You're
4 notified about information that the FICOM folks
5 have. You see it as valuable to the
6 investigative work that you're doing, but you
7 don't simply ask for them to be handed over.
8 You take the step of applying to a court and
9 obtaining a production order under the *Criminal*
10 *Code* before you are able to take those
11 materials. Is that right?

12 A That's correct.

13 Q Okay. And then tell us a bit, please, once
14 you -- I take it you succeed in getting the
15 production order and the materials; is that
16 right?

17 A That's correct. The production order was served
18 on FICOM and while -- then they were in the
19 process of gathering the documents and having
20 them certified true along with an affidavit,
21 too, accompanying those documents. In the
22 interim we were looking at following through
23 police and open source indices to sort of more
24 in-depth background checks on individuals to get
25 a sense of who was involved and who was

1 identified in the FICOM complaint.

2 Q And then when you received materials, documents
3 as a result of the production order, help us
4 under a bit about how that -- what that looked
5 like and what steps you took next, please.

6 A The documents from FICOM arrived around
7 November of that year. It was two banker box
8 full of documents as well as a DVD which had
9 documents also provided in a different format,
10 but essentially the same. So our next steps
11 would be to review those documents and just to
12 confirm and see it for ourselves. I mean, we
13 can't just rely solely on the basis of what
14 FICOM tells us. We have to confirm that we've
15 seen them.

16 Q Okay. And were you working with colleagues on
17 this, or was this essentially your project or
18 your assigned work?

19 A Well, I was designated, I was the primary
20 investigator and there were other members of the
21 Victoria team that were assisting, and I would
22 review the documents and make investigational
23 tasks to those investigators as well as myself
24 and then as those findings came in, I would
25 review them and then determine what other tasks

1 were required to follow the chain of evidence.

2 Q All right. So that's work that is occurring I
3 take it from when you were assigned in the fall
4 of 2013, if I have the timing right, and it
5 continues onwards. And before we get into some
6 more specifics about the work that you did and
7 the information you learned, maybe you could
8 help us by just sort of stepping back and giving
9 us the run of time of your involvement and then
10 a sense of the nature of your involvement
11 working on this. So if it's starting in the
12 fall of 2013, I guess one obvious question is
13 when is the summation document finalized and
14 submitted, and over the period of that time how
15 much are you working on this and does that
16 change over time? Sorry. I asked about four
17 questions masked as one.

18 A Yeah. So in terms of what I was working on at
19 that time this was not the only investigation
20 that I had in progress. In terms of the time
21 frame involved, as I earlier said, I receive the
22 information in August and the investigation was
23 progressing and ongoing through to the following
24 fall until 2014 and that was as I said earlier,
25 that time there was a change in the structure of

1 the teams on the Island and then there was an
2 amalgamation of these three units. At that
3 point because the mandate had shifted off
4 financial investigations it was advised to wind
5 down and not really conclude but to just wind it
6 down and was assigned to other priority
7 investigations. So between the end of 2014 and
8 through to the spring of 2016, when time allowed
9 I would be working to at least summarize my
10 findings and tie up some outstanding issues that
11 were in progress at the time of this
12 amalgamation.

13 Q That's very useful. So you describe in
14 particular this time in 2014 when the commercial
15 crime section in Victoria essentially is given
16 or merged with others so that there's suddenly
17 other priorities and other areas that you need
18 to be working on, including borders and drugs?

19 A Yes. I would just clarify, you mentioned it as
20 commercial crime section which at that point
21 that no longer existed. It was FSOC.

22 Q Sorry, that's FSOC?

23 A Yeah, FSOC.

24 Q Okay. That's helpful. And so if I have the --
25 if I understand what you've just described, it's

1 not the case that someone has said close it
2 down, close that file or don't do any more work,
3 but rather that you have competing demands,
4 competing obligations, other priorities that
5 essentially become the higher priorities than
6 this. Is that a fair way to put it?

7 A Yes.

8 Q And indeed you've described that you continued
9 to work on it I think you said when time
10 allowed. It sounds like it's really sort off
11 the side of your desk. When you have extra time
12 it tends to go into this, but unless you have
13 extra time, this is sitting there a little bit.
14 Is that this fair way to describe it?

15 A That's a fair description, yes.

16 Q All right. And then ultimately the summation
17 report I took it to be the spring of 2016 is
18 when it's completed. Is that right?

19 A Yes.

20 Q Okay. And maybe in a little bit we'll get to
21 the sort of some more questions about how that
22 completes at the end and what you do once you've
23 completed the report. I'd like to ask you in
24 terms of the way the work that you did on this
25 was processed, you described that you on

1 occasion may have had colleagues helping you on
2 certain steps but that you were the primary
3 person. Is this a file that was processed in
4 terms of anything like the RCMP so-called
5 command triangle or the major case management,
6 any of those kind of systems used for this
7 matter?

8 A Yes. As I said, I was -- the command triangle
9 consists of a team leader at the top and then
10 there's the primary investigator and the file
11 coordinator. And sometimes that's it. But in
12 this case there were other members of the
13 Victoria team who were as time would allow, we
14 would task -- I would task them out to different
15 aspects of researching and gathering information
16 so that I could review, and then my job was to
17 control the direction, speed and flow of the
18 investigation.

19 Q And when the RCMP characterizes or determines to
20 proceed with something as a project with a
21 capital P and very often, I take it, to signify
22 "E" Division project E dash something or other
23 with different interesting words that are used
24 to assign a project name, could you help us
25 understand, was this matter ever something that

1 information did you look to and rely on besides
2 the FICOM production order in gathering
3 information for the summation report?

4 A In terms of the production order that was
5 largely reliant upon the information that was
6 received in the report from FICOM and largely at
7 that stage, I would add, that one of the first
8 things that needed to happen was that I had to
9 educate myself on what a money laundering system
10 was and how that would have related to property
11 and real estate and mortgage. And that would
12 have to be communicated into the application.
13 In terms of what we did, similar in some aspects
14 to what FICOM had already accomplished, but we
15 were checking with other open sources, databases
16 and police databases and I was looking
17 particularly more in-depth to any police files
18 that had been identified with any of those
19 subjects, trying to get a sense of, like, who
20 was involved and who may be potentially, I
21 guess, a good avenue of investigation to pursue.

22 Q Were there steps like witness interviews that
23 you undertook?

24 A Not at that stage. One of the steps that we did
25 undertake was surveillance on certain

1 individuals, but there was hesitation about
2 reaching out to individuals at that stage either
3 because we were still trying to determine how
4 extensive and who was involved, whether they
5 were complicit or not.

6 Q So I take it there may be some delicacy in who
7 you approach and how you approach them depending
8 on whether you think they're complicity or in
9 the know about something nefarious or not?

10 A Yes, that's correct.

11 Q All right. Was there information that you
12 gathered or received from FINTRAC?

13 A Yes.

14 Q Some of this is in your affidavit on -- I don't
15 know that we need to have it on screen display,
16 but maybe, Corporal Best, I'll just check with
17 you. I've actually got a printed copy in a
18 binder. Do you have a copy of the affidavit if
19 I were to refer you to something without
20 screen-sharing, or do you prefer that I have it
21 on the screen-share? Okay. It looks like you
22 have it there, which is handy if we need it. So
23 I note in your affidavit at paragraph 7 you
24 refer to having information from a FINTRAC
25 communication. Paragraph 8 you set out some

1 reasons why it is that you can't simply append
2 the FINTRAC package, the disclosure package as a
3 document that the commission could receive, but
4 you've nonetheless referred to having received
5 information from FINTRAC in the course of your
6 work?

7 A Yes.

8 Q And in general term what was the nature of the
9 information from FINTRAC on this investigation?

10 A Was to provide any financial dealings that had
11 been flagged by other people -- I guess other
12 agencies that are required to put in disclosure
13 reports and so we were looking at -- knowing the
14 individuals and companies that are identified,
15 wanted to see the flow of funds, what moneys may
16 have been exchanged between different entities.

17 Q And so I take it that where the FINTRAC
18 information in general terms could give you an
19 insight into well, here's a reporting entity, I
20 think it is the terminology they use, here's the
21 body that has this obligation to report into
22 FINTRAC, and the FINTRAC report could give you
23 an insight into well, here's particular
24 transactions with this or that person on this or
25 that date for this or that amount. Is that a

1 fair way to simplify it?

2 A Yes. Fair description. They had -- FINTRAC has
3 their own analyst and when they provide the
4 report they will also identify if there's any
5 red flags or markers that would suggest money
6 laundering, so those were very helpful.

7 Q So that's a more analytical piece that moves
8 beyond simply data X, dollar figure Y, recipient
9 Z but rather adds some analysis, some
10 articulation of how things connect to, what have
11 you, money laundering or other activity?

12 A Yes.

13 Q Okay. Why don't I move to appendix B, the
14 report itself. Again, Madam Registrar, I don't
15 think we need to have this displayed on the live
16 stream, or certainly not the live stream, and I
17 don't think we need it displayed on the Zoom for
18 the purpose of my doing this. In fact as I look
19 at this maybe at the start I will ask, please,
20 if we could display page 9 of 117. I'll have to
21 do PDF conversion math, Madam Registrar, if you
22 could please display -- there we are, the
23 introduction. That's page 15 of the PDF I see.
24 So page 9 of 117 under "Introduction." And,
25 corporal, I'll just read from the introduction

1 investigate the matter further."

2 I'll pause to ask this: was it the case to your
3 understanding, and appreciating you may not have
4 been the point person at the time, as this made
5 its way from FICOM to RCMP, was there an initial
6 stop at IMET before FSOC?

7 A Well, to be clear, IMET is part of the financial
8 integrity group. Basically there were two parts
9 of it, one being just financial investigations
10 and then the specialized group that looked at
11 market enforcement and was predominantly looking
12 at securities fraud.

13 Q That's useful, so it's not the case that they're
14 sort of always within FSOC but from IMET to the
15 Financial Integrity Section might be a better
16 way to describe that?

17 A Yes. As this described because of the past
18 association with that individual and that had
19 come to the attention of the securities
20 commissions, I can only guess here but I would
21 imagine that was why it was directed towards the
22 market enforcement team.

23 Q Right. The securities commission angle makes it
24 more likely to be something that goes to IMET
25 given their market mandate?

1 does not have; posing as a borrower on
2 behalf of another who is actually making
3 the purchase; using false names on
4 mortgage documents."

5 So there's a description of what mortgage fraud,
6 what that label refers to. Why have you
7 included that here?

8 A As by way of sort of making the reader of the
9 report understand what was the subject matter of
10 the investigation, where the focus was. I'll
11 just leave it at that.

12 Q Sure. And you've listed some of these common
13 features in the schemes and we'll turn to this
14 in short order, but a number of those kinds of
15 features arise indeed in the course of this
16 investigation?

17 A Sorry, could you repeat the question.

18 Q Is it fair that the features that we see under
19 the indented subparagraphs of paragraph 6, some
20 of those are features that arose here?

21 A Yes, it's fair to say that.

22 Q If we move down to paragraph 8 under the heading
23 of "Money Laundering in Residential Real Estate"
24 you have, I take it, drawn from FinCEN, the US
25 Financial Crimes Enforcement Network, a

1 description of the money laundering in the
2 residential real estate sector. And just to
3 touch on that, 8(1):

4 "Residential real money laundering is
5 often associated with mortgage loan
6 fraud."

7 At the end of that paragraph:

8 "However, once a fraudulent mortgage loan
9 is funded, the action of the fraudster and
10 those of the launderer diverge."

11 So there's a distinction between the case of
12 someone committing a fraud versus that someone
13 engaging in money laundering?

14 A That's my understanding.

15 Q And then it certainly is covered in the
16 paragraphs that follow, so if you wanted to draw
17 on that that's fine, but maybe you could tell us
18 what you see as what the divergence is between
19 the fraudster versus the launderer.

20 A My understanding was that one of the major
21 divergence is that if somebody is committing
22 mortgage fraud, there's no intention to repay
23 the mortgage loan. Whereas if it's being used
24 for money laundering, the intention is that they
25 will make payments to the mortgage and

1 facilitate it.

2 Q So the method is quite different in terms of one
3 person is making off with the money and leaving
4 someone high and dry, that's the fraudster, as
5 opposed to the launderer actually wants to sort
6 of keep things going and make payments at a
7 simple level?

8 A Yes. The intention is to integrate funds that
9 would have been obtained from the proceeds of
10 crime, and then put through the repayment of the
11 loan so that there's some legitimacy to the
12 money that was received. So you're taking out a
13 mortgage and you're receiving a sum of money,
14 there's a reasonable reason to be in possession
15 of that amount of money, and the repayment is
16 just cleaning the money through that process.
17 That's at least my understanding.

18 Q And again drawing on the FinCEN report and
19 simply giving us your understanding of it, from
20 the point of view of the lending institution, is
21 there a different kind of response you might
22 expect from the lending institution first for
23 the fraudster, second for the money launderer?
24 Are they more likely to be reporting and
25 noticing and getting upset about the fraudster

1 who makes off with the money as opposed to the
2 launderer who may still be making payments and
3 keeping their obligations?

4 A Sorry, can you rephrase that.

5 Q Yeah, you know what, I'll try it by asking if we
6 could go to the next page, please, paragraph 8.4
7 probably puts it better than my question did.

8 "Whereas a lending institution is
9 virtually certain to report suspicious
10 transactions in instances where it is the
11 target of either a failed or successful
12 mortgage loan fraud for profit scheme
13 which threatens the institution's
14 revenues, the same lending institution may
15 have significant difficulty in even
16 identifying mortgage loan fraud
17 perpetrated by the money launderer."

18 A Yes.

19 Q So part of that when you speak about the
20 potential difficulty in even noticing that
21 there's money laundering activity, I'm just
22 trying to get a sense of that. Is that because
23 of the fact from the lender's point of view,
24 nothing may seem amiss if the payments are being
25 made on time, if things seem regular?

1 A Yes.

2 Q I'll just do a little bit of page flipping. And
3 since we have the affidavit up I may as well
4 stay with that. If we could go to the next
5 page, please. You've got a heading there of
6 "FINTRAC." You list out under paragraph 11 some
7 of the entities you have to report and on to the
8 next page, paragraph 12, the types of
9 information they are meant to submit to FINTRAC;
10 is that right?

11 A Yes.

12 Q There's Lower on that page a reference to FICOM
13 and the *Mortgage Brokers Act*. Then on to the
14 bottom of page 14, having set out some general
15 information you turn to the FICOM report.

16 Paragraph 19 you refer to:

17 "October of 2011 Grant Curtis came to the
18 attention of FICOM following a Vancouver
19 Police Department investigation involving
20 a complaint of an unregistered mortgage
21 broker activity being conducted by Eathan
22 Skwira. FICOM found no clear evidence
23 against Skwira. However, in the course of
24 reviewing various mortgage files obtained
25 in FICOM's investigation, questions arose

1 which triggered a review of Curtis's
2 mortgage transactions.

3 Among the documents obtained in the
4 Skwira investigation were payroll and
5 expense records from Curtis and Curtis's
6 employer, Dominion Lending Centre, from
7 January 2010 to and including August 2011.
8 These records included the client name,
9 lender and referral fee paid (name and
10 amount) Eathan Skwira purportedly referred
11 a number of mortgage deals to Curtis for
12 which Curtis paid Skwira a referral fee."

13 And then there's a comment that the FICOM
14 investigators thought the relationship was
15 unusual. Paragraph 22:

16 "Based on the ... unusual aspects, FICOM
17 obtained a sample of mortgage transactions
18 handled by Curtis from two lenders (Antrim
19 and First National.) Each of these
20 lenders provided FICOM with copies of some
21 mortgage applications and documents."

22 And then paragraph 23, FICOM assessed 47
23 mortgage files from roughly '08 to 2011, and
24 then we have this list of unusual aspects of the
25 mortgages.

1 A Yes.

2 Q And so maybe what I'll do is without the process
3 of me reading too much from your affidavit back
4 to you, I'm touch on some of these points and
5 then ask for you to give us your summary of what
6 that's describing. So the first one is a
7 reference to tenancy agreements that have some
8 unusual features. What are those? What's
9 unusual about the tenancy agreements that were
10 noted here? And you can certainly, to the
11 extent it's useful -- I appreciate this is work
12 that dates back a number of years. As I said
13 earlier this is not meant to be a memory test.
14 So if it's useful for you to read over the point
15 before answering that's just fine?

16 A Thank you. Well, in terms of the tenancy
17 agreements, what they were noticing that often
18 there were tenancy agreements in place before
19 the mortgage had even taken place, which is
20 unusual. Usually you would get the mortgage,
21 get the home and then get your tenants lined up.

22 Q But the sequence there is an unusual one. It's
23 out of step with what you would expect then?

24 A Yes.

25 Q Okay. Then you also note a bit lower in that

1 paragraph something about the dates of the
2 length of tenancy. So to the extent that a
3 tenancy agreement was being put forward
4 sometimes the dates are surprising, I take it.
5 What does that describe?

6 A Well, again, from my understanding of how a
7 tenancy agreement was normally done is let's say
8 there's a specific period of time, you would
9 either enter into a rental agreement with a
10 landlord for say a one-year time frame or
11 perhaps a month-to--month agreement. What they
12 thought was unusual was that rather than just a
13 set year there would be odd numbers, like in
14 this case was a year plus one day.

15 Q So I take it from that you would expect in a
16 tenancy agreement it might say, for example,
17 April 1st, 2020, to March 31st, 2021. So
18 exactly one year, but what's unusual is if it
19 says April 1st of one year to April 1st of the
20 next year because in fact that is a year plus a
21 day and it starts into the next month, so to
22 speak. Is that the point?

23 A Yes. I believe so.

24 Q Okay. Then when we're looking at these tenancy
25 agreements which seem to be an unusual feature,

1 how did the tenancy agreements matter in terms
2 of lending activity?

3 A Tenancy agreements, my understanding is this
4 would be a demonstration of income and ability
5 to service the loan.

6 Q Okay. So they're being put forward in lieu of,
7 for example, an appraisal or something to try to
8 satisfy the lender, yes, this is -- I've got the
9 wherewithal to pay for this because I have an
10 income stream from a tenant?

11 A Yes, yes.

12 Q Okay. That's useful. My next question is about
13 the 23.2 the unusual feature of tenants not
14 having a connection to the properties. What
15 does that describe, apart from the tenancy
16 agreement? Is it simply what it says there, the
17 lack of connection, other than the tenancy
18 agreement, which you've got a question mark
19 about in some cases, no other connection to that
20 property?

21 A Well, what FICOM communicated to us was that
22 they were unable to match names and/or addresses
23 for the purported tenants through internet or
24 motor vehicle branch searches. Usually there
25 would be some sort of correlation.

1 Q All right. We see in the next few points:

2 "Many borrowers were self-employed with
3 vague description of business activities
4 and little to no corroborating presence on
5 the internet or through BC Registry
6 searches. Business entities registered
7 with the BC companies registry but not in
8 good standing due to failing to file."

9 A number of transactions including -- are
10 involving various referral sources. What about
11 the next point, inconsistencies on tax
12 documents. What sort of observations were there
13 about tax documents here?

14 A Largely there appeared to be some subtle changes
15 in the tax documents themselves. One that came
16 to mind was that there was differences in the
17 size and style of fonts in certain points on the
18 document. It looked like something may have
19 been altered in some fashion.

20 Q So appearance, some appearance, some feature of
21 the appearance of the document suggests
22 manipulation or even a fraudulent document?

23 A Possibly.

24 Q 23.7, unusual relationships between
25 co-borrowers, for example, friends who buy

1 properties but don't involve spouses. An
2 unusual high number of short closing dates.
3 Assets of borrowers are that were inconsistent
4 often with their age and purported incomes. And
5 23.10, an unusual high number of borrowers who
6 listed boats as assets.

7 A Yes.

8 Q Lower down we see gifted down payments from
9 sources with no clear relationship, in other
10 words not parents or immediate family but those
11 without an apparent clear relationship to the
12 recipient.

13 A Yes. Yes.

14 Q Monthly debt service payments, assets and
15 liabilities in some cases in excess of what
16 could be supported by the stated income with no
17 apparent explanation. Borrowers with
18 substantial cash in savings or chequing accounts
19 that was listed, and the comment there is to the
20 effect that typically an affluent borrower
21 wouldn't leave a whole bunch of money sitting in
22 a low interest bank account but would invest it
23 somewhere. Is that the point?

24 A Yes.

25 Q Okay. Some borrowers who have stated

1 residential addresses that in fact seem to be
2 commercial mailbox addresses. A number of
3 borrowers with multiple properties and then a
4 high turnover rate.

5 A Yes.

6 Q And just to close this off paragraph 24:

7 "FICOM investigators hypothesize these
8 questionable transactions were criminal in
9 nature but that it would be difficult to
10 prove misconduct within the scope of
11 FICOM's regulatory authority and
12 capabilities."

13 And hence the referral to RCMP.

14 A Yes.

15 Q And what this list, we've sort of spent a little
16 bit of time working through the list of I'll
17 call them unusual features. It's not that every
18 single one is present in every single
19 transaction or in the case of every single
20 person or address, but that there's a recurrence
21 of these features in a whole number of the
22 individual people and transactions that you've
23 looked at in the summation. Is that fair?

24 A That's fair.

25 MR. MARTLAND: Mr. Commissioner, I'm going suggest if

1 we might take a break at this point that might
2 allow me to make my questions a little more
3 efficient as we move forward.

4 THE COMMISSIONER: All right, Mr. Martland, thank
5 you. We'll take 15 minutes.

6 THE REGISTRAR: This hearing is adjourned for a
7 15-minute recess until 10:55 a.m. Thank you.
8 Please mute your mic and turn off your video.

9 **(WITNESS STOOD DOWN)**

10 **(PROCEEDINGS ADJOURNED AT 10:39 A.M.)**

11 **(PROCEEDINGS RECONVENED AT 10:54 A.M.)**

12 **KAREN BEST, for the**
13 **commission, recalled.**

14 THE REGISTRAR: Thank you for waiting. The hearing
15 is resumed. Mr. Commissioner.

16 THE COMMISSIONER: Yes. Thank you, Madam Registrar.
17 Yes, Mr. Martland.

18 MR. MARTLAND: Thank you, Mr. Commissioner.

19 **EXAMINATION BY MR. MARTLAND (continuing):**

20 Q Corporal, if you could please push the unmute
21 button, I think that happens by default when
22 we're on breaks. I hope to everyone's relief
23 I'll be picking up the speed a little bit as we
24 work our way through. I would like to bring up
25 please, Madam Registrar, PDF page 32, which is

1 page 17. I think that's where we left off. And
2 just up a little bit please. I'm off on my
3 math. There we are. Sorry, up to 31 I think.
4 My attempt to transpose PDF pages and affidavit
5 pages has failed. It's affidavit page 17,
6 please. There we are. I'm going to make a note
7 that is equivalent to page 23. Okay. We see a
8 header there, corporal, referring to Mr. Curtis
9 and a description in terms of background that
10 he's a registered -- or was a registered
11 submortgage broker since 2008. We've referred
12 earlier to the sponsoring mortgage broker firm
13 Dominion Lending Centres Mountain View Ltd. Pitt
14 Meadows, and then reference in the next
15 paragraph to he reportedly earned about \$100,000
16 in his first year, and according to FICOM
17 significantly higher than one would normally see
18 for someone new to the industry. That's all
19 information that you had and included in the
20 summation report?

21 A Yes.

22 Q The next page there's then reference under the
23 heading of "Criminal History," but as I look
24 this over it doesn't seem to be criminal
25 convictions or a criminal record formally so

1 much as information from some police files that
2 seem to associate him to some particular
3 investigations. Is that a fair way to put it?

4 A Yeah -- largely looking for any investigations
5 that may have some bearing or relevance to what
6 it's looking at in terms of money laundering.

7 Q Okay. And there's reference on this page to an
8 extortion matter, a cannabis cultivation, a
9 fraud stock market related offence from IMET in
10 2012; is that right?

11 A Yes, that's right.

12 Q And then moving on through the next few pages,
13 page 19, we have the heading "Properties" and a
14 few addresses there. That continues for the
15 next couple of pages. Page 21. So two
16 pages down from there, please. At the top I
17 think it says "companies" and then a list of
18 some different companies, a number of them
19 numbered companies that Mr. Curtis has been
20 involved in or associated with; is that right?

21 A Yes.

22 Q My count is a total of about six companies.

23 A Seven.

24 Q Seven. Thank you. If we could please go to
25 page 30 of the PDF, we'll see if I finally

1 figure this out, Madam Registrar. So page 24 of
2 the report and page 30 of the -- in the PDF
3 numbering system. We see -- there we go,
4 "FINTRAC information" and then we have a number
5 of specific figures that are referred to, a
6 deposit into a joint account, casino reports
7 about cash redemptions. Do you see that at the
8 bottom of the page?

9 A Yes.

10 Q Over to the top of the next page, an outfit in
11 Belize transferring 100,000 US to Mr. Curtis,
12 below that a number of transfers that we see in
13 the indented paragraph are associated to a
14 particular pump and dump market scheme. Is that
15 right?

16 A Yes.

17 Q And are these all examples of the fairly
18 detailed reports or information that the police
19 obtained from FINTRAC in this instance?

20 A Yes.

21 Q Okay. And you mentioned earlier that the
22 FINTRAC information went beyond simply
23 particular transaction details but also included
24 some analysis. We see in that third indented
25 paragraph and it reads:

1 "According to FINTRAC, the pattern was
2 consistent with money laundering."

3 Is that an example of some of you drawing on the
4 analysis components of what FINTRAC reported to
5 police?

6 A Yes, they then apply some markers that would
7 suggest or indicate that that may be a possible
8 explanation.

9 Q In terms of what you have put in the summation
10 report is it fair that that's -- is that a
11 summary of what FINTRAC had set out in their
12 materials to you, to the police?

13 A Yes.

14 Q Okay. On the next page, reference to
15 Mr. Skwira, whose name we touched on before,
16 described as someone involved in -- this is
17 paragraph 75, involved in street level violence,
18 drug-related offences, property crimes and
19 fraud. Associated to the Hells Angels MC. I
20 take it that's motorcycle club; is that right?

21 A Yes.

22 Q And Independent Soldiers. That's a Lower
23 Mainland gang or organized crime group?

24 A Yes.

25 Q And then likewise for Mr. Skwira at the bottom

1 of that page, a list of some companies which
2 continues on to the next page. Likewise for him
3 a list of what is said to be criminal history,
4 including the first item there is a boat loan
5 fraud, a VPD Vancouver investigation with the
6 2010 file number. And do you have a
7 recollection of in a simple way what the boat
8 loan fraud activity was that was described in
9 this part of the report?

10 A Not off the top of my head. I'd have to review
11 it.

12 Q Well, and I don't need you to do that because
13 it's a few pages and I think you've got the
14 description that's there. I will take you to
15 paragraph 90 on page 29, which I think will be
16 PDF page 35. You see paragraph 90:

17 "Vancouver police confirmed that the boat
18 and the trailer were also fictitious."

19 A Yes, I see that. Yes.

20 Q It seems to be some activity that involves some
21 component of a fictitious transaction including
22 the fact there is no boat.

23 A Yes.

24 Q Over one page reference to a mortgage loan fraud
25 VPD file which involved identity theft. We see

1 that at paragraph 98; is that right?

2 A Yes.

3 Q Another on the next page, a similar kind of
4 matter, mortgage loan fraud, VPD 2010 file
5 number. And just to give the flavour -- I'm not
6 trying to be comprehensive here, but to give the
7 flavour of some of this, I'll pause on this.
8 You see reference to 2010 a person walking into
9 a notary public office in Vancouver attempting
10 to refinance a mortgage -- I'm reading from
11 paragraph 101 -- on a property on East
12 49th Avenue Vancouver for approximately
13 \$235,000. Introduces himself and provides a
14 fake BCDL at the notary office. And then 102,
15 the notary became suspicious about this person's
16 identity. She thought he did not look like a
17 76-year-old man. And her partner called the
18 police and in short order we see the police
19 actually attend and arrest some people. That's
20 paragraph 103. Is that a fair description of
21 the kind of activity or investigation that this
22 is describing in the report?

23 A Yes. It would be either direct quotes from the
24 PRIME report or would have been my summation of
25 what was written in those reports.

1 Q In terms of these PRIME -- you said "PRIME
2 report." Does that refer to the provincial
3 police database that you had access to?

4 A Yes, that's correct.

5 Q Was that the source when this and a few of these
6 document Vancouver police investigation -- so
7 those are municipal police forces, not under the
8 RCMP but under the provincial *Police Act*, but
9 was PRIME the way in which you had access to,
10 for example, VPD reports?

11 A Yes. Basically [indiscernible] all files are I
12 guess the expression would be uploaded on to
13 PRIME.

14 Q All right. Paragraph 105, in that example that
15 I was just giving about relying on this
16 description of somebody who doesn't appear to be
17 76 years old and the police attend and arrest
18 some people, at paragraph 105 we see the
19 financial victim in the transaction is Antrim
20 Investment Ltd. We see the principal of that
21 investment company advising Vancouver Police, he
22 received the mortgage application from Grant
23 Curtis and gives the police a copy of the
24 mortgage application. So an example of
25 something that touches on or involves Mr. Curtis

1 based on the information that you have from the
2 police file, police report?

3 A Yes.

4 Q On the next page a money laundering scheme this
5 time from Surrey. October 2011, members of a
6 Persian organized crime group arranged for
7 Mr. Safi, who we referred to before, a
8 self-professed money launderer, to launder funds
9 for them. The plan was to have Safi convert
10 approximately \$400,000 Canadian to American
11 currency. And that then connects to taking
12 money to Mr. Skwira's residence. And in the
13 next paragraph Surrey RCMP gang task force
14 receives information about a large quantity of
15 money being moved out of a house at a given
16 address in Surrey. The house is placed under
17 surveillance. Is that a situation where the
18 police actually stopped vehicles leaving the
19 home?

20 A My understanding was that they observed a taxi
21 arrive and that there was a large bag removed
22 from the garage and placed into the trunk of the
23 taxi and then the taxi with another individual
24 who arrived with Mr. Safi and got into the taxi
25 and then the vehicle -- both vehicles left the

1 residence and after that both vehicles were
2 stopped.

3 Q Stopped by the police?

4 A Yes.

5 Q And was there -- did the police find out what
6 was in this bag in the taxi? It's not, as I
7 say, it's not a memory test. If we can look at
8 the top of page 33, it makes reference to
9 \$380,000 cash in a bag.

10 A Yeah, \$380,000 in cash was found in the bag, in
11 the trunk of the taxi.

12 Q Okay. Just continuing this description on
13 page 33, there's header about fraudulent
14 transfer of vehicle registration. Page 34,
15 reference to FINTRAC information that relates to
16 Mr. Skwira in particular?

17 A Yes.

18 Q And then the next portion of the report refers
19 to Mr. Safi, paragraph 125:

20 "Sulaiman Safi is a self-professed money
21 launderer and is an associate of Eathan
22 Skwira and Grant Curtis. In December 2011
23 Safi voluntarily surrendered himself to
24 the US authorities without an extradition
25 hearing."

1 He received a six-year sentence after pleading
2 guilty for a scheme involving trafficking
3 cocaine and ecstasy. And then a description
4 lower in that page about his criminal history.

5 A Yes, that's correct.

6 Q Okay. Maybe we'll skip to page 38, which should
7 be 44 of the PDF. You'll see again reference to
8 a Surrey 2011 proceeds crime forfeiture file,
9 but if you have a look here, description about a
10 black or blue Porsche Cayenne leaving with a
11 large amount of money and surveillance in a
12 taxi, et cetera. This is really just a
13 description of the same incident we were just
14 describing?

15 A Yes, this is the situation [indiscernible].

16 Q So this is putting it looking at it in relation
17 in particular to Mr. Safi and the proceeds
18 investigation but really a different lens on the
19 same thing?

20 A Yes.

21 Q On the next page at paragraph 148 we see a
22 fourth person, not those involved in the
23 vehicles but, another person identifies himself
24 as the owner of the money seized, claiming to be
25 a businessman with the unusual comment in

1 parentheses, "he was a drug dealer since the age
2 of 12 as he said in an interview to promote his
3 book." And this person steps forward to try to
4 reclaim the funds that were seized?

5 A That's my understanding.

6 Q Okay. Do you know what happened with that
7 attempt to reclaim or claim these funds?

8 A I don't believe -- as memory serves I believe
9 that he wasn't successful in reclaiming those
10 funds. I can confirm he did not receive those
11 funds.

12 Q He didn't receive the 380-. Let's turn to the
13 next page, please, page 40 of -- 46 PDF, there
14 we are. Vancouver file 2011, in this case it's
15 Mr. Safi who is kidnapped after \$400,000 in cash
16 that he was tasked with laundering either
17 disappeared or got seized by police.

18 A Yes.

19 Q And there's reference here to a news report
20 about a judgment, about a criminal trial that
21 took place before Madam Justice Catherine Bruce
22 at the British Columbia Supreme Court that
23 involved a number of people charged with
24 kidnapping and related offences?

25 A Yes.

1 Q And I looked it up and found a citation of 2013
2 BCSC 932. This seems to be what you've got here
3 it a news report that documents in some detail
4 what the judge found based on the evidence at
5 trial?

6 A Yes. I found the best [indiscernible] summary
7 description of what took place.

8 Q Was in that report, yeah. Maybe to pick up on
9 that at page PDF page 49, page 43 of the report,
10 paragraph 156, so it should be page 43 1 Madam
11 Registrar, I keep using two different numbers.
12 I know that's not terribly helpful. Why don't I
13 try to stick to the affidavit page number. So
14 affidavit page 43 of 117. Thank you. That's
15 great. Under the heading of "Points of Interest
16 From Justice Bruce's Judgment," the first point:
17 "Safi contacted Skwira and told him to get
18 the money ready for pick-up; however, only
19 about \$300,000 of the funds was still in
20 Skwira's hands. He [believed to be
21 meaning Mr. Skwira) had 'cycled' the money
22 into other illegal transactions and could
23 not retrieve the balance at the time."

24 What does that reference to "cycled" refer to?

25 A My interpretation of that that could indicate

1 money laundering, but it could be some other
2 used it for some other purpose.

3 Q Thank you. I'll move to page 48 of 117, please.
4 Under the heading of "Clients and Associates"
5 what follows for many, for some dozens of
6 pages here is a review of particular individuals
7 who have some association or relationship with
8 Mr. Curtis, whether they were clients, whether
9 they were engaged in some sort of activity or
10 associated through either an activity or a
11 property. Is that a fair description?

12 A Yeah it's a fair description. It was
13 individuals that were identified in the mortgage
14 applications that FICOM obtained, so the
15 information at that point is a combination of
16 what was identified in those applications and
17 other information that I came across and then
18 supplement those findings.

19 Q Okay. So you fleshed out maybe drawing on the
20 FICOM documents but then following things along
21 to the extent there's further information that
22 you learn and you've included that?

23 A Yes. I was looking -- at that point I'm looking
24 for patterns, seeing how individuals are linked
25 to each other.

1 have a renter lined up."

2 Then there's reference in the next paragraph to
3 a residential tenancy agreement with a person
4 who is identified as the tenant. And then it's
5 to start February 1, 2011, end on February 1,
6 2012. Is that an example of that sort of dates
7 that you wouldn't expect for a tenancy
8 agreement, corporal.

9 A Sorry, could you repeat that.

10 Q If it helps to look on -- now actually using the
11 screen display for some of this, if that helps.
12 At the bottom of the page on display
13 paragraph 323 you'll see there's reference to
14 this residential tenancy agreement and the dates
15 of it are to be from February 1st, 2011 and
16 ending on February 1st, 2012. My question was
17 simply is that an example of these unusual
18 dates. It's a day -- it's a year plus a day.
19 It's not simply one year?

20 A Yes.

21 Q Then on the next page in the middle of the page,
22 paragraph 327, there's then -- in fact 326 we
23 see reference to title being transferred to
24 apparently the spouse or someone at least a
25 female with the same last name as one of these

1 two men. The sale is unusual. And then in the
2 next paragraph 327.1 unusual for a few reasons,
3 including the two people have filed a separation
4 agreement. And then at the bottom of that
5 page a list of unusual aspects of this property
6 in North Vancouver, including -- maybe I'll go
7 over to the next page, 328.5. The property was
8 sold or transferred within eight months to the
9 ex-wife of one of the two men. The next point,
10 the ex-wife was a resident of California in
11 2009. No longer had entitlements under the
12 divorce agreement. Those are some of the
13 features that raise yet more question marks or
14 make this an even more strange set of dealings?

15 A Yes.

16 Q On the next page 328.14, referring to one of the
17 tax notices, a notice of assessment for 2009
18 appeared to have anomalies. It had a misaligned
19 highlight bar at the top. The contrast is
20 different between different parts of the test,
21 of the -- sorry, of the document. Is that
22 right?

23 A Yes.

24 Q The next paragraph refers to there's meant to
25 be, I assume -- I'm not sure what the nature of

1 the supplier is but reference to Davidson &
2 Company LLP apparently prepared the tax returns
3 but the fax header refers to Thorsteinssons,
4 which is a tax law firm. Another question mark
5 I suppose around this?

6 A Yes.

7 Q And the last point that's loaded at the very
8 bottom of that page is a quick closing date?

9 A M'mm-hmm. Yes.

10 Q So I've chosen that as one example but an
11 example where a number of these unusual features
12 are seen in one particular property or set of
13 dealings around that property?

14 A Yes.

15 Q If we could move next to page 114. This portion
16 of the report, corporal, is under the heading of
17 "Conclusion." I'll read that first
18 paragraph 517, "as FICOM noted in their report,"
19 and then quoting:

20 "'From a broad perspective, and
21 considering all the unusual aspects of
22 these mortgage transactions as a whole,
23 investigators hypothesize that these
24 questionable transactions are not mere
25 frauds (for example, to assist unqualified

1 buyers) but rather more likely to
2 facilitate a network of organized criminal
3 activity, including money laundering and
4 purchasing homes for criminal purposes.'
5 All of the intelligence information
6 gathered to date supports this theory."

7 So I'll just pause there and maybe circle back
8 to some of my earliest questions about the
9 distinction between the fraudster and the
10 launderer. What is the sort of conclusion that
11 you drew as to what this appeared to be in this
12 instance fraud as opposed to laundering?

13 A I'm going to say that the working theory was
14 that many of the loans that were taken out quite
15 often were secondary mortgages and the theory
16 was that the -- in order to launder the money,
17 they would take money out and then put proceeds
18 of crime back into the money lender as a way of
19 servicing that loan, therefore giving legitimacy
20 to the money that was borrowed.

21 Q So it effectively creates a cover story, if
22 that's one way to put it, for the funds that are
23 being used to say well, they trace to this
24 property and it was borrowed against title on
25 the property, that sort of thing?

1 particularly the secondary mortgages, were
2 being used to launder money as a form of
3 integrating money with legitimate funds."

4 That's really a description of what you just
5 said in terms of what you believed may have been
6 occurring here.

7 A That's correct.

8 Q I think you used the words "working theory." I
9 mean, I want to be careful about that because
10 you don't reach the point of saying, we've got
11 compelling evidence that establishes this. It
12 really is and remains at its highest a working
13 theory. Is that fair?

14 A That's fair. That's a fair description.

15 Q Okay. And indeed at paragraph 526:

16 "While there were indicators of money
17 laundering, the difficulty is in
18 establishing the source of the illicit
19 funds in order to prove an offence."

20 A That's correct.

21 Q If you could tell us a bit more, please, about
22 that difficulty here and maybe generally about
23 establishing the source of illicit funds. Why
24 is that difficult?

25 A Largely because there's any number of ways in

1 which the funds could have been generated. It
2 could have been through drug transactions. It
3 could have been from overseas involvement with
4 other criminal organizations. And then tracing
5 back just -- basically just having to trace back
6 and establish that these funds are in fact the
7 proceeds of crime, and in some cases it might be
8 a relatively point A, point A leads to point
9 B, but in some cases that may be more involved
10 than that.

11 Q To the extent that some of what you've
12 documented in this report connects to
13 identifiable criminal activity, I'm thinking of
14 things like the kidnapping and some of these
15 things that -- there's one case where I refer to
16 the judgment from a supreme court judge after a
17 trial. So there's been something more to
18 establish it. Is it fair to say that those
19 indicators of criminality at least raise the
20 suspicion level, whether or not they prove it?

21 A Yes. Definitely [indiscernible] and where it
22 involved those three individuals and there was
23 more than a casual relationship between the
24 three of them.

25 Q All right. We are almost at the conclusion of

1 the report. Paragraph 527:

2 "The probe conducted by FSOC indicates
3 that organized crime groups in the Lower
4 Mainland may have been using secondary
5 mortgage financing in order to launder
6 funds and that this practice may still be
7 occurring.

8 Unfortunately FSOC's probe into the
9 activities of Curtis et al was brought to
10 a close with the merge of Group 1's
11 Victoria's team with Group 3, which
12 resulted in the end of the active
13 investigation."

14 I'll come back to this in a moment, but it's
15 fair to say that as you conclude this report
16 you're effectively saying -- is it fair to say
17 that this part of the report you're describing
18 this is how far we got and this is where we had
19 to down tools?

20 A Yes. That's a fair description.

21 Q And then you conclude with your last paragraph:

22 "If further investigation was deemed
23 warranted, consideration should be
24 given ..."

25 And then you list off some particular interviews

1 that would make sense to go and conduct as well
2 as seeking a production order on the mortgage
3 lending company and other production orders?

4 A Yes.

5 Q What was the aim -- it may be self-obvious, but
6 what was the aim of concluding your report by
7 saying here's if you want, here is more that
8 could be done?

9 A Well, should the investigation be either
10 resurrected I guess is a term I could use or if
11 it was re-assigned to another investigative team
12 I wanted to give some suggestions of where we
13 were at and what would be possible avenues of
14 investigation. But certainly it wasn't
15 exclusive to those. Those were just suggestions
16 that came to mind at that time.

17 Q All right. And now we can step back from the
18 report itself, Madam Registrar. I think we can
19 take down the screen-share of that report.

20 Corporal, at any point were you -- was there
21 sort of anything formal conveyed to you about
22 discontinuing or reducing your work on this
23 matter? Do you recall how that -- I mean, you
24 described earlier that it became something sort
25 of off the side of your desk. I'm just curious

1 about how that came to pass?

2 A It wasn't like being officially communicated in
3 writing and that's typical in that sort of --
4 those circumstances. What I can recall is that
5 my sergeant after having learned that we were
6 now amalgamated with this new group that we
7 wouldn't be -- our focus wasn't going to be on
8 financial investigations and that we should just
9 wrap up what we had.

10 Q All right. And is that what you did?

11 A Yes. As I say there were some outstanding
12 things that we wanted to cover off and, yeah,
13 beyond that, it was a matter of trying to get
14 back to the file and to that summation document
15 that I prepared.

16 Q When you completed the summation document, what
17 did you do ultimately with it?

18 A I forwarded it to my direct supervisor. That
19 would have been at the time that the document
20 was completed in March, and I believe it was
21 later in the year, probably about some six
22 months later that my supervisor came back and
23 suggested that the report be forwarded to the
24 attention of the officer in charge of the
25 Financial Integrity Section.

1 Q All right. There's two documents I'd like to
2 refer you to. They're both included within
3 exhibit 652, so Madam Registrar, if we might
4 please bring up the same affidavit, and the last
5 two exhibits, I'll start with exhibit C, please.
6 You'll see here this is the format of an RCMP
7 occurrence report, or I take it the GO is
8 general occurrence report number; is that right?

9 A Yes.

10 Q And maybe you can help us decipher the way the
11 file number works there. At the top there we
12 see 5001 2013-215. What do those numbers
13 signify to you?

14 A The 5001 designates the Victoria commercial
15 crime section or the FSOC Group 1 Victoria team.

16 Q Okay.

17 A The other part is the year that the file was
18 opened and the sequential number which that file
19 was created.

20 Q Got it. So that when you look at that, you say,
21 okay, I know that we're dealing with FSOC
22 Victoria from the first number; I know the file
23 was at least created or opened in 2013, and then
24 the third is the identifier for that particular
25 file?

1 A Yes.

2 Q Okay. And then what we see there is reference
3 to January the 4th of 2017, that you received a
4 reply from Staff Sergeant John Taylor of FSOC
5 Financial Integrity. I'll pause to say when you
6 describe hearing back from your superiors, this
7 is who you're referring to?

8 A Yes.

9 Q Okay. Then in italics the response --

10 A Sorry, I'll make one correction on that. This
11 is -- so Staff Sergeant Taylor was not my direct
12 supervisor. That was -- my direct supervisor
13 was a sergeant within the Victoria team. The
14 report was directed to the OIC of that entire
15 section which was -- well, Inspector Ward, and
16 my understanding is that then that individual
17 referred the report to Staff Sergeant Taylor.
18 The particular report was just an indication of
19 what I heard back.

20 Q Thank you. So effectively I take that point.
21 This isn't your direct supervisor, but
22 effectively having submitted the report some
23 half a year, a little more than that after the
24 response you get back is really this
25 communication that you set out here?

1 A Yes.

2 Q What we see there you've received a response:

3 "You have done exceptional work on this
4 file. Your report is very well written.
5 We have assigned this to CM ..."

6 I'll pause to ask is CM civilian member?

7 A Yes.

8 Q "Lynne Murphy for analysis." Was or is
9 Ms. Murphy and RCMP analyst?

10 A No, she's a civilian member of the RCMP.
11 Different designations as opposed to being a
12 regular member of the RCMP.

13 Q Okay. Thank you.

14 "She is very much aware of Grant Curtis
15 and is eager to glean what she can from
16 your work. When she is finished her
17 analysis we will likely document this on
18 our file (which is currently closed)."

19 And then there's reference to a different series
20 of number with a 5,000. Do you know if that is
21 a Green Timbers or "E" Division FSOC identifier.

22 A Yes.

23 Q Okay. And then that part was italicized, so
24 that's the communication you get from Staff
25 Sergeant Taylor?

1 A Yes.

2 Q And then you've written:

3 "No further action will be taken in this
4 matter. Consequently, Corporal Best
5 recommends that this file should be
6 concluded."

7 A Yes.

8 Q Okay. So this is effectively in terms of the
9 management of the file, is it fair to say this
10 is the end of the line, this is when the file
11 gets formally closed or completed?

12 A That's -- yes, that's my -- that was my
13 impression from what was communicated from Staff
14 Sergeant Taylor that there wasn't going to be
15 any further investigation at least from their
16 side, and from our perspective, there wasn't
17 going to be -- I was given no further direction
18 as far as the investigation.

19 Q All right. And I appreciate in terms of
20 those -- some of these decisions about do we
21 move it to a further process and next steps
22 aren't your decisions to make necessarily. Is
23 that fair?

24 A That's fair to say, yes.

25 Q All right. What do you take from it being

1 referred to Ms. Murphy in particular? What was
2 your understanding of the point of that being
3 the basis on which this concludes?

4 A Essentially that my report was to be used as
5 intelligence information and Lynne Murphy as a
6 senior analyst within the financial integrity
7 section, so she could glean what information she
8 could from that and then, as I say, to finish
9 her analysis. I'm not really -- I can't say as
10 to what actually happened with the file and with
11 the report once it was in the hands of Green
12 Timbers.

13 Q That's fair. Once it effectively leaves your
14 desk or file cabinet, I suppose it's over to
15 them at that point.

16 A Yes.

17 Q But was it your understanding that it was
18 effectively over to them for intelligence
19 purposes at that point?

20 A Yes.

21 Q And not making its way into being processed as a
22 project or going forward with a report to Crown
23 or further investigative steps?

24 A Yes.

25 Q Okay.

1 A And just to add to that is I can recall having a
2 telephone conversation with Staff Sergeant
3 Taylor in regards to this as well and on the
4 phone, basically it was the same information
5 that they -- the investigation was essentially
6 at its end.

7 Q If we could look at the last, the next page is
8 the last page of the affidavit exhibit D to the
9 affidavit. This is again in the general
10 occurrence format a synopsis which got your name
11 at the bottom, corporal, and about three lines
12 down we see an investigational probe was
13 conducted. That's a description of the
14 summation report that you authored.

15 A Yes.

16 Q And then you write:

17 "A detailed report was completed finding
18 that there appeared to be activities that
19 warranted further investigation. The
20 report was sent to FSOC Financial
21 Integrity for their information and action
22 if capacity existed for further
23 investigation. Financial Integrity
24 section elected not to pursue the matter
25 but passed on the report to FSOC and

1 analysts for intel purposes."

2 Is this sort of really at the end of the day
3 summarizing how the matter concludes?

4 A The page that you're looking at is the synopsis
5 page of a PRIME report. That is a living
6 document until the matter is concluded. So this
7 is to take a summation of what had taken place
8 from -- in brief why the file was opened and
9 what was done with it.

10 Q And when you say a "living document," what does
11 that refer to?

12 A It just refers to that this particular
13 page isn't closed per se in that there's no
14 further information added to that page of the
15 report. Other sections are sort of -- once the
16 documentation is put on to at that occurrence
17 report was basically locked and you move on to
18 entering another page of the file. So this one
19 rather than it being locked down, it's kept open
20 just to make sure that everything is on that
21 page before it's completed.

22 Q And so to the extent that there's further
23 developments or what have you, the document
24 evolves to reflect that, it gets updated?

25 A That's correct.

1 Q Okay. With respect to that comment about if
2 capacity existed, was there -- was part of this
3 to your understanding an issue about capacity?

4 A Yes. That was my understanding, that resources
5 were not available to continue the
6 investigation.

7 MR. MARTLAND: Madam Registrar, we can take that
8 page down, thank you.

9 Q Corporal, I have a handful of questions, but
10 they're in the nature of concluding questions,
11 so I won't be too much longer. Then a few
12 participants will have some questions.

13 One question which is a fairly broad one is
14 this, and please tell me if it's not very clear.
15 What do you see as the connection between
16 mortgage fraud activity and money laundering or
17 money laundering vulnerability?

18 A Well, based on what I saw and through the
19 documentation and through what information FICOM
20 shared, it certainly created an opportunity for
21 criminals to use the mortgage lending process to
22 launder funds.

23 Q As you looked at this area of activity with
24 mortgage lending and so forth, did you form a
25 conclusion about whether that was or is a

1 vulnerability for money laundering?

2 A Because, like, this still was an investigation
3 in progress and really we hadn't reached --
4 hadn't really reached that conclusion. There
5 was still more information to be obtained to
6 come to a definitive conclusion.

7 Q You describe your understanding of the typology
8 or activity that might be used here and to the
9 extent that it could be -- to go back to that
10 distinction between the fraudster who is
11 stealing and running away with the money and no
12 doubt the lender is upset and may take some
13 measures in response. In this case you may have
14 lenders who never necessarily realize and may
15 not care even if they do realize so long as
16 payments are being made on a loan. Is there
17 something about that dynamic that to your view
18 gives rise to a higher vulnerability or a higher
19 risk?

20 A Under those circumstances I would say that is
21 certainly a possibility.

22 Q Do you have any perspective or view about I
23 suppose this is the unknown unknowns, the extent
24 to which there may be -- you spend a bunch of,
25 an enormous amount of time and effort looking at

1 activity that you've described in the summation
2 report. I wonder if you have a sense on how
3 much more questionable activity there may be in
4 the mortgage lending area?

5 A I really can't comment on that. This may have
6 been a one-off, but it could have been more
7 extensive.

8 Q In general from a police investigator's point of
9 view and drawing on your experience in a number
10 of different areas and in particular in
11 financial investigations work, how would you
12 describe what this work was like? How hard was
13 this to do this investigative work and
14 information gathering?

15 A Gathering information up to that point wasn't
16 particularly difficult because we were relying
17 on indices that we have access to and without
18 any impediments. But in terms of actually
19 assessing what was being looked at it's
20 definitely a complex, you know, I would say
21 complex offence. It's not a straightforward
22 obvious type of offence that you can see what
23 has happened if there's -- an example would be
24 of a credit card fraud. In its basic terms is
25 that somebody is committing a credit card

1 offence if they are using a card that's in their
2 possession that their unlawfully and they're
3 using somebody else's card to acquire goods and
4 essentially defrauding the financial institution
5 that issued that card. This is far more complex
6 than that.

7 Q I mean, I take from the summation report that
8 you're often dealing with a myriad of people,
9 companies, transactions properties, there's the
10 sort of just complexity even in figuring out who
11 is who in the zoo, isn't there? There's so many
12 people involved?

13 A Yes, so the terms of trying to identify well,
14 where is this money proceeds of crime? Even
15 that it presents a significant challenge because
16 you are working backwards that where do you
17 start? It really gets -- it becomes a challenge
18 as to picking and choosing where is the most
19 likely good lead, I guess you would say, that
20 may lead to a discovery.

21 Q Do you have any sense of -- assuming that the
22 evidence was pretty powerful and ultimately
23 supported a report to Crown counsel, do you have
24 a sense of how much more work would have had to
25 have been done to take it to that point? I

1 mean, I'm just throwing this out there. Do you
2 think you were 60 percent of the way there or 40
3 or 80 or any perspective on that?

4 A That's a really difficult question to
5 answer because again this was the first
6 investigation of this type that I've ever come
7 across, so I really have no frame of reference
8 in terms of time, and in a sense you're kind of
9 feeling your way through the information to
10 figure out what do you do next. Yeah. I'd say
11 it presents a number of challenges.

12 Q With respect to the information that you in the
13 course of your investigation received from
14 FINTRAC do you have a comment on whether that
15 was helpful or and if so how helpful it was?

16 A Well, anything from FINTRAC is always helpful
17 and it certainly gives us in some case a
18 direction or of an idea of where money may be
19 found. With financial crimes the expression is
20 follow the money. So it's helpful from the
21 FINTRAC point of view of because they are
22 getting reports directly from the financial
23 institutions where we can at least identify bank
24 accounts and, you know, witnesses that we may be
25 able to turn to and glean additional evidence.

1 Q Were there particular gaps or holes in the
2 information that you were able to gather up?
3 Were there dead ends or areas where you wanted
4 more information but just couldn't get it?

5 A Well, I'm not aware of any gaps. Certainly
6 there weren't between us ourselves and FICOM. I
7 believe that everything that they had in their
8 possession they were very genuine in sharing
9 what they could. Some of the evidence was more
10 challenging. The one that comes to mind would
11 be documents issued from Revenue Canada in that
12 privacy are such that there's not much
13 information that is shared, at least at that
14 time, that I can recall. That there wasn't --
15 there couldn't be a conversation between the
16 RCMP agencies and the Revenue Canada agencies
17 unless there was a -- charges already laid.

18 MR. MARTLAND: Mr. Commissioner, thank you. That
19 completes my questions.

20 THE COMMISSIONER: Thank you, Mr. Martland. I'll now
21 call on Ms. Chewka on behalf of the province,
22 who has been allocated ten minutes.

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

24 **EXAMINATION BY MS. CHEWKA:**

25 Q Morning, Corporal Best. Can you hear me okay?

1 A Yes.

2 Q Excellent. I just have a few questions in light
3 of the ground that's been canvassed by my friend
4 Mr. Martland. I understand that from your
5 evidence and from your affidavit that the Curtis
6 matter was brought to your attention by what was
7 then known as FICOM; is that correct?

8 A Yes.

9 Q And in your summation of findings and your
10 evidence this morning you stated that you
11 applied for a production order for FICOM's
12 files; is that right?

13 A Yes.

14 Q Now, when applying for a production order under
15 the *Criminal Code* of Canada am I correct in my
16 understanding that you require reasonable
17 grounds to believe that an offence has been
18 committed?

19 A Yes.

20 Q And do you also require reasonable grounds to
21 believe that the documents will afford evidence
22 of that offence?

23 A Yes.

24 Q And if you didn't have those reasonable grounds
25 to believe, is it fair for say that you wouldn't

1 have been able to apply for a production order
2 of those documents?

3 A That's correct.

4 Q Could the RCMP have simply asked FICOM for the
5 documents, to the best of your knowledge?

6 A Under the circumstances it would be ill advised.
7 There's different regulatory requirements
8 between what FICOM might be able to obtain
9 versus what we as the police are able to obtain
10 lawfully and use as evidence. In the case of
11 FICOM, their acts and their regulatory powers
12 allow them to compel witnesses and other
13 individuals to produce documents. That -- those
14 authorities end with FICOM. In our -- because
15 there's would be perceived as an unreasonable
16 search and seizure under the charter, so we are
17 best off then turning to the courts and
18 explaining the circumstances and why we feel
19 that documents in the possession of another
20 agency may be useful to us.

21 Q So it seems more of a best practices approach to
22 seek the production order. Would you agree with
23 that?

24 A I can't think specifically of anything within
25 the *Canada Evidence Act* other than in terms of

1 producing evidence for court generally we would
2 provide the -- a certified true copy of the
3 documents rather than taking original documents
4 and so that we can enter those into court.

5 Q Of course. I guess maybe what I'm trying to
6 ask, and not doing a very good job of it
7 perhaps, is whether or not there are
8 circumstances where the RCMP would just contact
9 FICOM and say, we understand you probably have
10 some of these documents in your possession, can
11 you please provide us with copies of them for
12 investigative purposes rather than go and get a
13 production order.

14 A There may have been, but I can't think of any
15 examples where that's taken place. It's this
16 issue of compel -- being able to compel
17 information is a big factor in things. We can't
18 compel witnesses to provide us information.
19 Either we have to go by way of a judicial
20 authorization or that the -- or information is
21 provided to us. In the case of FICOM, they are
22 really not their documents to share. They have
23 already obtained them from another third party.
24 Again, just in terms of we could -- certainly we
25 could take those documents, but whether or not

1 they would be useful in a court proceeding is
2 really questionable and it has been advised to
3 us from Crown counsel that we're best off going
4 by way of a judicial authorization and then
5 we -- there's no question as to whether we
6 are -- at least, you know, that whether we are
7 at least allowed to have those documents.

8 Q Do you know to the best of your knowledge if
9 there's an information-sharing agreement that
10 exists between what is now BCFSA and the RCMP?

11 A I wasn't aware of any agreement or memo of
12 understanding.

13 Q From your experience as an RCMP officer would
14 something like that be helpful in a sense of
15 removing the necessity of having to go get a
16 production order and having an
17 information-sharing agreement in place?

18 A It would be helpful, but again that's something
19 that wouldn't be up to me to make that -- I
20 couldn't make that call. In a perfect world,
21 yeah, it would be lovely to have access to
22 information, but we still have the charter of
23 rights to protect and enforce, so we don't want
24 to ever be overstepping our grounds as a police
25 officer.

1 Q To pick up on your comment there of it's not
2 your role but in a perfect world, you may be
3 aware that the terms of reference for this
4 inquiry process, one of them includes making
5 recommendations with respect to things like the
6 powers, duties or functions of regulatory
7 bodies. So that's the role of this commission
8 process, or one of the roles. And so based on
9 your experience as an RCMP officer, can you
10 think of anything, any kind of recommendations
11 for professional regulatory bodies like BCFSA
12 where they could do better to support law
13 enforcement bodies and their investigation of
14 financial crimes? Are there tools out there,
15 are there resources that they should have that
16 would put them in a better position to help you
17 as an RCMP officer investigate these kinds of
18 crimes?

19 A Honestly, I can't think of anything in
20 particular. As I say, in a perfect world if
21 there were more information sharing available,
22 certainly that would be useful, but again there
23 are more considerations than simply being able
24 to hand over documents, so I'm hesitating to
25 really give any kind of specific agency or

1 recommendations in terms of as an investigator
2 what would be useful.

3 MS. CHEWKA: Okay. Those are my questions. Thank
4 you very much. Thank you, Mr. Commissioner.

5 THE COMMISSIONER: Thank you, Ms. Chewka. Now
6 Mr. Usher on behalf of the Society of Notaries
7 Public of British Columbia.

8 MR. USHER: Thank you, Mr. Commissioner.

9 **EXAMINATION BY MR. USHER:**

10 Q Just a couple of points, Ms. Best. I think it's
11 in the case in your document and what you found
12 there was significant evidence uncovered both
13 forgery of documents and then the use of those
14 documents, for example, in obtaining mortgages.
15 Is that correct?

16 A There were indicators of possible fraudulent or
17 forged or altered documents. Again having to
18 establish whether or not that was in fact the
19 case would require further inquiry.

20 Q Can you just perhaps revisit and help us
21 understand what limitations there are in
22 pursuing those things. So here you've got
23 indications of a crime used for substantial
24 money, and yet this decision is made not to
25 pursue it. Is that resourcing? Can you help us

1 understand what happens, like where's the
2 barrier here to pursuing these apparent crimes?

3 A Well, that -- it really would be inappropriate
4 for me to make a comment to that because those
5 are decisions made at a higher level rank than
6 what I have. Basically I have to -- I can
7 provide an opinion but that really isn't -- you
8 know, that's as far as it goes because they say
9 you're best off asking somebody further higher
10 in rank who deals with that directly than
11 myself.

12 MR. UHSER: Well, thank you for that suggestion. And
13 that's all my questions, Mr. Commissioner.

14 THE COMMISSIONER: Thank you, Mr. Usher. Anything
15 arising out of that, Ms. Chewka?

16 MS. CHEWKA: No, Mr. Commissioner.

17 THE COMMISSIONER: Mr. Martland?

18 MR. MARTLAND: No, thank you.

19 THE COMMISSIONER: Thank you. Thank you, Corporal
20 Best. We very much appreciate the time you've
21 taken to draw back the curtain on one of your, I
22 dare say more complicated investigations. It is
23 helpful for the commission to have an
24 understanding of what exists at that level. You
25 are excused from further testimony. Thank you.

1 THE WITNESS: Thank you.

2 THE COMMISSIONER: And, Mr. Martland, I take it we
3 are adjourned now until tomorrow at 9:30. Is
4 that correct?

5 MR. MARTLAND: Yes, we are. Thank you.

6 THE COMMISSIONER: Thank you.

7 THE REGISTRAR: The hearing is now adjourned until
8 February 24th, 2021, at 9:30 a.m. Thank you.

9 **(WITNESS EXCUSED)**

10 **(PROCEEDINGS ADJOURNED AT 12:05 P.M. TO**

11 **FEBRUARY 24, 2021)**

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