

PROCEEDINGS AT HEARING OF JANUARY 21, 2021

COMMISSIONER AUSTIN F. CULLEN

Note In this transcript from pages 1 to 31 the following speaker designations are used to identify who is speaking and in what capacity:

THE INTERPRETER *Used when the interpreter speaks as the interpreter or for the witness but in the third person*

THE WITNESS *Used when the interpreter speaks for the witness in colloquy*

A *Used when the interpreter speaks for the witness in Q & A*

MS. CHIU *Used when the witness speaks in English*

[Not interpreted.] *Used when any English speech is not interpreted*

[Mandarin spoken.] *Used when the witness's native language is not interpreted*

INDEX OF PROCEEDINGS

Witness	Description	Page
	Proceedings commenced at 9:30 a.m.	1
	Colloquy	1
Maggie Chiu (for the commission)	Examination by Mr. McGowan	2
	Examination by Mr. Gruber	28
	Discussion re witnesses	31
	Proceedings adjourned at 10:53 a.m. Proceedings reconvened at 11:08 a.m.	33 33
Caterina Cuglietta (for the commission)	Examination by Mr. McCleery	34
	Examination by Ms. Harmer	36
	Examination by Ms. Bevan	42
	Examination by Ms. Hughes	45
	Proceedings adjourned at 11:48 a.m. Proceedings reconvened at 11:58 a.m.	66 66
Kevin deBruyckere (for the commission)	Examination by Mr. McCleery	67
	Examination by Ms. Friesen	70
	Examination by Ms. Harmer	73
	Examination by Ms. Bevan	75

Examination by Mr. McFee	79
Examination by Ms. Mainville	84
Examination by Mr. Stephens	90
Examination by Ms. Friesen (continuing)	99
Colloquy	101
Proceedings adjourned at 12:47 p.m. to January 22, 2021	102

INDEX OF EXHIBITS FOR IDENTIFICATION

Letter	Description	Page
--------	-------------	------

No exhibits for identification marked.

INDEX OF EXHIBITS

No.	Description	Page
-----	-------------	------

479	Video clip depicting a group of five people who walk a short distance from the casino entrance	30
480	Affidavit no. 1 of Bill Lang affirmed January 15, 2021	32
481	Affidavit no. 1 of Gurmit Aujla, sworn October 29, 2020	32
482	Affidavit no. 1 of Caterina Cuglietta sworn October 22, 2020	35
483	A report to John Karlovcec, re STR Trend Analysis, prepared by Cathy Cuglietta - July 18, 2018	65
484	Affidavit no. 2 of Kevin deBruyckere sworn October 23, 2020	68
485	Affidavit no. 3 of Kevin deBruyckere sworn January 19, 2021	69

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
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24
25

January 21, 2021

(Via Videoconference)

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

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

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

MR. MCGOWAN: Yes, Mr. Commissioner, today we resume the second round of hearings related to the topic of gaming. The first witness today will be Maggie Chiu, who will be testifying with the assistance of an interpreter. Madam Registrar, if you could please affirm the witness and the interpreter.

ADAM TAN, a Mandarin interpreter, called for the commission, affirmed.

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

THE INTERPRETER: My name is Adam Tan. First name spelled A-d-a-m. Last name spelled T-a-n.

THE REGISTRAR: Thank you.

MAGGIE CHIU, a witness called for the

1 **commission, affirmed.**

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

4 THE WITNESS: My name is Maggie Chiu. Last name is
5 C-h-i-u and the first name Maggie, M-a-g-g-i-e.

6 THE COMMISSIONER: Yes, Mr. McGowan.

7 MR. MCGOWAN: Yes. Madam Registrar, when you sought
8 to affirm Ms. Chiu she responded by nodding, but
9 I wonder if we might get a verbal indication on
10 the record, please.

11 THE REGISTRAR: Ms. Chiu, do you solemnly affirm?

12 MS. CHIU: Yes, I do.

13 **EXAMINATION BY MR. MCGOWAN:**

14 Q Ms. Chiu, I gather that you speak some English.
15 Is it your preference to testify in English with
16 the assistance of the interpreter when required,
17 or would you prefer to testify through the
18 interpreter for everything?

19 A I do understand some of, it but then I am
20 concerned that I might not be able to make
21 myself clear enough, so I still want to rely on
22 the interpreter.

23 Q Very good. We'll proceed in that way. I will
24 ask my question and the interpreter will put
25 them to you, and if could you wait until the

1 interpreter finishes and then answer back
2 through him.

3 MS. CHIU: Thank you.

4 MR. MCGOWAN:

5 Q You were employed by Gateway for a time?

6 A I have worked at Gateway for 11 years.

7 Q And do you continue to work there?

8 A I quit my job last January.

9 Q Okay. And for the 11 years prior to that, what
10 roles had you held at Gateway?

11 A I began with working as a VIP host.

12 MS. CHIU: And then supervisor. And then last job is
13 business development manager.

14 MR. MCGOWAN:

15 Q And as the supervisor and business development
16 manager, were those also related to the VIP
17 program and expansion of that or development of
18 that?

19 A Yes, all involved with the VIP work.

20 Q Okay. And as you have gone through your time at
21 Gateway, who have you reported to?

22 A I reported to Bill Lang and Thomas. Thomas no
23 longer works.

24 Q And does Mr. Lang still work with Gateway or did
25 he when you were last working for Gateway?

1 THE INTERPRETER: The interpreter requests
2 repetition.

3 MR. MCGOWAN: Would you like me to repeat the
4 question?

5 THE INTERPRETER: Yes, please.

6 MR. MCGOWAN:

7 Q When you last worked for Gateway, did Mr. Lang
8 continue to work there?

9 A Yes, he has always been working there. Mr. Lang
10 started in 2014. He has always been my boss.

11 Q Okay. Thank you. During your time with Gateway
12 were you assigned to particular casinos?

13 A No. I didn't get the question.

14 Q Were you assigned to work with bringing patrons
15 to particular casinos, particular Gateway
16 properties, or did you work for Gateway more
17 generally?

18 A Yes, I was responsible for Grand Villa and also
19 Starlight, the VIP business at those two
20 properties.

21 Q Okay. I'm going to ask you to tell the
22 Commissioner a little bit about the roles that
23 you filled. And maybe if you could start by
24 explaining to the Commissioner what your job was
25 as a VIP host?

1 A As the VIP host, as soon as a customer enters
2 the VIP room, you are supposed to receive the
3 patron.

4 Q And are there any other things that you as a VIP
5 host did for the patrons?

6 A Yes, you know, work like including cleaning and
7 entertaining the patrons and also if we have a
8 new customer I also have to give them the BCLC
9 card. I don't know what it is called. I don't
10 recall what it is called. Sign the BCLC card,
11 VIP card for the patron. Sign the VIP card,
12 yeah.

13 Q Did your role change when you moved into the
14 position of VIP manager?

15 A Then it means you just oversee the whole VIP
16 business.

17 Q Okay.

18 A That means you have more contact with those VIP
19 patrons.

20 Q Okay. And in what circumstances would you have
21 contact with VIP patrons?

22 A Yes, for example, those VIP patrons if they want
23 some concert tickets, they would come to me for
24 those tickets. If they want to go for dining
25 they come to me. And when we -- there are

1 parties for like Chinese New Year, we would
2 invite those patrons.

3 Q Okay. Thank you. And did your role change
4 again when you moved into the business
5 development?

6 A What does that mean, the role changes?

7 Q I gather you held three positions at Gateway,
8 VIP host, VIP manager, and a role in business
9 development. What did you do as your role in
10 business development?

11 A That means I would have more contact with our
12 customers. For example, if a customer is absent
13 for quite a while, you just make phone calls to
14 invite them over, telling them about our -- the
15 events going on at the casino.

16 Q Okay. And at what level did a patron have to be
17 playing at to be considered a VIP?

18 A There were no specific requirements. For
19 example, if a customer comes on a daily basis, I
20 still treat them as VIP guests. It's not a
21 matter of big versus small.

22 Q Was there a special area of the Starlight or
23 Grand Villa casinos where the VIPs played?

24 A Yeah, in terms of special area, you know, the
25 outside of the VIP room if the table games is 50

1 then inside the VIP room it will be something
2 like 100, so just slightly larger amount for
3 those table games.

4 Q Okay. Is your part of your role as a manager
5 and in business development, were you marketing
6 to prospective VIPs to attempt to attract them
7 to Gateway's properties?

8 A Yeah, when it comes to marketing, the VIP
9 department we would just put on events in order
10 to attract more customers and also another
11 example when we have some investment
12 opportunities we would let them know.

13 Q All right. Was there a particular population or
14 demographic or target audience that you were
15 marketing to?

16 A No, no.

17 Q Did you as a VIP host or VIP manager or in your
18 role of business development have any role in
19 assisting high limit players to access cash to
20 buy in with?

21 A I don't quite understand the question.

22 Q Let me ask it this way: if a VIP player was
23 playing late in the evening and ran out of money
24 and needed to have some additional cash to buy
25 back in with, did you play a role in assisting

1 them to connect with somebody who could bring
2 them that cash?

3 A Definitely I wouldn't do anything like that. I
4 have never done anything like that. I can swear
5 that I haven't done anything like that.

6 Q Do you know an individual by the name of Jinwei
7 Fu?

8 A Boss Fu, customer from Shenyang.

9 THE INTERPRETER: Shenyang spelled S-h-e-n-y-a-n-g.

10 THE WITNESS: Customer from Shenyang.

11 MR. MCGOWAN:

12 Q Did you introduce Mr. Fu to a gentleman by the
13 name of Jack Qin, Q-i-n?

14 A Definitely not. The introduction was definitely
15 not made by me.

16 Q Do you know who Mr. Qin is?

17 THE INTERPRETER: Mr. or Ms. Qin?

18 MR. MCGOWAN:

19 Q Mr.

20 A Yes, I do.

21 Q And are you aware that he was somebody who was
22 providing funds to Mr. Fu to buy in with?

23 A This is things between themselves. I had no
24 idea. I didn't know at all.

25 Q Did you have any involvement in putting the two

1 of them in touch on occasions or on an occasion
2 when Mr. Fu ran out of money?

3 A Getting to know each other between themselves
4 that was not through an introduction by me, and
5 definitely I was not involved in anything like
6 going to someone to get -- in order to get
7 money. I was not involved at all.

8 Q Would you ever -- did you ever escort or
9 accompany a VIP patron to the cash cage?

10 A I didn't get it. Accompany a customer to the
11 cash cage?

12 Q Yes, for the purpose of buying in?

13 A You know, a customer comes to our casino and
14 they would use cash to buy -- to do buy-ins at
15 our cashier. So, for example, if a customer --
16 before a customer comes, the customer would call
17 me so that I can get a private table ready. And
18 then the customer arrives and then the buy-ins.

19 Q And would you be present for the buy-in?

20 A Sometimes I was there. This is part of the job
21 of a manager when the buy-ins took place, we
22 were supposed to be present.

23 MS. CHIU: To help the patrons.

24 MR. MCGOWAN:

25 Q And in 2014 and '15 the buy-ins at Starlight and

1 Grand Villa, many of them would be quite
2 substantial, \$100,000 or more?

3 A So the question? I didn't get the question.

4 Q In 2014 and '15, for example, many of the
5 buy-ins from VIP patrons at Starlight and Grand
6 Villa were in the neighbourhood of \$100,000 or
7 more? Is that consistent with what you saw?

8 MS. CHIU: Sorry, I don't understand. I don't get.

9 THE WITNESS: I still don't quite get the question.

10 MR. MCGOWAN:

11 Q Did you see a number of your clients buying in
12 with cash for amounts that exceeded \$100,000?

13 A Amounts more than \$100,000, they were not
14 substantial amounts, right.

15 Q Did you see cash buy-ins in amounts that
16 exceeded \$100,000?

17 A That I don't recall. You can check, but then I
18 really don't recall. If there are cash buy-ins,
19 if the customers -- if there are cash buy-ins by
20 the customers, we had the requirement at the
21 time a manager or supervisor had to be present
22 at the time.

23 Q And would that include a VIP manager?

24 A Yes.

25 Q And so you were present for a number of VIP cash

1 buy-ins?

2 A Yes. Yes.

3 Q And is your evidence that today you can't recall
4 whether a number of those exceeded \$100,000?

5 A I really don't recall, really.

6 Q As the VIP overseeing substantial cash buy-ins,
7 did you ever ask a patron where they got the
8 cash they were buying in with?

9 A No, I wouldn't ask.

10 Q Were you ever given any instructions by your
11 employer as to whether or not you should ask
12 about the source?

13 A No, no.

14 Q In 2015 did you understand that some players who
15 were playing with large amounts of cash had
16 started to be placed on cash conditions?

17 THE INTERPRETER: The interpreter requests
18 repetition.

19 MR. MCGOWAN:

20 Q Certainly. In 2015 did you understand that some
21 players who played with large amounts of cash
22 were starting to be placed on cash conditions?

23 THE INTERPRETER: Were starting to be placed on ...

24 MR. MCGOWAN:

25 Q Here, let me break it down. In 2015 there were

1 a number of players playing with large volumes
2 of cash. Did you understand that some of them
3 had been placed on cash conditions?

4 A Initially it was allowed to use cash to buy in,
5 but then in a certain year some of the customers
6 were not allowed to buy in cash, but then I
7 don't recall in what year.

8 Q Okay. And did you also know in or around 2015
9 that some individuals had been barred from
10 British Columbia casinos because they were
11 suspected of loan-sharking or providing cash to
12 players?

13 A I was aware that in a certain -- starting in a
14 certain year some customers were not allowed to
15 do buy-ins using cash, but then I didn't quite
16 get your question.

17 Q Yes. Did you know that some individuals had
18 been banned for loan-sharking?

19 A That I was not aware of.

20 Q At any point during your time as a VIP host or
21 VIP manager were you advised by your employer or
22 anyone else that people were banned because they
23 were suspected loan sharks?

24 A I was aware that some patrons were banned, not
25 allowed to come in, but then I was not aware of

1 something mentioned just now like loan-sharking.

2 Q Were you provided a list of players that had
3 been banned or any other way of finding out who
4 had been banned?

5 A Yes, there was. My boss would tell me this
6 particular person there were photos were banned.
7 Or someone else that --

8 THE INTERPRETER: The interpreter requests
9 repetition.

10 THE WITNESS: Yeah, another person was barred by
11 BCLC.

12 MR. MCGOWAN:

13 Q In 2015 was Gateway looking for investors for a
14 project?

15 A Yes, Gateway was looking for -- was looking at a
16 project in the parking lot of Starlight, a
17 proposed spa project.

18 Q Okay. Was it a standalone spa or was it to be
19 connected with the hotel, or do you know?

20 A Connected.

21 Q Okay. Was there a hotel in existence at the
22 time, or was this a whole new construction that
23 was anticipated?

24 A So, yeah, you know, at the time there was this
25 big piece of land. It was just not used at the

1 time so Gateway was looking for investors wanted
2 to do something about it.

3 Q Okay. And why was Gateway, if you know,
4 interested in a hotel and spa?

5 A Because it seems that every casino has a hotel
6 nearby so that it makes things easier for the
7 customers to relax and for them to take breaks.

8 Q And did you become involved in the effort to
9 recruit investors?

10 A Yes, at the time when the company came up with
11 this idea, I was asked by the company to ask
12 around our customers to see whether or not some
13 of them would be interested.

14 Q Who asked you to do this?

15 A Bill Lang, my boss.

16 Q And at the time was Bill Lang a VIP manager.
17 [Not interpreted.]

18 MS. CHIU: He is a director.

19 Q And you were a VIP host at the time. [Not
20 interpreted.]

21 MS. CHIU: No, business development manager.

22 Q In 2015. [Not interpreted.]

23 MS. CHIU: Yes.

24 Q Okay. And what steps did you take to attempt to
25 recruit investors?

1 A Not specific steps, I would say. Just you know,
2 when a customer, when a patron comes to play, I
3 would just ask oh, are you interested because
4 our company has this proposed project, are you
5 interested?

6 Q And these were VIP players playing at Starlight
7 and Grand Villa that you were approaching?

8 A Yes, right.

9 Q Did you have meetings specifically to discuss
10 the project with prospective investors?

11 A Yes, there were. There were.

12 Q How many meetings?

13 A So once the company had this plan, the company
14 told my boss Bill and then Bill came and tell
15 me. So if a customer was interested, the
16 customer would approach either Bill or me. And
17 then Bill and I would go meet with the customer
18 but then I never go -- I would never go by
19 myself to meet with a customer.

20 Q How many such meetings were there?

21 THE INTERPRETER: The interpreter requests
22 clarification.

23 THE WITNESS: Initially there was groups from
24 southern China, they came in groups. And then
25 there was another group of customers from

1 Shenyang. They were quite interested.

2 MR. MCGOWAN:

3 Q What size of investment was Gateway seeking?

4 A Well, it was just a proposed hotel and spa.

5 A Actually, I'm not very interested in this. I

6 A don't recall that much.

7 Q Did you have any plans that you could show

8 Q prospective investors?

9 A Yes, there were. Yes, I remember on one

10 A occasion we had plans and drawings to present to

11 A the Shenyang customers because they were quite

12 A interested.

13 Q Okay. Where did these meetings take place, or

14 Q were there different locations?

15 A So the -- just now I mentioned the group who

16 A were interested, it seems that there was a

17 A meeting in the company and also at Grand Villa.

18 A I don't quite recall.

19 Q Okay. Did some of these meetings take place in

20 Q the parking lot at Starlight Casino?

21 A Yes, yes.

22 Q Okay. Did there come an occasion where you and

23 Q Mr. Lang met with several individuals, one of

24 Q whom was Paul Jin in the parking lot of the

25 Q Starlight Casino?

1 A Yes.

2 Q When is -- sorry. When was the first time you
3 met Mr. Jin?

4 A The first time I met this person, I guess that
5 was at the restaurant.

6 Q Okay. Had you ever -- prior to the meeting in
7 the parking lot, had you ever known Mr. Jin to
8 be a patron at the Starlight or Grand Villa or
9 any of the other Gateway properties?

10 A He was not our customer. He had never played
11 here.

12 Q Okay. Had you known him to be associated with
13 some of the VIP players who did play at
14 Starlight and Grand Villa?

15 A That I didn't know. I remember once I was at a
16 restaurant and then I was having tea with a
17 customer and the customer just said hi to him.

18 Q Did he introduce you to Mr. Jin, this customer?

19 A Because he is also from the northern part of
20 China, something like goes by Shel Bau
21 [phonetic] and just not much instruction, just a
22 simple introduction.

23 Q This meeting in the parking lot that Mr. Jin was
24 present for, when was that?

25 A Yeah, actually I don't -- I had no recollection

1 of that, but last year the company's lawyer
2 approached me.

3 Q Okay. You've subsequently been reminded of the
4 meeting. Have you seen a video about the
5 meeting? We have some evidence to suggest the
6 meeting took place on February 27th, 2015. Does
7 that sound about right?

8 A I really didn't have any recollection until
9 yesterday when I watched a video, I realized oh,
10 it was in the wintertime. I always thought it
11 was in the summer. I really don't have any
12 recollection -- I really didn't have any
13 recollection. Before watching the video
14 yesterday, I always thought it was through the
15 introduction of customers. I thought it was --
16 there was four, but then I realized it was
17 actually five people.

18 Q Who set the meeting up?

19 A I really didn't have a recollection, but then
20 yesterday I saw Mr. Wong. I saw Mr. Wong, so
21 Mr. Wong must have set up the meeting, but then
22 I don't know whom Mr. Wong had invited.

23 Q Who is Mr. Wong? Was he a player?

24 A Yes.

25 Q Who from Gateway set up the meeting with

1 Mr. Wong?

2 A Mr. Lang and I.

3 Q What was the purpose of the meeting?

4 A So Mr. Wong became aware of our project and he
5 was interested and would like to come to see.

6 Q So there's Mr. Wong, Mr. Jin, you, Mr. Lang.
7 Who is the fifth person?

8 A The fifth person I don't recall their name.
9 That was my first time meeting this person. I
10 gave the person my name card. I just don't
11 recall their name.

12 MR. MCGOWAN: Madam Registrar, if we could please
13 play the video clip and it's clip 706,
14 Mr. Commissioner. I'm going to ask the first
15 approximately four minutes of that video be
16 played. And I will say, Mr. Commissioner, just
17 before the commencement of hearings today,
18 counsel for the British Columbia Lottery
19 Corporation advised us that they may have a
20 concern about this video being played on the
21 livestream. We had provided notice but just
22 heard right before the start about that concern.
23 So, unfortunately, I'm going to have to ask that
24 the video not be played on the livestream until
25 the British Columbia Lottery Corporation has an

1 opportunity to make some representations about
2 that and seek any redactions they think are
3 appropriate.

4 THE COMMISSIONER: All right. I'll make that
5 direction.

6 MR. MCGOWAN: Madam Registrar, it's the video titled
7 "More 706."

8 **(VIDEO RECORDING PLAYED)**

9 MR. MCGOWAN:

10 Q There's a vehicle shown there, Ms. Chiu. Do you
11 know whose vehicle that is?

12 A I don't know.

13 Q The video here is depicting an area outside the
14 entrance to the Starlight Casino; is that
15 correct?

16 A Yes.

17 Q And you see what appear to be on the right-hand
18 side of the vehicle [sic] three men standing
19 together talking?

20 A Yeah.

21 Q And those are ultimately the men that you and
22 Mr. Lang meet with?

23 A Yeah.

24 Q And are you able to -- ultimately the video will
25 be zooming in, but are you able to confirm that

1 the gentleman with the dark jacket and white
2 pants is Mr. Jin?

3 A Right now I am not able to say that, but
4 yesterday I watched the video, yes, I am able to
5 say that.

6 Q If we just look to the front door of the Grand
7 Villa, there's -- I think shortly we're going to
8 see you exiting from there. Is that you
9 approaching the group of men wearing what
10 appears to be a red jacket?

11 A [No verbal response.]

12 Q And we see the five of you, Mr. Lang, Mr. Jin.
13 Which one is Mr. Wong? If we just pause.

14 A The last one.

15 Q Carrying the envelope?

16 A Yes.

17 Q And Mr. Lang is the gentleman in the suit?

18 A Yes.

19 Q And where are the five of you going?

20 A Walking to the parking lot to a place where we
21 could see the parking lot, the site where the
22 hotel was proposed to be built.

23 Q Okay. And who is pitching the proposal? Is it
24 you or Mr. Lang?

25 A What do you mean by the question?

1 MR. MCGOWAN: If we could just pause the video.

2 THE WITNESS: The company told me about this plan so
3 I was just telling the customers about the plan.

4 **(VIDEO RECORDING STOPPED)**

5 MR. MCGOWAN:

6 Q So we saw you and Mr. Lang and Mr. Wong and
7 Mr. Jin standing by a fence and you and Mr. Lang
8 were gesturing towards an area. Can you give us
9 some sense of what was being discussed?

10 A Just we were saying over there, that's the place
11 we wanted to get the hotel and spa built.

12 Q And were any of the gentlemen present expressing
13 an interest in investing in the project?

14 A I didn't feel any of them was very interested.
15 They were just here to see. There was only one
16 meeting of this, no subsequent meetings.

17 Q As you understood it, the meeting had been set
18 up with Mr. Wong. Did you understand why
19 Mr. Jin or the other gentlemen were present?

20 A I don't know. Yes, it was arranged by Mr. Wong,
21 but then I didn't know anything about whom he
22 would bring with him and who was interested.

23 Q From the context of the conversation, did you
24 understand that they were brought along as other
25 potential investors?

1 A No. Just one meeting like that. I didn't feel
2 Mr. Wong was very interested in the project.

3 Q Was the purpose of the three of them being there
4 to hear about the project and gauge whether they
5 were interested?

6 A Yes. At the time we were only in contact with
7 Mr. Wong. We didn't have any -- we didn't know
8 whom he would bring along with him.

9 Q Okay. When Mr. Jin showed up for the meeting,
10 did you know who he was?

11 A At the time I didn't know very well who he was
12 because actually he was not a customer of ours.
13 But later I read some new stories, I learned
14 about something about him.

15 Q When you and Mr. Lang met with him, did you know
16 that he had been barred from British Columbia
17 casinos by over two years by that point?

18 THE INTERPRETER: The interpreter requests
19 repetition.

20 MR. MCGOWAN:

21 Q When you and Mr. Lang met with Mr. Jin in the
22 parking lot of the Starlight Casino in 2015 did
23 you know that he had been barred from
24 British Columbia casinos for over two years?

25 A I wasn't quite aware of that.

1 Q What does it mean you weren't quite aware of it?
2 Did you have some information about it?

3 A I was not aware of that.

4 Q You had access to information about who had been
5 barred from British Columbia casinos by way of
6 pictures and information that was posted and
7 provided to you?

8 A Yes, correct.

9 Q You don't recall seeing his name or picture?

10 A You know, before that once I quit my job I
11 started again around the end of 2014.

12 Q Prior to the meeting with Mr. Jin had you seen
13 anything, his name or his photo, that gave you
14 any cause for concern?

15 THE INTERPRETER: So the interpreter requests
16 repetition.

17 MR. MCGOWAN: Certainly.

18 Q Prior to your 2015 meeting where Mr. Jin showed
19 up, had you seen any information about him, his
20 picture, his photo, any information about his
21 activities that might have caused you to have
22 concern about him being on Starlight property?

23 A Later, later became aware of.

24 Q When did you become aware of concerns about --
25 well, maybe tell me first of all what it is you

1 learned later on?

2 A My superior Thomas told me that he was barred.

3 Q When was this?

4 A Later -- sometime later. I don't recall.

5 Q When Thomas gave you this information, did you
6 say to Thomas or any of your other superiors, we
7 had a meeting with him on the Starlight property
8 during the time he was banned?

9 A I don't recall all the details. After all, this
10 was something six years ago, but if Thomas was
11 aware of that, that means Bill was aware of
12 that.

13 Q Okay. Subsequent to the meeting did anybody
14 from Gateway come and ask you about that
15 meeting?

16 A No, I don't think so. I don't recall.

17 Q Does anybody from BCLC ever reach out to you to
18 your recollection and attempt to speak with you
19 about this?

20 A I'd like to say that BCLC is our big boss. If
21 someone from BCLC wants to see staff -- to see
22 our staff, we wouldn't -- we would definitely
23 meet with the BCLC people. It's just impossible
24 that we wouldn't see them.

25 Q So does that answer mean you don't recall having

1 contact from BCLC about this meeting?

2 A I don't think someone from BCLC contacted me,
3 but then I was aware that they met with Bill
4 because Bill later told me about it. Maybe I
5 was on vacation. That is why I was not aware of
6 that. If I had been aware -- if I had been
7 aware of that, I would have met with the person.

8 Q So your evidence is that at the time you met
9 with Mr. Wong and Mr. Jin about a potential
10 investment in the Starlight hotel, you didn't
11 know he was barred?

12 A This I really don't recall. I'm not able to
13 answer this question.

14 Q Okay. You now have seen information that
15 satisfies you that -- or subsequently learned
16 information that let you know that he was barred
17 at the time?

18 A Yes.

19 Q Okay. And do I understand from your evidence
20 that the first time anybody has asked you about
21 that meeting or asked you for details of that
22 meeting was in response to a request from the
23 commission?

24 A So, Mr. Interpreter, please repeat the
25 translation. Yes, I was approached last year.

1 Q And that is the first time since the meeting
2 anybody has asked you about it?

3 A Correct.

4 MR. MCGOWAN: Thank you for answering my questions,
5 ma'am. Mr. Commissioner, those are my
6 questions. As I've discussed with you in
7 advance, I have a matter to attend to today, so
8 I am going to sign off of Zoom but Ms. Latimer
9 is present and will assist with the questioning
10 by participants, and she and Mr. McCleery will
11 have conduct of the remaining witnesses.

12 THE COMMISSIONER: Yes, that's fine. Thank you,
13 Mr. McGowan. You are excused from further
14 attendance today.

15 MR. MCGOWAN: Thank you.

16 THE COMMISSIONER: Yes, now, Mr. Stephens on behalf
17 of the British Columbia Lottery Corporation has
18 been allocated ten minutes to question Ms. Chiu.

19 MR. STEPHENS: Mr. Commissioner, I have no questions
20 for Ms. Chiu.

21 THE COMMISSIONER: All right. Thank you,
22 Mr. Stephens. Mr. Gruber on behalf of Gateway
23 Casinos & Entertainment Limited has been also
24 allocated ten minutes to question Ms. Chiu.

25 MR. GRUBER: Thank you, Mr. Commissioner.

1 **EXAMINATION BY MR. GRUBER:**

2 Q Ms. Chiu, you may remember that we spoke by
3 phone before and that I represent Gateway
4 Casinos. I want to ask you first am I correct
5 that when you worked for Gateway, you were a
6 licensed gaming worker with the gaming policy
7 and enforcement branch?

8 A Yes.

9 Q Am I also correct that at all times when you
10 worked with Gateway you were in compliance with
11 the terms of your licence?

12 A Yes.

13 Q Mr. McGowan asked you some questions about
14 accompanying players to cash buy-ins. Where in
15 the casino did the cash buy-ins take place?

16 A At the cashier.

17 Q And were there different staff in the casino who
18 did the actual cashier buy-in?

19 A Yes, it's the people from the cashier
20 department. They were actually helping the
21 buy-ins.

22 Q Do you know if those people in the cashier
23 department filled out all the necessary forms
24 for a patron to buy-in?

25 A Yes, I was aware of that.

1 Q And am I also correct that at the Gateway
2 casinos there were -- there was a department for
3 security and surveillance?

4 A Yes.

5 Q And do you know if that security and
6 surveillance department had any responsibility
7 for dealing with banned players?

8 A Yes.

9 Q Mr. McGowan asked you about a meeting in
10 February 2015 and he showed you a video. Did I
11 understand from your evidence that you don't
12 have a very good memory of that meeting?

13 A Right. I don't have that much recollection, but
14 the main thing was about the attracting
15 investors to -- for the hotel investment
16 project.

17 Q Mr. Lang has given evidence that the third
18 person you met with was named Sun Kai Liu. Does
19 that refresh your memory at all?

20 A I don't think it's Sun Kai Liu. I just don't
21 think so. I don't know.

22 Q All right. Would I be correct that you didn't
23 invite Paul Jin to that meeting?

24 A Neither Bill Lang nor I invited him. You are
25 right.

1 Q If you had been asked by a BCLC investigator to
2 speak with him, am I correct you would have done
3 that?

4 A I didn't get the question.

5 Q If you had been asked by a BCLC investigator
6 about the meeting would you have met with him?

7 A I would. I've already made that point quite
8 clear.

9 Q And would you have given the same information
10 that you've given here today?

11 MS. CHIU: Yes, I am sure.

12 MR. GRUBER: Thank you. Those are my questions,
13 Mr. Commissioner.

14 THE COMMISSIONER: Thank you, Mr. Gruber. Anything
15 arising, Ms. Latimer?

16 MS. LATIMER: Yes, Mr. Commissioner, just that
17 Mr. McGowan intended to mark the video as the
18 next exhibit, please.

19 THE COMMISSIONER: Yes, that will be 4 ...

20 THE REGISTRAR: 479, Mr. Commissioner.

21 THE COMMISSIONER: 479. Thank you.

22 **EXHIBIT 479: Video clip depicting a group of**
23 **five people who walk a short distance from the**
24 **casino entrance**

25 THE COMMISSIONER: Thank you. Thank you, Ms. Chiu,

1 you are excused from further testimony.

2 **(WITNESS EXCUSED)**

3 THE COMMISSIONER: And I think, Mr. Interpreter, we
4 no longer require your services, but I'll check
5 in with commission counsel to ensure that's the
6 case.

7 MS. LATIMER: That's correct, Mr. Commissioner.

8 THE COMMISSIONER: Thank you, Ms. Latimer. And thank
9 you, Mr. Interpreter, for your assistance. You
10 are excused.

11 THE INTERPRETER: It's my pleasure. Bye.

12 **(INTERPRETER EXCUSED)**

13 THE COMMISSIONER: I think now, Mr. McCleery, we're
14 required to stand down briefly to involve the
15 next witness; is that correct?

16 MR. MCCLEERY: We have two brief matters we can
17 attend to before we do that which I suggest we
18 run through quickly. The next two witnesses on
19 the list are not going to be appearing in
20 person. We just have affidavits to file, so I
21 suggest we do that and then perhaps stand down
22 for the next witness.

23 THE COMMISSIONER: Yes, thank you.

24 MR. MCCLEERY: So, Mr. Commissioner, the next witness
25 notionally on the schedule for today is Mr. Bill

1 Lang. As I indicated, Mr. Lang has sworn an
2 affidavit for the purpose of these proceedings.
3 That had been circulated to participants, none
4 of whom are seeking an opportunity to examine
5 Mr. Lang, so I'll ask that be marked as the next
6 exhibit.

7 THE COMMISSIONER: Very well that will be 480,
8 Mr. Lang's affidavit.

9 THE REGISTRAR: Exhibit 480.

10 **EXHIBIT 480: Affidavit no. 1 of Bill Lang**
11 **affirmed January 15, 2021**

12 MR. McCLEERY: And then along the same lines the next
13 witness on the schedule is Mr. Gurmit Aujla.
14 Mr. Aujla has also sworn an affidavit. It has
15 been circulated. No participants have sought an
16 opportunity to examine him, and so I ask that be
17 marked as the next exhibit.

18 THE COMMISSIONER: All right. Thank you. That will
19 be 481.

20 THE REGISTRAR: Exhibit 481.

21 **EXHIBIT 481: Affidavit no. 1 of Gurmit Aujla,**
22 **sworn October 29, 2020**

23 MR. McCLEERY: Then with that I think we can -- I
24 suggest we stand down to arrange for the next
25 witness.

1 THE COMMISSIONER: All right. We'll do that. I
2 think it may be an appropriate time just to take
3 15 minutes for a break and during that time we
4 can onboard the next witness. Thank you.

5 THE REGISTRAR: This hearing is adjourned for a
6 15-minute recess until 11:08 a.m. Please mute
7 your mic and turn off your video. Thank you.

8 **(PROCEEDINGS ADJOURNED AT 10:53 A.M.)**

9 **(PROCEEDINGS RECONVENED AT 11:08 A.M.)**

10 THE REGISTRAR: Thank you for waiting. The hearing
11 is resumed, Mr. Commissioner.

12 THE COMMISSIONER: Yes, thank you, Madam Registrar.
13 Mr. McCleery.

14 MR. MCCLEERY: Thank you, Mr. Commissioner. The
15 remaining two witnesses on the list for today
16 will be produced at the requests of
17 participants. Both have sworn affidavits, so I
18 will just briefly introduce the next witness and
19 then turn Ms. Cuglietta over to the participants
20 who have questions. So the next witness is
21 Ms. Caterina Cuglietta, and I understand that
22 Ms. Cuglietta will be sworn.

23 THE COMMISSIONER: Thank you.

24 THE REGISTRAR: Ms. Cuglietta, please unmute
25 yourself, and please hold the Bible in your

1 hand.

2 **CATERINA CUGLIETTA, a**
3 **witness called for the**
4 **commission, sworn.**

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

7 THE WITNESS: Yes. My full name is Caterina Barbara
8 Cuglietta. First name is C-a-t-e-r-i-n-a. Last
9 name is C-u-g-l-i-e-t-t-a.

10 THE REGISTRAR: Thank you.

11 THE COMMISSIONER: Yes, Mr. McCleery.

12 **EXAMINATION BY MR. McCLEERY:**

13 Q Good morning, Ms. Cuglietta. Can you hear and
14 see me clearly?

15 A Yes, I can. Thank you.

16 Q My name is Kyle McCleery. I am one of the
17 lawyers for the commission. I just have a few
18 questions for you to get us started.

19 A Sure.

20 Q You are employed as an anti-money laundering
21 business intelligence analyst with the
22 British Columbia Lottery Corporation; is that
23 correct?

24 A That's correct.

25 Q And on October 22nd, 2020, you swore an

1 affidavit for the purpose of giving evidence
2 before this commission of inquiry; is that
3 right?

4 A That's correct.

5 Q And that affidavit attaches as an exhibit the
6 results of some analyses that you conducted
7 regarding casino revenue and BCLC revenue and
8 some reporting data?

9 A Yes.

10 MR. McCLEERY: Madam Registrar, can you please bring
11 up Ms. Cuglietta's affidavit.

12 Q Ms. Cuglietta, this is -- you can see the
13 affidavit that you swore on the screen before
14 you?

15 A Yes.

16 MR. McCLEERY: Mr. Commissioner, I ask that be marked
17 as the next exhibit.

18 THE COMMISSIONER: Very well.

19 THE REGISTRAR: That's exhibit 482, Mr. Commissioner.

20 **EXHIBIT 482: Affidavit no. 1 of Caterina**
21 **Cuglietta sworn October 22, 2020**

22 THE COMMISSIONER: Thank you.

23 MR. McCLEERY: And as I indicated, Mr. Commissioner,
24 commission counsel is content to rely on
25 Ms. Cuglietta's affidavit, so those are my

1 questions for Ms. Cuglietta.

2 THE COMMISSIONER: Thank you, Mr. McCleery. I will
3 call on Ms. Harmer on behalf of the Great
4 Canadian Gaming Corporation who has been
5 allocated ten minutes.

6 **EXAMINATION BY MS. HARMER:**

7 Q Good morning, Ms. Cuglietta. Can you hear me?

8 A Yes, I can. Thank you.

9 Q Do you have a copy of your affidavit in front of
10 you?

11 A I do.

12 Q If I could ask you to turn to the exhibits of
13 that affidavit. At page 15 of the exhibits.

14 A If you can just confirm the title at the top of
15 the chart. I can't hear you. I can't hear you.

16 Q Can you hear me now?

17 A Yes, I can.

18 Q Thank you. Sorry about that. I accidentally
19 muted myself.

20 A That is all right.

21 Q At the top of that chart you should have a title
22 that says "Revenue Comparison By Site." Does
23 that look right?

24 A Let me just get there, hang on a second. Yes, I
25 do I have it in front of me, yes.

1 Q And so if you look to the right of that chart
2 you've got two numbered points. The first point
3 reads:

4 "The decline of revenue at River Rock is
5 attributed to the noticeable decline of
6 LCT values at that site which is also
7 reflected in the STR decline from River
8 Rock."

9 And then you say:

10 "All directly related to the Sourced Cash
11 Conditions Program."

12 A Correct.

13 Q Is that right?

14 A M'mm-hmm.

15 Q Can I ask you why did you conclude that all of
16 the revenue declined was attributable to the
17 sourced cash conditions program?

18 A Well, I shouldn't say all of it. Most of it was
19 directly related because when those programs
20 were implemented that's when we began to see a
21 decline in the large cash transactions and that
22 correlated to a decline in the suspicious
23 financial transactions as well.

24 Q So it's incorrect to say that your conclusion is
25 that all directly related to the sourced cash

1 condition program?

2 A It would -- the majority of it would be. I
3 can't say all 100 percent. But the majority of
4 it would be due to those -- that program being
5 put into place. Correct. Yes.

6 Q If I can take you to the green line on that
7 chart.

8 A Yes.

9 Q And that's the top line.

10 A Yes.

11 Q The colour is hard to see. You see some
12 fluctuations in that line; is that right?

13 A Yes.

14 Q And so if I look at the beginning of that line
15 there seems to be a fairly large fluctuation
16 between the dates marked January to June 2012
17 and then July to December 2012; is that right?

18 A Yes.

19 Q And that fluctuation is well before the sourced
20 cash conditions were introduced. Is that true?

21 A That's correct, yes.

22 Q Is it fair to say that the decline that you
23 point to after 2014 there could potentially be
24 some other explanations for that decrease in
25 revenue?

1 A That's correct, yes, there could be.

2 Q And some other explanations could be global
3 economic changes, or tightened restrictions on
4 capital leaving Canada -- or sorry, leaving
5 China. It seems that there are some normal
6 fluctuations in revenue that we've just seen in
7 that chart earlier?

8 A Yes.

9 Q And also that trends can be hard to track if
10 patrons gamble sporadically. Is that all
11 correct?

12 A That's true, yes.

13 Q If I could take you to page 10 of the exhibits
14 to your affidavit.

15 A Sorry, what was the title at the top?

16 Q The chart that I have at page 10 is "LCT Value
17 Comparison by Site"?

18 THE COMMISSIONER: Ms. Harmer, are you asking that
19 the pages you are referring to be put up on
20 screen for livestreaming?

21 MS. HARMER: Yes, that might be helpful if the
22 registrar could do so.

23 THE WITNESS: I have the chart in front of me,
24 but ...

25 THE COMMISSIONER: I'm just thinking in terms of

1 other participants.

2 THE WITNESS: Sure.

3 THE REGISTRAR: Sorry, is it page 10 you were looking
4 at?

5 MS. HARMER: Yes, Madam Registrar, it's page 10. And
6 the chart on that page says "LCT Value
7 Comparison by Site." Madam Registrar, I don't
8 know if it's possible to maybe turn that image.

9 THE REGISTRAR: Yes, I'm trying to turn it. I'm so
10 sorry. Just give me one second. I'm sorry.
11 I'm not able to rotate it apparently.

12 THE COMMISSIONER: All right. Well, I think we'll
13 have to make due as best we can.

14 MS. HARMER: Thank you, Madam Registrar. We'll do
15 the best we can.

16 Q Ms. Cuglietta, can you tell us just briefly what
17 LCT value on this chart is meant to represent?

18 A So that is the dollar value of large cash
19 transactions over \$10,000.

20 Q And again on this chart the green line at the
21 top represents the River Rock Casino; is that
22 right?

23 A Yes.

24 Q And again like the chart we just saw, that line
25 seems to fluctuate from time to time; is that

1 right?

2 A Yes.

3 Q And if we look on this chart at the July to
4 December 2015 time frame. That's about in the
5 middle of the chart.

6 A Yes.

7 Q That line actually goes up at that time?

8 A Yes.

9 Q So the value of large cash transactions goes up,
10 it looks like, between July and December 2015
11 according to your analysis?

12 A Yes, that's correct.

13 Q And then the line goes back down again after
14 that time?

15 A M'mm-hmm.

16 Q And if we can think back to the chart that we
17 looked at at page 15 of the exhibits that showed
18 revenue. I don't need to turn back there unless
19 you'd like to, but the chart on revenue at the
20 River Rock showed a decline throughout that time
21 period after 2015; is that right?

22 A I believe so. If that's what we looked at, if I
23 can quickly look at it again. The revenue, yes,
24 it did show a little decline, that's correct.

25 Q But the large cash transaction value at that

1 time actually showed an increase?

2 A Yes.

3 Q So there's some differences between the two
4 charts showing large cash transaction values and
5 revenues, they don't move together; is that
6 correct?

7 A For that time period, that's correct, yes.

8 MS. HARMER: Thank you, I have no further questions.

9 THE COMMISSIONER: Thank you, Ms. Harmer. I'll now
10 call on Ms. Bevan on behalf of Gateway who has
11 been allocated five minutes.

12 MR. BEVAN: Thank you, Mr. Commissioner.

13 **EXAMINATION BY MS. BEVAN:**

14 Q Ms. Cuglietta, would you please turn to page 8
15 of the exhibit to your affidavit.

16 Madam Registrar, if you could put up page 8.

17 This is the "PGF Accounts Opened/Re-Opened."

18 Thank you.

19 Ms. Cuglietta, this chart refers to in
20 number 1 it refers to in the three years prior
21 to the sourced cash conditions program being
22 implemented, a certain number of PGF accounts
23 were opened, and then it compares that to the
24 three years after cash conditions were first
25 implemented in 2015 to 2017. Do you see that?

1 A Yes.

2 Q Is it your understanding that PGF accounts were
3 first implemented on a widespread basis in
4 casinos in the year 2012?

5 A So, yes, there is a pilot, they were actually
6 launched in December of 2009 I believe at the
7 River Rock as a pilot project and then
8 eventually by April of 2012 is when they were
9 launched at the other Lower Mainland casinos.
10 The larger sites. That's correct.

11 Q The third paragraph underneath item 1 year says:
12 "Although some of this growth can be
13 attributed to regular casino growth, much
14 of it can be attested to the conditions
15 program and promoting this cash
16 alternative."

17 What information did you use to factor in
18 regular casino growth to draw this conclusion?

19 A Well, I mean, if we look at the number of
20 patrons that we have attending our casinos,
21 those amounts sort of increase gradually over
22 time and we also have more people that are
23 visiting the gambling properties. So it's just
24 a normal business growth that we were observing.

25 Q And what -- where is that information

1 documented? Do you recall what kind of source
2 you looked at? Just pulled it from your BCLC
3 databases, or do you recall where you got it
4 from?

5 A I don't think it was specifically anything
6 pulled from a database. It's just sort of a
7 trend that we can look at over time when we look
8 at all of our data sets, right, there's always
9 going to be an increase with the amount of large
10 cash transactions, with the amount of just
11 business that we're seeing across the board.

12 Q Okay. Can you turn to page 15. And this is the
13 revenue comparison by site slide.

14 A Yes, thank you.

15 Q Under item 2 you say:

16 "The overall increase of the remaining
17 4 sites ..."

18 So those are the major Lower Mainland casinos,
19 excluding River Rock.

20 " ... is attributed to marketing
21 initiatives focused on light to casual
22 players and not high limit players which
23 were primarily all at River Rock."

24 Is it correct that you were referring here to
25 the target market of these four sites generally

1 being focused on light to casual players and not
2 high limit players?

3 A Yes.

4 Q Is that right?

5 A Yes.

6 Q So in other words by "marketing initiatives"
7 you're are not referring here to new -- to a new
8 change identified in the latter years of 2017 to
9 2019. It was the -- it's just this general
10 target market of these properties?

11 A Yes. Yes, that's correct.

12 MS. BEVAN: Okay. Thank you. Those are my
13 questions, Mr. Commissioner.

14 THE COMMISSIONER: Thank you, Ms. Bevan. I'll now
15 call on Ms. Hughes on behalf of the province who
16 has been allocated ten minutes.

17 MS. HUGHES: Thank you, Mr. Commissioner.

18 **EXAMINATION BY MS. HUGHES:**

19 Q Ms. Cuglietta, can you hear me all right?

20 A Yes, I can, thank you.

21 Q Great, thank you. All right. So again I'll
22 also be focusing my questions in your affidavit,
23 and just one quick question before we get into
24 the exhibit. I understand that the analysis or
25 the graphs that you attach at exhibit A those

1 were prepared specifically for use in this
2 commission; is that right?

3 A That's correct, yes.

4 Q And you prepared those in or about October 2020?

5 A I think it was end of September, beginning of
6 October, that's correct, yes.

7 Q Thank you. And then, Madam Registrar, if you
8 could please pull up page 3 of exhibit A.

9 This is, Ms. Cuglietta, the graph titled
10 "Sourced Cash Condition Players Added Per Year."

11 A M'mm-hmm.

12 Q So at note 1 on the right-hand side -- and
13 before we go there, Ms. Cuglietta, I should ask,
14 are you the person who drafted the notes we see
15 to the right of these slides, or did you have
16 input from someone else?

17 A It was myself and my co-worker Brad Rudnicki.

18 Q Was there anyone else consulted or was you and
19 Brad are responsible -- sorry, Mr. Rudnicki are
20 responsible for the contents here?

21 A We drafted it together and then I think it was
22 reviewed by our managers at the end just to make
23 sure everything was correct.

24 Q And which managers reviewed it?

25 A Mr. Tottenham and Ms. Bamra.

1 Q Thank you. So at note 1 you say:

2 "From 2014 to 2015 the players that were
3 placed on sourced cash conditions
4 represent the highest volume players at
5 the time."

6 Do you see that?

7 A Yes.

8 Q And who or where did that information come from?

9 A Basically it was our manager Mr. Tottenham who
10 decided that those players with the highest
11 volume were also equalled to the highest risk, so
12 basically we just pulled the information from
13 the database to see which players numerically
14 fell into that category to see which ones had
15 the highest volume.

16 Q So you went back and pulled that data
17 specifically to create this chart, or you relied
18 on Mr. Tottenham telling you that?

19 A No, we pulled -- well, no, this chart just shows
20 who was put on sourced cash conditions. In
21 order to determine who would be placed on those
22 conditions we pulled that information from our
23 database based on dollar value.

24 Q So, sorry, just to be clear, the data was pulled
25 back at the time they were put on the

1 conditions? You didn't revisit that data to
2 create this chart. You relied on Mr. Tottenham?

3 A No, no, no. No, this chart was created
4 historically looking back to the patrons that we
5 had placed on conditions at the time, yes.

6 Q Okay. And so is it fair, then, based on the
7 answer you gave me earlier when you say here
8 "represent the highest volume players," it
9 actually would have been the highest risk
10 players; is that fair?

11 A Usually we equate volume with risk, yes, that's
12 correct.

13 Q Okay. If I could ask you now, please, and Madam
14 Registrar, to turn to the next page of the
15 exhibit, that's page 4. And it should be a
16 slide titled "LCT Count and Value, Casino and
17 Table Revenue." Thank you. And so just to
18 orient the information on this page,
19 Ms. Cuglietta, here we're dealing with LCTs or
20 large cash transactions; is that right?

21 A Yes.

22 Q And that's a prescriptive or a mandatory
23 reporting requirement for all buy-ins of \$10,000
24 or more; is that right?

25 A Correct.

1 Q And on this graph we see a black line with dots
2 on it at the bottom it's titled "LCT Value"?

3 A Yes.

4 Q And does that represent the average value of
5 LCTs?

6 A Not -- no, it wouldn't be the average value. It
7 would be the actual value. Total value.

8 Q Perhaps you can explain then.

9 A Total value. The dollar value.

10 Q The dollar value.

11 A Yes.

12 Q Okay. And how does that correlate to the time
13 frame shown into each of those bars? You've got
14 sort of -- take for example at point 1 it's
15 January to June 2014, and we see the dot, I
16 guess, in the middle of that bar. Just if you
17 could explain for Mr. Commissioner how that
18 total value, is that the total value at a
19 particular day or during that six-month period?

20 A It's the total value of the six-month period.

21 Q Okay. Now, on the right-hand side of this slide
22 we see under note 1:

23 "November 2014 introduction of Sourced
24 Cash Conditions on VIPs and the
25 implementation of the Sourced Cash

1 Conditions ... in April 2015 had a
2 noticeable impact on the count of high
3 value LCTs resulting in a decline of
4 overall LCT value."

5 Do you see that?

6 A Yes.

7 Q And that's a comment that you and Mr. Rudnicki
8 drafted?

9 A Yes.

10 Q And where did you get the information about
11 sourced cash conditions having been imposed on
12 VIPs in November of 2014?

13 A Well, it's just knowledge within our department,
14 within our unit. Don't know where --

15 Q So you didn't actually go back and --

16 A Sorry, finish your question.

17 Q So you didn't go back and look at specific data
18 to put that comment in, that was drawn on your
19 general knowledge?

20 A Yes, it's knowledge that's in our files, yes, as
21 to when these programs were implemented.
22 Correct.

23 Q And now, just a small point here, but I notice
24 that you have note 1 in the January to June 2014
25 band. Do you see that?

1 A Yes.

2 Q And if those conditions were implemented in
3 November, should that number 1 not be moved over
4 one band to the July to December 2014 time
5 frame?

6 A Yes, it could. Yes, it should be moved.

7 Q It should?

8 A Yes.

9 Q And do you know how many people were put on
10 sourced cash conditions in November of 2014?

11 A I believe the other chart showed that. I
12 believe we started around the 42 mark, if I
13 remember the other chart, roughly.

14 Q So when you mentioned "the other chart" you're
15 referring back to --

16 A The one we just looked at, yes, the one with
17 the --

18 Q Page 3?

19 A Yes. I think it was 42 in the year of 2014.

20 Q Well, perhaps you ought to turn back to that
21 Madam Registrar, please. Page 3 shows there is
22 actually only one person put on sourced cash
23 conditions in 2014. Do you see that?

24 A Oh, I see. Okay. Yeah, I was thinking of 2015.
25 Yes, you're correct. It was just one.

1 Q Okay. Now, looking at point 2 on the right-hand
2 side.

3 And Madam Registrar, I'm back on page 4 now.

4 You note here:

5 "56 players were conditioned due to
6 information from police."

7 Do you see that?

8 A Yes.

9 Q And you have number 2 in the January to
10 June 2015 band. Is that meant to indicate that
11 this happened, the 56 players being conditioned
12 sometime between January and June 2015?

13 A Yes.

14 Q And what steps did you take to confirm the
15 accuracy of that?

16 A The accuracy of when those players were
17 conditioned? Again, we have that information in
18 our files. In our databases and --

19 Q Did you go back and review that information
20 before putting that comment in this document?

21 A Yes.

22 Q Do you know how many players were put on sourced
23 cash conditions between January and June of
24 2015?

25 A Not off the top of my head, no. I'd have to

1 look at it.

2 Q And if we look at page 3 in fact it just gives
3 you the number for the whole year of 2015; isn't
4 that right?

5 A Yes.

6 Q Okay. Now, the Commissioner has heard evidence
7 from other witnesses that in fact the 56 players
8 that were conditioned due to information from
9 police, that information wasn't received by BCLC
10 until some point in July or September of 2015.
11 So would you agree with me, then, that to the
12 extent that other representatives of BCLC who
13 were more directly involved with this issue may
14 have given different evidence, you would defer
15 to their evidence on that point?

16 A Yes.

17 Q And I take it, Ms. Cuglietta, you can't tell me
18 how many players were in fact put on sourced
19 cash conditions between January and June of
20 2015?

21 A Not off the top of my head, no. No.

22 Q Okay. And again you would defer to evidence
23 from other BCLC representatives who were more
24 directly involved as to the exact number in that
25 regard as well, would you?

1 A Yes.

2 Q And so looking at this graph as a whole, we see
3 when we look at and understand this -- the blue
4 bars here deal with the number of LCTs that are
5 being filed; is that right?

6 A Yes.

7 Q Okay. And so what we see with the black line we
8 talked about earlier is a decline in the overall
9 value of the LCTs. That means a decline in the
10 dollar value, the cash amount; is that right?

11 A That's correct.

12 Q But when we look at this graph looking at the
13 blue bars what we see is that the number of LCTs
14 that were being filed continued to increase
15 until the January to June 2018 time frame; is
16 that right?

17 A Yes. The blue bars, the dark blue bars it's
18 the -- because they were put into buckets,
19 right, so that dollar value for those LCT the
20 range was 10,000 to \$20,000 range. So that --

21 Q That's right. And so maybe I'll break up --

22 A -- range continued to increase and then there
23 was a sudden decrease, that's correct, in that
24 bucket. In that range.

25 Q Well, in all the -- sorry, let's break that

1 down. You see an increase in the total number
2 of LCTs, so all four different colours of
3 blue --

4 A Yes.

5 Q -- until January of 2018; is that right?

6 A That's correct, yes.

7 Q And what we also -- okay, and what we also see
8 is an increase in the number of LCTs in the 10-
9 to \$20,000 bucket; is that right?

10 A Yes.

11 Q And at the same time we see a decrease in the
12 lighter blue 20- to \$100,000 LCT buckets; is
13 that right?

14 A Yes.

15 Q Okay. And of course as you note in note 4,
16 January 2018 was when the source of funds
17 requirement became mandatory for all cash
18 buy-ins of \$10,000 or more; is that right?

19 A That's correct, yes.

20 Q And now, at point 5, you note that:

21 "Table revenue remains stable over time
22 since players generally migrated to using
23 PGF accounts."

24 Do you see that?

25 A Yes.

1 Q And what is your rationale for the opinion that
2 players migrated, players who had been using
3 cash and generating LCTs for their buy-ins
4 migrated to PGF accounts?

5 A Well, there's a few factors involved. One is
6 that there was an increase in the number of PGF
7 accounts being utilized and being opened in that
8 time period, and when a patron is placed on
9 sourced cash conditions it was recommended to
10 them in order to be able to game at the same
11 level that they were doing so to be utilizing a
12 PGF account. So it makes sense that if large
13 cash transactions declined, that meant that
14 those transactions that were previously being
15 brought to the casino as cash were now being
16 brought to the casino through a PGF transaction.

17 Q That's an assumption you've made, isn't it?

18 A Well, it's an observable fact based on the data.

19 Q And do you have data showing -- and I don't see
20 it in this document, but correct me if I'm
21 wrong. This document shows the number of PGF
22 accounts open, but it doesn't show the amount
23 deposited into those PGF accounts, does it?

24 A Not in that chart, no, it doesn't. But we do
25 have other -- sorry, go ahead.

1 Q No, finish your answer, please.

2 A No, I was going to say we were tracking PGF
3 deposits on a monthly basis so we could see that
4 the there was -- we do have that information on
5 PGF deposits; it's just not displayed in this
6 affidavit or contained in this affidavit.

7 Q Okay. You'll agree with me, though, that of
8 course another explanation for this could be
9 that patrons are still buying in with cash.
10 They're just doing it under the \$10,000 LCT
11 threshold; isn't that right?

12 A That is another explanation, yes.

13 Q Yes. And indeed, Madam Registrar, if you could
14 please put up BCLC0004272.

15 Ms. Cuglietta, I'll give you a moment for
16 Madam Registrar to scroll through the first
17 page of the document. This is an STR trend
18 analysis that you prepared in July 2018?

19 A Yes.

20 Q You recognize this document?

21 A Yes.

22 MS. HUGHES: And now, Mr. Commissioner, I provided
23 late notice of this document to commission
24 counsel and to counsel for BCLC. I understand
25 that neither of them object to my asking

1 banking and other personal information."

2 You see that?

3 A Yes.

4 Q And that's the same explanation I think you just
5 agreed with me could apply to the decrease in
6 LCTs set out in the exhibit A to your affidavit;
7 right?

8 A Yes, that's correct.

9 Q And you go on in the 2018 document to say:

10 "These transactions give the appearance of
11 'structuring,' a money laundering
12 typology, but this behaviour appears to be
13 driven largely by privacy and convenience
14 concerns rather than money laundering."

15 Do you see that?

16 A Yes.

17 Q And so what was your basis for saying that this
18 behaviour appears to be driven largely by
19 privacy and convenience concerns? Were there
20 patron interviews conducted or anything of that
21 ilk?

22 A No, but most of the patrons conducting these
23 transactions are known to us, so we already have
24 their personal information on file as required
25 by the FINTRAC regulations. So to me it would

1 mean if someone was attempting to be using the
2 casino to money launder or to do the structuring
3 phase it would be an unknown patron to us.
4 There would be more patrons that are not known
5 to us that are attempting these transactions.
6 But if the majority of them are known patrons to
7 us then that's why we can make this assumption
8 or came to this conclusion.

9 Q So the privacy concerns wouldn't be a problem
10 for patrons who are known to you because you
11 already have their information on file; is that
12 right?

13 A Exactly. Right.

14 Q Okay. So that concern actually wouldn't apply
15 to known patrons. It could only potentially
16 apply to unknown patrons; is that right?

17 A Correct, yes.

18 Q And, you know, in the absence of actually
19 interviewing the patrons about that, that's an
20 assumption that you've made in this document; is
21 that right?

22 A Yes.

23 MR. BEVAN: If I could ask please, Madam Registrar,
24 for the affidavit to be brought back up. I'd
25 like now to please go to page 8 just briefly.

1 Q This is a slide titled "PGF Accounts
2 Opened/Re-Opened." And now, I take it on this
3 page, Ms. Cuglietta, we don't have any
4 information about the number of PGF accounts
5 that were closed during these time frames, do
6 we?

7 A No.

8 Q And there's no information about the level of
9 activity in the PGF accounts that were opened
10 during this time frame?

11 A No.

12 Q And we don't know how much money or the volume
13 of funds in the accounts?

14 A Not on this chart, no.

15 Q And in note 2, you say:

16 "Since the sourced cash conditions program
17 were implemented 1,925 PGF accounts have
18 been utilized by players."

19 Do you see that?

20 A Yes.

21 Q And by "utilized" that means at least one
22 transaction?

23 A I believe so, yes.

24 Q But there's no information provided here on the
25 frequency of use of these accounts by patrons,

1 is there?

2 A Not on this -- no, not on this chart, no. It's
3 just basically the opening of an account.

4 Q Right. And there's no indication about whether
5 players who have PGF accounts were also still
6 buying in with cash; is that right?

7 A That's is not demonstrated on this chart, no.
8 You're correct.

9 Q And if they bought in with cash under the
10 \$10,000 threshold, that would not trigger the
11 obligation to file an LTC, would it?

12 A That's correct.

13 MR. BEVAN: Madam Registrar, if we could please turn
14 to page 12.

15 Q And here we're dealing with a slide titled "CDR
16 Value Comparison By Site."

17 A Yes.

18 Q Ms. Cuglietta, if you could please tell
19 Mr. Commissioner what CDR stands for?

20 A Casino disbursement report.

21 Q And the reporting requirement for a casino
22 disbursement report is the same as an LCT, isn't
23 it, it's triggered at \$10,000 or higher?

24 A That's correct, yes.

25 Q And in this document in the middle of the

1 comments to the right, you say:

2 "CDRs are related to LCTs, less LCTs
3 translates into fewer CDRs."

4 You see that?

5 A Yes.

6 Q And that comment, I think it's fair to say, is
7 predicated on the assumption that a patron
8 cashes out above the \$10,000 LCT threshold; is
9 that right?

10 A That they cash out, yes. That's correct.

11 Q Then if we could turn then to page 15 of the
12 document. And my friend counsel for Great
13 Canadian already took you to this slide, and
14 again here we see that in the first note the
15 opinion is given, frankly, that the decline of
16 revenue at River Rock was directly related to
17 the sourced cash conditions program. Do you see
18 that?

19 A Yes.

20 Q And I believe you agreed with my friend that
21 there are other factors that could also have
22 contributed to that decline in addition to a
23 decline in LCT values; isn't that right?

24 A That's correct, yes.

25 Q And I don't need to go there I don't think,

1 Madam Registrar, but indeed in your 2016 --
2 sorry, 2018 STR analysis, you noted that
3 delimiting of convenience cheques and
4 international electronic fund transfers, the
5 ability to use international electronic funds
6 transfers had an effect on STRs; isn't that
7 right?

8 A I believe so, yes, if that's what it says in
9 there, yes.

10 Q And I think speaking just based on your general
11 knowledge, and I'm happy to take to you the
12 document if we need to, but you would agree that
13 the same, i.e. delimiting convenience cheques or
14 the availability of international EFTs could
15 also have an effect in terms of a decrease in
16 LCTs; correct?

17 A Delimiting of the convenience cheques. Well, a
18 convenience cheque actually has nothing to do
19 with an LCT. A convenience cheque is provided
20 when a patron is cashing out or a CDR would be
21 attributed to that. Not an LCT.

22 Q Sorry. That's right. But an international
23 electronics funds transfer, that would impact on
24 LCTs?

25 A Yes, potentially.

1 MS. HUGHES: Yes. Okay. All right. Thank you,
2 Ms. Cuglietta, I have no further questions for
3 this witness.

4 THE COMMISSIONER: Thank you, Ms. Hughes. I'll now
5 call on Ms. Ramsay.

6 MR. McCLEERY: I apologize for the interruption. I
7 wonder if we might want to mark that document
8 Ms. Hughes put to the witness as an exhibit,
9 barring any objection from Ms. Hughes.

10 MS. HUGHES: No objection. Thank you, Mr. McCleery.

11 THE COMMISSIONER: All right. We'll mark that as the
12 next exhibit. Thank you.

13 THE REGISTRAR: Exhibit 483, Mr. Commissioner.

14 **EXHIBIT 483: A report to John Karlovcec, re STR**
15 **Trend Analysis, prepared by Cathy Cuglietta -**
16 **July 18, 2018**

17 THE COMMISSIONER: Thank you. All right. Ms. Ramsay
18 on behalf of British Columbia Lottery
19 Corporation who has been allocated ten minutes.

20 MS. RAMSAY: Thank you, Mr. Commissioner. I have no
21 questions for Ms. Cuglietta.

22 THE COMMISSIONER: Thank you, Ms. Ramsay. Anything
23 arising from Ms. Hughes' examination, Ms. Bevan?

24 MS. BEVAN: No, thank you, Mr. Commissioner.

25 THE COMMISSIONER: Ms. Harmer, anything arising?

1 MS. HARMER: No, thank you.

2 THE COMMISSIONER: And, Mr. McCleery, anything
3 arising?

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

5 THE COMMISSIONER: All right. Thank you. Thank you,
6 Ms. Cuglietta, we appreciate your time and
7 experience in providing us with this evidence in
8 your affidavit. You are now excused from
9 further testimony. Thank you.

10 THE WITNESS: Thank you.

11 **(WITNESS EXCUSED)**

12 THE COMMISSIONER: Mr. McCleery, I think we need to
13 stand down briefly to bring the next witness
14 into the meeting; is that correct?

15 MR. McCLEERY: I believe that's correct, yes.

16 THE COMMISSIONER: Or rather into the hearing. Thank
17 you.

18 THE REGISTRAR: Mr. Commissioner, do you want to
19 stand down for ten minutes?

20 THE COMMISSIONER: All right. We'll stand down for
21 ten minutes. Thank you.

22 THE REGISTRAR: This hearing is adjourned until
23 11:58 a.m. Thank you.

24 **(PROCEEDINGS ADJOURNED AT 11:48 A.M.)**

25 **(PROCEEDINGS RECONVENED AT 11:58 A.M.)**

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

3 THE COMMISSIONER: Thank you, Madam Registrar. Yes,
4 Mr. McCleery.

5 MR. McCLEERY: Thank you, Mr. Commissioner. The next
6 witness for today is Mr. Kevin deBruyckere, and
7 I understand that he will be sworn.

8 **KEVIN deBRUYCKERE, a**
9 **witness called for the**
10 **commission, sworn.**

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

13 THE WITNESS: Kevin deBruyckere. K-e-v-i-n,
14 deBruyckere, d-e-B-r-u-y-c-k-e-r-e.

15 THE COMMISSIONER: Yes, Mr. McCleery.

16 **EXAMINATION BY MR. McCLEERY:**

17 Q Good morning, Mr. deBruyckere. Can you hear and
18 see me clearly?

19 A Yes.

20 Q And you are employed as the director, Anti-Money
21 Laundering and Investigations with the British
22 Columbia Lottery Corporation; is that correct?

23 A Yes.

24 MR. McCLEERY: Madam Registrar, can we see
25 Mr. deBruyckere's October 23rd affidavit, his

1 affidavit number 2. Thank you very much.

2 Q Mr. deBruyckere, can you see the affidavit on
3 the screen before you?

4 A Yes.

5 Q And this is an affidavit that you swore
6 October 23rd, 2020 for the purpose of providing
7 evidence to this commission of inquiry; is that
8 correct?

9 A That's correct.

10 Q And topics covered by this affidavit include
11 BCLC's current anti-money laundering practices
12 and the results of reviews of BCLC's AML program
13 in the past?

14 A Yes.

15 MR. McCLEERY: Mr. Commissioner, I ask this be marked
16 as the next exhibit.

17 THE COMMISSIONER: Very well.

18 THE REGISTRAR: Exhibit 484, Mr. Commissioner.

19 **EXHIBIT 484: Affidavit no. 2 of Kevin**

20 **deBruyckere sworn October 23, 2020**

21 THE COMMISSIONER: Thank you.

22 MR. McCLEERY: And, Madam Registrar, can we please
23 take this one down and have Mr. deBruyckere's
24 January 19, 2021 affidavit.

25 Q And, Mr. deBruyckere, this is another affidavit

1 that you swore this one on January 19th, 2021,
2 again for the purpose of providing evidence to
3 this commission of inquiry; is that correct?

4 A Yes.

5 Q And this provides some additional detail about
6 BCLC's anti-money laundering program?

7 A Correct.

8 MR. McCLEERY: And, Mr. Commissioner, I'll ask this
9 be marked as the next exhibit.

10 THE COMMISSIONER: 485.

11 THE REGISTRAR: Exhibit 485, Mr. Commissioner.

12 **EXHIBIT 485: Affidavit no. 3 of Kevin**
13 **deBruyckere sworn January 19, 2021**

14 THE COMMISSIONER: Thank you.

15 MR. McCLEERY: Mr. Commissioner, as indicated before,
16 commission counsel is content to rely on
17 Mr. deBruyckere's affidavits. Mr. deBruyckere
18 has been asked to attend to answer the questions
19 of participants, so I have no further questions
20 for Mr. deBruyckere.

21 THE COMMISSIONER: All right. Thank you,
22 Mr. McCleery. I'll call on Ms. Friesen on
23 behalf of the province who has been allocated
24 15 minutes.

25 MS. FRIESEN: Thank you, Mr. Commissioner.

1 **EXAMINATION BY MS. FRIESEN:**

2 Q Mr. deBruyckere, can you hear me all right?

3 A Yes.

4 Q Thank you. Mr. deBruyckere, I'm referring to
5 your second affidavit which is now exhibit 484.
6 You provide a very broad overview of the history
7 of BCLC's AML program in paragraph 9 of that
8 affidavit; correct?

9 A Yes.

10 Q And you state at the beginning of that
11 paragraph, that's paragraph 9, to the extent
12 that you refer to historical developments and
13 dates that precede your time at BCLC, they're
14 based upon your review of BCLC's records and/or
15 discussions of other members of the AML unit who
16 were involved with the implementation of
17 those -- these components?

18 A Yes, that's correct.

19 Q And with respect to the specific details of the
20 AML program and its functioning and the
21 implementation that are not included in your
22 affidavit and predate your time, I take it that
23 you would defer to the evidence of individuals
24 who are directly involved in the program and its
25 implementation and functioning?

1 A Yes.

2 Q Now, appended to your affidavit number 2 are a
3 number of audit reports, memos and reviews
4 conducted by third parties as well as GPEB and
5 as you acknowledge in your affidavit it's not
6 meant to a comprehensive or a complete
7 collection of audits or reviews relating to the
8 AML program at BCLC; is that right?

9 A Yes, that's correct.

10 Q And in particular with respect to the GPEB
11 audits and memos, the six reports and memos that
12 are included in your affidavit, that's only a
13 selection of GPEB audits and reviews conducted
14 over the years?

15 A That's my understanding.

16 Q Is that fair?

17 A Yes.

18 Q Thank you. And I want to just -- I have a
19 question for you, a few questions for you
20 regarding your affidavit number 3, which is now
21 exhibit 485 in these proceedings. At
22 paragraph 16(b) ...

23 A Yes.

24 Q If you like, you can have that hard copy in
25 front of you.

1 MR. STEPHENS: Yes, Ms. Friesen, he's just flipping
2 it up. We've got a copy for him here.

3 THE WITNESS: Yes, I'm there.

4 MS. FRIESEN:

5 Q In paragraph 16(b) you reference BCLC's practice
6 of marking cheques as verified win or return of
7 funds, not gaming winnings, and you state:

8 "The representatives of the banks are
9 aware of BCLC's practice in respect of
10 convenience cheques."

11 Did I read that correctly?

12 A That's right.

13 Q And then you attach as exhibit 3 a Project
14 Athena presentation deck that discusses BCLC's
15 practice with respect to the cheques. Am I
16 right?

17 A Correct.

18 Q And I'm wondering are the representatives from
19 the banks who attend Project Athena meetings the
20 banks' compliance leads or more senior members
21 of the bank?

22 A In some respects they are. Others are more the
23 working level, more of a mixture.

24 Q So there's been a variety of people who have
25 attended the Project Athena meeting in your

1 experience?

2 A Correct, yes.

3 Q And is it fair to say that to some degree the
4 extent to which bank stuff such as bank tellers
5 and other members of the bank staff would be
6 aware of BCLC's practice with respect to
7 convenience cheques to some extent that would
8 depend on bank's internal communications and
9 training?

10 A And the specific individuals within the bank.
11 That's correct. And their roles in the bank,
12 yeah.

13 MS. FRIESEN: Thank you. And so, Mr. Commissioner,
14 subject to anything arising out of the questions
15 from my friends those are my questions for this
16 witness.

17 THE COMMISSIONER: Thank you, Ms. Friesen. I'll now
18 call on Ms. Harmer on behalf of Great Canadian
19 Gaming Corporation who has been allocated
20 ten minutes.

21 MS. HARMER: Thank you, Mr. Commissioner.

22 **EXAMINATION BY MS. HARMER:**

23 Q Mr. deBruyckere, can you hear me okay?

24 A Yes, I can.

25 Q Thank you. I just have a couple of questions

1 about the second affidavit that you swore in
2 these proceedings and that has been marked as
3 exhibit 484. I see that you appear to have that
4 in front you.

5 A Yes, I do.

6 Q Can I ask you to turn in the body of the
7 affidavit to paragraph 9(o) which is at page 7
8 using the numbers at the top centre.

9 A Paragraph 90?

10 Q Paragraph 9(o) of that paragraph.

11 A Top of page 7. Okay. Yes.

12 Q So in that paragraph of your affidavit you talk
13 about patron gaming funds; is that right?

14 A Yes.

15 Q And you characterize patron gaming funds which
16 started in 2012 as supporting BCLC's cash
17 alternative program to reduce the proceeds of
18 crime being used in BCLC casinos and community
19 gaming centres. Do you see that?

20 A Yes.

21 Q Are you aware of any conclusions by BCLC back in
22 2012 that there were proceeds of crime being
23 used in casinos?

24 A Am I aware of -- can you repeat that one more
25 time, sorry.

1 Q Yeah, of course. Are you aware of any
2 conclusions made by BCLC in 2012 that there were
3 proceeds of crime being used in casinos?

4 A No.

5 Q And you joined BCLC in 2019 --

6 A Correct.

7 Q -- so you would haven't have firsthand knowledge
8 about what BCLC's views were in 2012 about
9 proceeds of crime being used in casinos?

10 A Right. Correct.

11 MS. HARMER: Thank you. I have no further questions,
12 Mr. Commissioner.

13 THE COMMISSIONER: Thank you. Ms. Harmer. Ms. Bevan
14 on behalf of Gateway Casinos & Entertainment
15 Ltd. has been allocated five minutes.

16 MS. BEVAN: Thank you, Mr. Commissioner.

17 **EXAMINATION BY MS. BEVAN:**

18 Q Mr. deBruyckere, my name is it Laura Bevan. I'm
19 going to ask you a few question on behalf of
20 Gateway Casinos. May I ask you to turn up in
21 the same affidavit number 2 that Ms. Harmer was
22 referring you to paragraph 9(a) on page 3.

23 A Yes.

24 Q At this paragraph you outline a process known as
25 the source of funds interview process that began

1 in September of 2015. You refer here in the
2 middle of the paragraph to information recorded
3 by service provider staff and scanned into
4 iTrak, thereby generating an AML alert. So
5 there you're referring to the information that
6 service providers are reporting to BCLC that
7 would trigger a need for BCLC to conduct an
8 interview; is that correct?

9 A That's correct.

10 Q Is it your understanding that service provider
11 staff do not participate in the interview that
12 is ultimately conducted by BCLC if they
13 determine one is necessary?

14 A That's correct.

15 Q And any action taken by BCLC arising out of that
16 interview is then reported back to the service
17 provider if BCLC determines that it's
18 appropriate to do so?

19 A Yes.

20 Q Thank you. I'm going to now ask you to turn up
21 your affidavit number 3 if I may.
22 Paragraph 16(c) on page 5 of the body of the
23 affidavit.

24 A Yes.

25 Q In this paragraph you are referring to some new

1 high risk patron enhanced due diligence
2 processes; correct?

3 A That's correct.

4 Q And you refer to automated monthly reports
5 generated as a result of these processes. Are
6 these automated reports delivered to BCLC's AML
7 unit?

8 A They are, yes.

9 Q Is it correct that service providers do not
10 receive these automated reports?

11 A That is correct.

12 Q And are you aware whether or not land-based
13 gaming service providers have access to the
14 OpenBet software that you refer to in
15 paragraph C(iv) on page 5?

16 A They would not.

17 Q I'm going to ask you to turn to paragraph 17 on
18 the next page, page 6.

19 A Yes.

20 Q Paragraph 17 refers to 5 components of the AML
21 program and (b) through (e) are certain reports
22 that are produced to BCLC; is that right?

23 A That's correct.

24 Q And these reports are generated by information
25 that's provided from service providers to BCLC?

1 A That's correct.

2 Q Is it your view that these measures are
3 effective because of the reporting that service
4 providers provide to BCLC for these purposes?

5 A Yes.

6 Q Can you turn to paragraph 24 on page 7.

7 A Yes.

8 Q In paragraph 24 in the middle of the
9 paragraph you're talking about recommendations,
10 but you say:

11 "The recommendations do not recognize that
12 BCLC's intelligence analysts enhance the
13 quality of suspicious transaction reports
14 initiated by the unusual financial
15 transaction alerts submitted by service
16 provider staff."

17 Are you referring to enhancing the quality of
18 suspicious transaction reports because BCLC has
19 visibility across all gaming sites for all
20 service providers where a service provider see
21 only their own sites?

22 A That's correct.

23 Q And you would potentially include the Own
24 Bet (sic) gaming software in that category of
25 things that BCLC has visibility into?

1 A That's correct, yes.

2 MS. BEVAN: Thank you, Mr. Commissioner. Those are
3 my questions.

4 THE COMMISSIONER: Thank you, Ms. Bevan. I will now
5 call on Mr. McFee on behalf of Mr. Lightbody who
6 has been allocated ten minutes.

7 MR. McFEE: Thank you.

8 **EXAMINATION BY MR. McFEE:**

9 Q Mr. deBruyckere, can you hear me all right?

10 A Yes.

11 Q Thank you. In your affidavit number 2 that's
12 been marked as exhibit 484 you provide the
13 commission with your occupational background,
14 and I see that you had 28 years of service with
15 the RCMP?

16 A Probably closer to 29 but over 28, yes, that's
17 correct.

18 Q And you indicate that for a period of time you
19 were with the commercial crime sections?

20 A Yes.

21 Q And for what period of time was that,
22 approximately?

23 A At various times throughout my career amounting
24 to 12 years, over ten years at various points in
25 time, yes.

1 Q And turning that 12-year period of time when you
2 were with commercial crime were you exposed to
3 and involved in proceeds of crime and money
4 laundering investigations?

5 A Yes.

6 Q And to what extent was your time with commercial
7 crime involved with proceeds of crime and money
8 laundering investigations?

9 A Just to clarify, those investigations would not
10 be specific to proceeds of crime. They would be
11 proceeds of crime components as part of
12 commercial crime investigations of predicate
13 offences.

14 Q And so did you would you say as part of -- would
15 you actually be looking into suspected money
16 laundering and the use of proceeds of crime by
17 criminal organizations?

18 A Use or possession of proceeds of crime, that's
19 correct.

20 Q And we see in your affidavit that after leaving
21 the RCMP you became the Canadian head of AML
22 investigations for HSBC Bank Canada?

23 A Yes.

24 Q And that was for a four-year period from
25 May 2015 until April 2019?

1 A Yes.

2 Q And you then left and joined BCLC?

3 A Yes.

4 Q Now, before you left HSBC bank to join BCLC, did
5 you undertake some due diligence and make some
6 inquiries respecting the AML programs and
7 measures that BCLC had in place at that point in
8 time?

9 A I met with Mr. Kroeker to make some inquiries
10 and I knew Mr. Desmarais through our law
11 enforcement careers and having known them I was
12 confident in pursuing -- knowing Mr. Desmarais
13 more so than Mr. Kroeker in pursuing that
14 opportunity which ultimately led to my offer to
15 join BCLC.

16 Q And when you joined BCLC, drawing on your
17 experience as a former RCMP officer and the
18 former at that point Canadian head of AML
19 investigation for a major chartered bank what
20 was your evaluation of the AML measures that
21 BCLC had in place at that time?

22 A My first impression was impressive. I was
23 quite -- my view was they were good AML controls
24 that were in fact in place as part of a really
25 strong control framework based on my

1 observations at that time and I've come to learn
2 more about over my time with BCLC so far.

3 Q And when you joined BCLC as its director of AML
4 investigations, what did you learn, if anything,
5 about the importance of AML programs within
6 BCLC's corporate structure?

7 A It was in terms of the corporate structure and
8 the executive structure, it was very much at the
9 forefront of discussions and meetings and
10 support throughout the organization.

11 Q And from the time you've joined BCLC in April of
12 2019 to the present, have BCLC senior executive
13 team been supportive of advancing and enhancing
14 AML measures?

15 A Absolutely.

16 Q And in your time at BCLC have you ever been
17 directed to limit the scope of your inquiries
18 into enhancement of AML programs or measures?

19 A No.

20 Q Your time at BCLC, has the senior executive ever
21 directed you not to pursue a potential AML
22 measure because it may negatively impact on
23 revenue?

24 A No.

25 Q Has negative impact on revenue ever entered

1 into the equation when you have been considering
2 implementing an AML measure?

3 A No.

4 Q In your affidavit, and I don't need to take you
5 to it but at paragraph 12, this is affidavit
6 number 2 so exhibit 484, you state that BCLC is
7 implementing a scalable AML software solution
8 that's going to happen early to mid-2021. Do
9 you remember that evidence?

10 A Yes.

11 Q Now, given your considerable experience as an
12 RCMP officer with exposure to commercial crime
13 and then your subsequent experiences, the
14 Canadian head of AML investigation with an
15 international bank, what's your view with
16 respect to the need for an organization such as
17 BCLC to have access to and utilize software with
18 analytical capabilities as a component of an AML
19 regime?

20 A It speaks to the ongoing risk assessment that's
21 undertaken by reporting entities, including
22 BCLC, in seeking to continually improve and
23 enhance the program, leveraging technology that
24 is available to further enhance that program.
25 So that's exactly where that is taking us,

1 allowing for BCLC to have that view of the
2 player across our business to better monitor
3 their play and their transactions and their
4 activity and ensure high quality reporting to
5 our regulators and to law enforcement.

6 Q Would you characterize an organization like
7 BCLC's need to have state of the art and up to
8 date analytical software as being a critical
9 component of an AML regime?

10 A Yes.

11 MR. McFEE: Those are my questions for you. Thank
12 you.

13 THE COMMISSIONER: Thank you, Mr. McFee.

14 Ms. Mainville on behalf of Mr. Kroeker, who has
15 been allocated five minutes.

16 **EXAMINATION BY MS. MAINVILLE:**

17 Q Thank you. Good morning. Mr. deBruyckere, do I
18 understand then that Mr. Kroeker ultimately is
19 the one who hired you in 2019 as director of AML
20 and investigations?

21 A Yes.

22 Q And do you recall whether he wanted you to take
23 the lead on all interactions and the
24 relationship with GPEB?

25 A Yes, that was my understanding of one of my

1 responsibilities upon joining BCLC.

2 Q Do you recall more specifically whether he was
3 keen on having you try to improve the
4 relationship with GPEB?

5 A That would be fair. Yes.

6 Q And do you have any recollection of whether his
7 intention was to take a step back from that and
8 allow you to improve the relationship?

9 A Yes.

10 Q Can you tell me, and I know you only worked with
11 Mr. Kroeker for a handful of months before his
12 departure, but based on your observations of him
13 in his role as VP compliance and legal at the
14 time, can you tell me a bit about your
15 observations of how he performed his role.

16 A So Mr. Kroeker in my interactions, very
17 supportive of myself personally and of the
18 program in general. He was seen I came to learn
19 very much a leader in AML compliance in the
20 gaming sector across the country, as I came to
21 learn from our counterparts. And extremely
22 knowledgeable of the controls that, you know,
23 are effective in fulfilling our obligations.

24 Q And did you deem him professional in the way
25 that he worked?

1 A Yes.

2 Q Would you say he was fair and balanced?

3 A Yes.

4 Q And did you have the opportunity to see him
5 interacting at all with anyone from GPEB?

6 A Right now nothing comes to mind in terms of a
7 recollection of a particular interaction or
8 meeting.

9 Q And in terms of any -- well, did you have the
10 opportunity to assess whether he had any views
11 on GPEB or how he expressed those views?

12 A Can you repeat that one more time. I just want
13 to make sure.

14 Q Sure. Well, let me put in this way: did you
15 perceive Mr. Kroeker to be respectful of GPEB or
16 of its authority?

17 A Yes.

18 Q Did you sense animosity or anything like that
19 towards GPEB on his part?

20 A No. There was frustration I think with the
21 implementation of certain recommendations but
22 animosity, no.

23 Q And Mr. McFee asked you about just now your
24 impression of BCLC's AML controls upon arriving.
25 Were you -- did that correspond to your

1 expectations upon arriving in terms of what you
2 expected to see on the AML front in BCLC in
3 2019?

4 A My recollection at the time is coming in and
5 having my expectations exceeded.

6 Q Were your expectations informed at all by the
7 media going into BCLC?

8 A I would say yes.

9 Q And did your observations -- were they aligned
10 with what you had understood from the media
11 reporting?

12 A No.

13 Q They were disaligned?

14 A Very much so.

15 Q And I just want to ask you about one additional.
16 You've been taken to your affidavit number 2 and
17 some of the AML programs that BCLC has
18 implemented over the years. And I know there
19 are a few that date to Mr. Kroeker's tenure at
20 BCLC. Can you just tell me about at paragraph H
21 you reference the reasonable measures process
22 implemented in June 2017. Could you just tell
23 me a bit more about that program.

24 A So yeah, so reasonable measures is a requirement
25 in another *Proceeds of Crime (Money Laundering)*

1 *and Terrorist Financing Act* that requires
2 reporting entities to undertake reasonable
3 measures and document those measures when
4 obtaining certain information from a customer or
5 a player in the case of BCLC. Those reasonable
6 measures need to be demonstrated for things like
7 the determination of whether a transaction is on
8 behalf of a third party. In the case of this
9 paragraph, it would be determination of a source
10 of funds for a transaction. So that's what
11 generally the reasonable measures requirement
12 refers to.

13 Q Does this relate at all to source of wealth as
14 well?

15 A Yes. Anything with respect to the player
16 there's a requirement to demonstrate reasonable
17 measures having been undertaken.

18 Q So is it the case that BCLC or service providers
19 will occasionally obtain documentation in
20 respect to source of wealth.

21 A The ...

22 Q Or is it let me --

23 A Directly from the player, source of wealth, like
24 employment letters or things like that.

25 Q Or so when you're talking about documentation,

1 you mean documenting the steps that you have
2 taken?

3 A Documenting on a -- yeah, sorry for interrupting
4 you, but yes, documenting by BCLC, correct.

5 Q Okay. And I just want to clarify at
6 subparagraph (n) of that same affidavit,
7 paragraph 9(n) you talk about the alert and
8 watch processes. Are these alerts things that
9 are continuously updated or enhanced or are they
10 pretty static?

11 MR. STEPHENS: I don't think -- Mr. deBruyckere I
12 don't think is quite with you. What paragraph,
13 Ms. Mainville? Sorry, it's Mr. Stephens here.

14 MS. MAINVILLE: Certainly. I'm at exhibit 484, your
15 second affidavit paragraph 9(n) the alert and
16 watch processes.

17 MR. STEPHENS: On page 6.

18 THE WITNESS: Yeah, I'm here. Yes. So those are
19 current. Those alerts. I think you asked me if
20 they're static.

21 MS. MAINVILLE:

22 Q Are they updated on occasion in terms of the
23 types of alerts that BCLC deems are necessary?

24 A Yes, I refer to some of those enhancements that
25 we did subsequent to this in my third affidavit

1 where we bring in the PlayNow environment as
2 well in terms of a risk -- help inform our risk
3 determination.

4 Q So this is would you say that this is the
5 subject of ongoing monitoring and improvements
6 on BCLC's part?

7 A That's correct.

8 MS. MAINVILLE: Those are all my questions. Thank
9 you.

10 THE COMMISSIONER: Thank you, Ms. Mainville. Now,
11 Mr. Stephens, on behalf of the Lottery
12 Corporation has been allocated 30 minutes.

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

14 **EXAMINATION BY MR. STEPHENS:**

15 Q Mr. deBruyckere, just by way of background and
16 situate you in the organization, we've heard
17 evidence previously by Darryl Tottenham. Could
18 you just describe your role with respect to
19 Mr. Tottenham's work in BCLC?

20 A So Mr. Tottenham is a manager of anti-money
21 laundering programs and he reports to me as the
22 director, my role as director.

23 Q And Mr. Tottenham in his role as programs, what
24 type of work does he do in broad terms?

25 A So in broad terms he is responsible for the

1 oversight of the investigation into the alerts
2 that are generated including the UFTs, or
3 unusual financial transaction alerts, supervises
4 that team of investigators who then assess the
5 facts of those transactions and the context of
6 those transactions and then fulfills the
7 requirement to submit suspicious transaction
8 reports.

9 Q Okay. There's also been an affidavit filed by
10 Bal Bamra. Could you describe what Bal Bamra's
11 role is with respect to your team?

12 A So Bal Bamra is manager of AML analytics,
13 intelligence and analytics, and she is also a
14 direct report to me as well with her team of
15 analysts.

16 Q And what does Ms. Bamra and her team do by
17 contrast to Mr. Tottenham's?

18 A So Ms. Bamra's team will take the data, whether
19 it's player data, other data and create
20 intelligence analysis products from that data to
21 support our ongoing risk assessments and
22 otherwise inform us and a larger company of any
23 risks or potential gaps.

24 Q And in your role as director of AML and
25 investigations at BCLC, are there any other

1 teams that are under you that report to you?

2 A Yes. Also a third manager, Kris Gade. He is a
3 manager of investigations. So that would be the
4 non-AML investigations associated to all lines
5 of business within BCLC and does review of fraud
6 matters with respect to our PlayNow platform.

7 Q Thank you. Now, Mr. deBruyckere, I'd like to
8 ask you a couple of questions about matters in
9 your third affidavit. It might be convenient
10 just to have it available. This is exhibit 485.
11 And I'm going to direct you I think first just
12 to page 3 of that affidavit. And
13 Mr. deBruyckere, in your second affidavit and in
14 other aspects of this commission inquiry we've
15 heard evidence about what has happened in the
16 past. I just want to ask you some questions
17 about looking forward and what other matters may
18 be under consideration by BCLC. And starting at
19 paragraph 9 to paragraph 15, you discuss
20 something called 100 percent known play, and I'm
21 just wondering can you tell the Commissioner
22 what is that concept of 100 percent known play?
23 A So at a very high level 100 percent known play
24 is based on the premise we know who is in our
25 casinos, we know what games are playing, we know

1 what their transactions are, what they look
2 like, and we're able to make certain decisions
3 as a result of that information.

4 Q And in your affidavit in that section 9 to
5 paragraph 15 you describe this is under
6 consideration. Could you just tell the
7 Commissioner how this has more recently come
8 under consideration by BCLC?

9 A So there had been discussion. Included in the
10 BCLC reopening plan was or is a requirement for
11 what I'll describe as carded entry or having to
12 scan the Encore Rewards card as an example upon
13 entry to a casino for the purposes of fulfilling
14 contact tracing requirements. That then led to
15 further discussion about leveraging that
16 capability to lead towards, you know, this goal
17 of -- our goal of 100 percent known play.

18 Q And just to be clear, you deposed in your
19 affidavit that a decision about reopening is
20 pending; is that correct?

21 A Correct.

22 Q And could you just tell the Commissioner how the
23 concept of 100 percent known play would relate
24 to anti-money laundering efforts of BCLCs?

25 A I would describe it as a continuing evolution of

1 a program, and specifically BCLC programs, to
2 strive to better know the players to protect the
3 business and protect, or support the protection
4 or the integrity of gaming within the province.

5 Q And what is it about the known play concept that
6 would tie into anti-money laundering
7 initiatives?

8 A The primary reason would be again understanding
9 the player, having that background of the
10 player, fulfilling what you would hear from our
11 banking friends, the KYC requirements, know your
12 customer. Also have confirmed their sources of
13 their funds through known payment sources. Also
14 again through that process having a clear
15 understanding of the source or potential source
16 of their wealth.

17 Q And in paragraph 12 you refer to a request for
18 information for something called CIAM. And you
19 say that's something I take it's an early stage.
20 But can you just tell the Commissioner what
21 that -- that sounds like it's part of this
22 concept of 100 percent known play. How does
23 that fit in, CIAM?

24 A So what I've described sounds simple, but
25 there's a lot of technology enhancements that

1 are required to meet our objectives with respect
2 to these initiatives. Right now CIAM, the basic
3 comment is -- or concept relates to bringing all
4 those data sources together into one
5 environment. Right now we have a number of
6 different credentials that can be utilized by
7 BCLC customers or players that range from the
8 Encore card I've referred to, identification for
9 the PGF account, PlayNow account, and also we
10 have lottery players as well. So the purpose of
11 the CIAM is to bring all of that together into
12 one system. And that then enriches our data and
13 then our capabilities as well.

14 Q And at paragraph 13 you describe something
15 called account based gaming. Can you just tell
16 the Commissioner what account based gaming is as
17 a concept and how that factors into 100 percent
18 known play?

19 A So as these initiatives advance and move
20 forward, account-based gaming would be where
21 once you have your player card it would be
22 linked to an account, a gaming account with
23 which you would utilize to play.

24 Q And is what you're describing in terms of the
25 trajectory of this, and I appreciate it's under

1 consideration and subject to review, but is what
2 you're describing as a concept something on a
3 trajectory towards cashless gaming?

4 A That could be a result based on the technology
5 as it advances and implemented and developed,
6 absolutely.

7 Q And at paragraph 15 you note that the
8 initiatives are being considered and discussed
9 internally and need to be subject to a risk
10 assessment, et cetera, and BCLC must engage with
11 service providers and GPEB for their input and
12 perspective; is that correct?

13 A That is correct.

14 Q Just moving to a different topic,
15 Mr. deBruyckere, if I could ask you -- and my
16 friend Ms. Bevan took you to this, but if I
17 could ask you to look to paragraph 16(c) on
18 page 5.

19 A Yes.

20 Q And I believe Ms. Mainville asked you some
21 questions about this as well. Could you just
22 tell the Commissioner -- I take it this is an
23 update to your second affidavit about alerts.
24 Can you just describe for the Commissioner what
25 these alerts are that you set out here?

1 A So these alerts focus on the integration or
2 providing a greater assurance that we're
3 capturing all of the data between land-based
4 casino and our PlayNow platform and applying the
5 same enhanced due diligence across both business
6 lines of the players.

7 Q Okay. And then just related to that, if I could
8 ask you just to go to paragraph 17,
9 Mr. deBruyckere, and just describe those with
10 reference to the daily alerts you set out here.

11 A Yeah, so these are automatically generated
12 alerts that are presented or emailed to the AML
13 team, including myself, that are, you know,
14 errors in FINTRAC reporting, rolling bank draft
15 negotiations and that type of thing so we can
16 stay on top of what's happening.

17 Q And it's part of your practice to review them
18 daily?

19 A Daily, that's correct.

20 Q Mr. deBruyckere, just a couple of more
21 questions. Ms. Mainville asked you something
22 about this, but just in terms of the time when
23 you arrived at BCLC, which I take is it
24 April 2019, what were your impressions of BCLC's
25 AML program upon your arrival?

1 A Very positive. I was impressed.

2 Q And since -- could you tell the Commissioner
3 just related in terms of BCLC's relationship
4 with its regulator GPEB on AML matters, how
5 would you describe that relationship?

6 A For me I describe it as collaborative, positive,
7 respectful I think is probably a key word, and
8 by that I mean respectful of each other's roles
9 and responsibilities within the framework and
10 regime.

11 Q And how would you describe the quality of BCLC's
12 AML control and compliance framework at this
13 time?

14 A Certainly subject to ongoing assessment and
15 review and testing, I would say I'm positive
16 about the strength of our program right now.
17 But this is why we encourage and invite third
18 party assessments as we seek to continually
19 improve the program as we strive for perfection.
20 But as you can see from affidavit number 2 we
21 are very much open and transparent to those
22 ongoing reviews and testing so that we can
23 improve on an ongoing basis.

24 Q And is the concept of known play an example of
25 something that's being explored in striving for

1 that goal?

2 A As we strive to that goal based on that ongoing
3 risk assessment of the environment in which we
4 operate.

5 MR. STEPHENS: Thank you, Mr. DeBruyckere, those are
6 my questions, Mr. Commissioner.

7 THE COMMISSIONER: Thank you, Mr. Stephens. Anything
8 arising, Ms. Mainville?

9 MS. MAINVILLE: No, thank you.

10 THE COMMISSIONER: Mr. McFee?

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

13 THE COMMISSIONER: Ms. Bevan?

14 MS. BEVAN: Nothing arising. Thank you,
15 Mr. Commissioner.

16 THE COMMISSIONER: Ms. Harmer?

17 MS. HARMER: Nothing arising, thank you.

18 THE COMMISSIONER: And Ms. Friesen?

19 MS. FRIESEN: Yes, Mr. Commissioner, I just have one
20 question that arose.

21 THE COMMISSIONER: Okay.

22 **EXAMINATION BY MS. FRIESEN (continuing):**

23 Q Mr. deBruyckere, in response to questions from
24 Mr. Stephens you were asked to comment on the
25 concept of known play and how that would relate

1 to AML efforts. And just according to my notes
2 your evidence is that you would describe it as a
3 continuing evolution of programs that strive to
4 better know the players to protect the business
5 and support the protection of the integrity of
6 gaming. Does that sound accurate?

7 A Yes.

8 Q And is it your understanding that it is part of
9 the BCLC AML unit's role to support the
10 protection of the integrity of gaming?

11 A Well, supposed to be precise in a response. It
12 is, you know, certainly my understanding GPEB's
13 role specifically and mandate to protect the
14 integrity of gaming. Insofar as BCLC supports
15 that, 100 percent we do.

16 Q And that would be reflected in the AML programs
17 that you initiate?

18 A Correct.

19 Q And run?

20 A Right. That's correct.

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

22 THE COMMISSIONER: Thank you. Mr. McCleery?

23 MR. MCCLEERY: Nothing arising, Mr. Commissioner.

24 THE COMMISSIONER: Thank you, Mr. deBruyckere. I'm
25 very appreciative of the time you've taken to

1 educate us about the inner workings of BCLC's
2 anti-money laundering regime. It has been
3 helpful and you are now excused from further
4 testimony.

5 THE WITNESS: Thank you.

6 **(WITNESS EXCUSED)**

7 THE COMMISSIONER: We will adjourn now until tomorrow
8 morning, Mr. McCleery, unless there's something
9 else that needs to be dealt with.

10 MR. McCLEERY: Just one brief matter to address,
11 Mr. Commissioner. This relates to Mr. Kroeker's
12 evidence which will begin on Monday. Commission
13 counsel is seeking a direction from you
14 regarding Mr. Kroeker's affidavit which will be
15 filed when he begins his evidence on Monday, we
16 anticipate. Mr. Kroeker's affidavit was
17 circulated to participants this past weekend and
18 we have since been alerted that exhibit 21 to
19 that affidavit is missing some necessary
20 redactions. A version of that exhibit is
21 available to participants on Relativity with the
22 appropriate redactions and what we're proposing
23 to do is that commission counsel will apply
24 additional redactions to exhibit 21 as it exists
25 in the sworn affidavit to mirror those that are

1 in the version of that document on Relativity.
2 We'll then circulate the new version to all
3 participants and ask that copies of the old
4 version be destroyed and the version to be
5 tendered on Monday will be the one with those
6 additional redactions. If you can give a
7 direction to that effect.

8 THE COMMISSIONER: I will make that direction, then.

9 Thank you.

10 MR. McCLEERY: Thank you, Mr. Commissioner.

11 THE COMMISSIONER: Thank you, Mr. McCleery. We'll
12 adjourn until tomorrow at 9:30.

13 THE REGISTRAR: The hearing is adjourned until
14 January 22nd, 2021, at 9:30 a.m. Thank you.

15 **(PROCEEDINGS ADJOURNED AT 12:47 P.M. TO JANUARY 22, 2021)**

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