

**PROCEEDINGS AT HEARING  
OF  
NOVEMBER 3, 2020**

**COMMISSIONER AUSTIN F. CULLEN**

**INDEX OF PROCEEDINGS**

<b>Witness</b>	<b>Description</b>	<b>Page</b>
	Proceedings commenced at 9:30 a.m.	1
<b>Robert Barber (for the Commission)</b>	Examination by Mr. McGowan	1
	Examination by Mr. Smart	62
	Examination by Mr. Skwarok	80
	Proceedings adjourned at 11:29 a.m.	94
	Proceedings reconvened at 11:44 a.m.	94
<b>Robert Barber (for the Commission)</b>	Examination by Mr. McFee	94
	Examination by Ms. Mainville	111
	Examination by Ms. Tweedie	129
	Examination by Ms. Rajotte	133
	Examination by Ms. Mainville	159
	Colloquy	164
	Proceedings adjourned at 1:15 p.m.	164
	Proceedings reconvened at 1:20 p.m.	164
<b>Muriel Labine (for the Commission)</b>	Examination by Mr. McCleery:	165
	Examination by Mr. Mistry	179
	Examination by Ms. Smart	189
	Examination by Ms. Skwarok	190
	Proceedings adjourned at 1:54 p.m. to November 4, 2020	192

**INDEX OF EXHIBITS FOR IDENTIFICATION**

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

No exhibits for identification marked.

## INDEX OF EXHIBITS

No.	Description	Page
145	Affidavit #1 of Robert Barber, made on October 29, 2020	60
146	Email Robert Stewart, subject: Fw: CIR_17-003_AML Month of December.docx - February 23, 2017	151
147	Affidavit #1 of Muriel Labine, affirmed on 23rd day of October, 2020	167

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**November 3, 2020**  
**(Via Videoconference)**

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

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

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

MR. MCGOWAN: Yes, Mr. Commissioner. The first witness today will be Mr. Barber.

THE COMMISSIONER: Thank you.

**ROBERT BARBER, a witness called for the commission, sworn.**

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

THE WITNESS: My name is Robert Lindsay Barber, and Barber is spelled B-a-r-b-e-r.

**EXAMINATION BY MR. MCGOWAN:**

Q Good morning, Mr. Barber.

A Good morning.

Q I'm Patrick McGowan, one of the lawyers for the commission. Can you hear me okay?

A Yes, I can. Thank you.

Q If at any point you have any trouble with your audio or video, just let us know, and we can



1 believe, for just under two years.

2 Q Okay. And when you joined GPEB, you joined as  
3 an investigator?

4 A That is correct.

5 Q Okay. And you reported to a Mr. Derek Dickson  
6 in that role?

7 A Yes.

8 Q Was that for the entirety of your time with  
9 GPEB?

10 A No. Somewhere in the vicinity of 2014  
11 Mr. Dickson retired, and he was replaced by Bob  
12 Stewart.

13 Q And after 2014 you reported to Mr. Stewart?

14 A Yes.

15 Q And do I understand correctly that shortly after  
16 your hiring into GPEB you were assigned as an  
17 investigator at the River Rock Casino?

18 A Yes. Essentially as soon as I was engaged that  
19 was the position that I was assigned to.

20 Q Did you hold that position essentially until  
21 your retirement?

22 A Yes, I did.

23 Q Were you situated onsite at the River Rock  
24 Casino to fulfil your role as investigator?

25 A No. GPEB didn't have offices within the

1 casinos. My central office was in Burnaby.

2 Q Okay. And what proportion of your time would be  
3 spent onsite as an investigator at the River  
4 Rock Casino?

5 A It would be difficult to say in percentage  
6 terms, but I tried to get there a couple times a  
7 week and I was largely successful doing that,  
8 particularly for the first number of years that  
9 I went to the casino.

10 Q Okay. When you were hired as an investigator  
11 were you given any training?

12 A No, I was not. The expectation and as it was  
13 explained to me was that GPEB, because of budget  
14 constraints, was looking for experienced people.  
15 There was not a lot of budget for training and  
16 so they looked for people with police experience  
17 that they wouldn't have to make those sorts of  
18 expenditures.

19 Q Okay. Were you advised what your role was, what  
20 your job was to be?

21 A In broad strokes. I mean, the terminology was  
22 always used was to protect the integrity of  
23 gaming, and I think it's fair to say that  
24 management had an expectation that we would  
25 prioritize issues on our own and make our own

1 way.

2 Q Were you given any direction during your time as  
3 investigator as to what the priorities of GPEB  
4 were from an enforcement or regulatory  
5 perspective?

6 A I can't say that I was, actually. I mean, I  
7 think I need to answer that question by saying  
8 fairly almost immediately I made the  
9 determination that the number one issue was  
10 money laundering in the casinos.

11 Q Yes. Was that ever communicated to you as a  
12 priority from your superiors?

13 A I think I think I can answer that question by  
14 saying within a month of my commencing at GPEB a  
15 project was commenced with the RCMP to address  
16 that issue, so I believe management thought it  
17 was a priority.

18 Q You understood the Gaming Policy Enforcement  
19 Branch to be a regulator?

20 A Yes, I did.

21 Q When you were hired as an investigator for that  
22 regulator, were you told who it was that you  
23 were regulating?

24 A Yes. And I also -- while I was exploring the  
25 opportunity to commence with GPEB, I took the

1                   opportunity to look at the *Gaming Control Act*,  
2                   and I thought I had a fairly clear understanding  
3                   that I would be a regulator for the entire  
4                   industry, that of service providers, BCLC and  
5                   people working within those organizations.

6           Q       And when you were hired what were you told in  
7                   that regard?

8           A       I can't recall it being discussed.

9           Q       At some point after your hiring did you have a  
10                   discussion with your superiors at any point  
11                   about who it was you were to be regulating?

12          A       Yes -- well, I did when I found out that it  
13                   appeared I did not have the ability to direct  
14                   people within the casino. That happened almost  
15                   immediately, and I was surprised, and I went  
16                   back to the office and sought explanation. In  
17                   the first instance I spoke to my peers, fellow  
18                   investigators, and then shortly thereafter,  
19                   shall we say, with Mr. Dickson.

20          Q       And what did Mr. Dickson tell you about your  
21                   ability as an investigator for GPEB to provide  
22                   direction to others in the gaming industry?

23          A       Well, I don't want to put words in his mouth,  
24                   but I think essentially what he said to me was  
25                   that issues that arose needed to be documented



1                   by myself and sent up the chain and direction to  
2                   service providers and others had to flow through  
3                   the General Manager, and that was what I took  
4                   away from it.

5           Q       Was it clear -- regardless of the words  
6                   Mr. Dickson spoke to you was it clear that you  
7                   were given a direction that you could not  
8                   provide direction to service providers?

9           A       I'm not comfortable responding to the question  
10                   just like that. I would say the reality was I  
11                   found that I was not able to do so, and I just  
12                   don't want to say that it was definitively  
13                   coming from Mr. Dickson, but the overall  
14                   environment left me with that impression,  
15                   including discussions with Mr. Dickson.

16          Q       Okay. And did the same hold true with respect  
17                   to BCLC?

18          A       Well, yes. Particularly some years on when they  
19                   took the stance that we were not their regulator  
20                   and litigation unfolded, or basically we were  
21                   told that BCLC considered us not to be their  
22                   regulator, period.

23          Q       Okay. You were with the Gaming Policy  
24                   Enforcement Branch until 2017?

25          A       Yes.

1           Q     In your role as investigator with GPEB during  
2                   those seven years, did you ever provide a  
3                   direction to a service provider or any member of  
4                   the service provider?

5           A     What I tried to do in the early days was to  
6                   provide suggestions, soft suggestions, to see if  
7                   they would be responded to. I was concerned  
8                   with giving a directive where somebody would  
9                   respond and say no, and if I didn't have that  
10                  authority that would have left me in essentially  
11                  an untenable position, so I made a number of  
12                  suggestions early on to people within the  
13                  industry, and that would be basically the sum of  
14                  that.

15          Q     Did you ever provide a direction?

16          A     A direction, no.

17          Q     And I just -- I want to come back to this notion  
18                  that you didn't have authority to provide a  
19                  direction. What was -- I wonder if you can tell  
20                  us in a more concrete way what was the basis of  
21                  that understanding.

22          A     Well, when I went to the casino and I found that  
23                  people were polite to me but basically ignoring  
24                  suggestions and concerns, I actually went back  
25                  to the *Gaming Control Act* and I reread what I

1                   felt were the pertinent sections and how I read  
2                   it -- and forgive me; we're going back 10 years  
3                   now -- but as I read it was that direction does  
4                   flow from the General Manager, but he can  
5                   designate that authority, and I assumed, I  
6                   guess, that that authority flowed down to me  
7                   through the General Manager through the act, and  
8                   so I was surprised when nobody interpreted it in  
9                   that fashion.

10            Q     But if you interpreted it in that fashion, who  
11                disabused you of that interpretation and  
12                directed you to adopt a different  
13                interpretation?

14            A     I can only respond to that by saying I would  
15                meet with somebody and -- maybe I can give you a  
16                specific to assist you.

17            Q     Okay.

18            A     So early on in the my time I became aware that  
19                BCLC investigators were struggling with seeing  
20                licence plates on cars that were delivering  
21                money outside of casinos, so subsequent to that,  
22                I thought this would be a good opportunity to  
23                see where exactly I stood with regard to being  
24                able to provide some direction as a regulator.  
25                So I had a meeting with Mr. Duff, who was polite

1                   and charming, and I said to him, it would be a  
2                   lot easier for BCLC and GPEB to identify who was  
3                   delivering large amounts of cash to the casinos  
4                   if we could get greater cooperation from the  
5                   surveillance room and zoom in on the licence  
6                   plates, and Mr. Duff was -- did not say no,  
7                   we're not doing that. He just continued on the  
8                   conversation and sort of acknowledged that I  
9                   said that but didn't say yes or no, but of  
10                  course it never occurred. And, I mean, that  
11                  would be a prime example of that.

12                Q       So do I take it from that example that it was  
13                   the response of service providers to your  
14                   suggestion that left you with the impression you  
15                   didn't have authority to make a direction?

16                A       Well, Mr. Duff at the time was the General  
17                   Manager of the casino and had a role of  
18                   significant responsibility. I could provide  
19                   other cases. There was issues around thresholds  
20                   for money, which I just found very surprising.  
21                   I found that amounts of money under \$50,000  
22                   weren't being reported to us, so I engaged  
23                   people within Great Canadian saying that I have  
24                   found this to be unacceptable, and basically  
25                   what I was told was that if the government

1 provided them a letter directing them to do the  
2 things I was saying, then they would do it, and  
3 the conversation also left me with the  
4 impression that Great Canadian followed the  
5 instructions of BCLC and not really GPEB.  
6 That's what I took away from these discussions.

7 Q In your seven years that you were with GPEB, did  
8 you ever become aware of any investigator  
9 providing a direction to a service provider or  
10 to BCLC?

11 A An investigator, no. No.

12 Q And are you aware of direction being provided  
13 from somebody other than an investigator from  
14 GPEB to a service provider during your tenure?

15 A Well, I was aware and present in an area when  
16 Mr. Mazure was attempting to provide directions  
17 to BCLC. Well, I wasn't present when he was  
18 speaking with them, but he would report back to  
19 myself and other members of GPEB basically  
20 saying that he was unsuccessful in directing  
21 them.

22 Q Are you aware of any instance where somebody  
23 from GPEB at any level provided a direction to a  
24 service provider in your seven years?

25 A Well, again, Mr. Mazure as the ADM communicated

1                   to our office that he was attempting to provide  
2                   direction. Beyond that I can't think of any  
3                   specific case.

4           Q       What did he tell you he was attempting to  
5                   provide direction about?

6           A       Well, the overarching issue was that we were in  
7                   fact the regulator for BCLC as well as the  
8                   service provider and he was in my opinion trying  
9                   to have them reign in the large amounts of money  
10                  that were flowing into casino, unsourced money.

11          Q       Did Mr. Mazure tell you what the response was?

12          A       Well, I was present in a meeting with all the  
13                  investigators, and I believe the audit division  
14                  of GPEB as well, so about 20 people, when he  
15                  said that they were ignoring him and  
16                  they acquired counsel and were prepared to go to  
17                  court to say they were not our regulator.

18          Q       When you say "they," you're speaking of BCLC?

19          A       Yes.

20          Q       What about direction to service providers? Did  
21                  you become aware of Mr. Mazure or anybody  
22                  superior to you in GPEB making a direction to a  
23                  service provider in the seven years you were  
24                  there?

25          A       Those efforts did not occur in my presence, if

1                   they occurred.

2           Q       You joined in 2010, and I gather from your  
3                   affidavit that fairly quickly you became aware  
4                   of a pattern of what I would consider, and I  
5                   think most people would, relatively large cash  
6                   buy-ins at Lower Mainland casinos?

7           A       Yes, immediately.

8           Q       How long did it take you for you to identify  
9                   this pattern?

10          A       A week, perhaps.  Maybe two.

11          Q       And just in a general way describe the pattern  
12                   that you observed when you started in 2010, the  
13                   volume and frequency of large cash buy-ins?

14          A       I described it as sporadic but frequent.  So  
15                   there might be a day or two when there was none  
16                   and then another day there might be a couple of  
17                   transactions involving large amounts of cash.  
18                   Over a weekend there might be in the beginning  
19                   maybe two or three or five or six.  So it was  
20                   significant, and the buy-ins that were reported  
21                   were always over \$50,000.  You know, the money  
22                   was generally contained in plastic bags or  
23                   cardboard boxes and traditional wrapped elastic  
24                   bands at both ends and almost always involved  
25                   \$20 bills.

1 Q Were there buy-ins in the six-figure range as  
2 well?

3 A Yeah. The buy-ins ramped up through my tenure,  
4 so in 2010, 2011, you know, the buy-ins were  
5 generally more in the \$50,000 to \$100,000 range,  
6 with few outliers and gradually just increased  
7 and increased over the years.

8 Q What did you think was happening?

9 A I believe that organized crime was laundering  
10 money through the casino.

11 Q How long into your tenure as an investigator did  
12 you first form this view?

13 A I believed it almost immediately.

14 Q Did you report that concern to your superiors?

15 A Yes.

16 Q What did you think was the source of the cash  
17 that was being brought in?

18 A Well, I assumed it was the drug trade.

19 Q And what did you base that conclusion on?

20 A Well, I'd been a policeman for 30 years. I saw  
21 the amount of money that was flowing through the  
22 drug trade and I could not see any other  
23 reasonable source for the money other than  
24 other, you know, criminal enterprises, but the  
25 drug trade in Vancouver was my first thought.



1 Q Was the manner in which the money was bound or  
2 packaged, did that flow into your conclusion in  
3 that regard?

4 A Yeah. It was the classic, if you seize money  
5 from a, you know, drug trafficking investigation  
6 it was above the street level, that's how it  
7 would be contained, you know, bundled with  
8 elastic bands at both ends. It's basically the  
9 way we saw it if it was one step up from the  
10 street.

11 Q Okay. And would it be bound in particular  
12 dollar values?

13 A Well, it was almost always -- well, very  
14 frequently \$20 bills.

15 Q And when you say "very frequently \$20 bills,"  
16 are you speaking of the drug money that you  
17 seized or the money that you saw coming into  
18 casinos or both?

19 A A little bit of both.

20 Q Sir, you've attached to your affidavit a number  
21 of reports that were -- examples of reports you  
22 received from BCLC and also reports that you  
23 created. I gather as an investigator you  
24 received Section 86 Reports or reports referred  
25 to as Section 86 Reports on a daily basis?

1           A     Yes, I did.

2           Q     And those tended to be brief in their content?

3           A     Yeah, it varied from who was authoring the  
4                   report within the surveillance room.  Sometimes  
5                   it could just be one or two sentences, and some  
6                   of the other people who worked there were a  
7                   little more thorough and would write more in the  
8                   first instance.  But they were pretty brief.

9           Q     Speaking of, for example, a Section 86 Report  
10                   related to a large suspicious cash buy-ins in  
11                   20s, it would be typical for BCLC to then create  
12                   a supplemental report or supplemental reports in  
13                   respect of that incident?

14          A     Yes.

15          Q     And they would create those supplemental reports  
16                   by speaking to people and also reviewing iTrak  
17                   and surveillance and the information at their  
18                   disposal?

19          A     Yeah, they spent a lot of time in the  
20                   surveillance room going through footage.

21          Q     What was your assessment of how thorough the  
22                   supplemental reports prepared by BCLC were?

23          A     I found BCLC's reports from their front-line  
24                   investigations to be very high quality.  They  
25                   were very professional and did a good job.

1 Q And you would take these reports, and what was  
2 your job as an investigator once you received  
3 these reports from BCLC?

4 A Well, I would compile the reports from the  
5 service provider BCLC. Occasionally I would  
6 watch the footage of myself. I might enter CPIC  
7 information and compile it into a report and  
8 forward it to the chain of command. Basically  
9 give it to Mr. Dickson.

10 Q So aside from CPIC or PRIME police databases  
11 that you had access to, did you access any other  
12 information that wasn't available to BCLC or the  
13 service providers to create your report?

14 A I would say generally not.

15 Q And you would forward the report to who?

16 A To my immediate supervisor, Derek Dickson.

17 Q And for what purpose?

18 A The exception to that was when we started the  
19 project with the RCMP integrated proceeds of  
20 crime section, which we started in January 2011.

21 Q Yes, I'll come back to that. Go ahead.

22 A Basically that report was hand delivered by one  
23 of the members of the office to their office and  
24 basically the report, a duplicate would go to  
25 Mr. Dickson.

1 Q In most cases would the report that you create  
2 contain very similar information to the  
3 supplemental reports that BCLC created?

4 A Yes.

5 Q And BCLC, did you understand them to have been  
6 reporting the incidents and the information they  
7 had to law enforcement?

8 A Yes, I was aware that day we were providing  
9 copies to law enforcement and to FINTRAC.

10 Q And to GPEB?

11 A And to us, yes.

12 Q And what was the purpose of you providing your  
13 report to your superior?

14 A Well, the thought process was that we were sworn  
15 police officers capable of interacting with the  
16 police in a more collaborative, I guess,  
17 fashion, whereas I think the thought processes  
18 was that the police would not be likely to work  
19 hand in hand with non-police agencies.

20 Q Do I take it from what you've said both here and  
21 in your affidavit that your job was largely to  
22 review the reports created by the service  
23 provider and BCLC and report on those reports to  
24 your superiors?

25 A I don't like it when you say it that way, but

1                   there's a lot of truth to it, yes.

2           Q       I'm just -- it strikes me -- and I would be  
3                   interested what you have to say about whether  
4                   there appears to be a degree of duplication in  
5                   the role of a BCLC investigator and a GPEB  
6                   investigator.

7           A       No, I agree 100 percent with that, yes.

8           Q       Did you as the law enforcement agency have a  
9                   role in providing your law enforcement  
10                  perspective, your opinion as to what was taking  
11                  place with the information conveyed in these  
12                  reports?

13          A       No. The first report I authored, I -- again,  
14                  we're going back 10 years, I can't recall  
15                  exactly what I said, but I suspect I included a  
16                  fairly strong opinion about what was occurring,  
17                  and Mr. Dickson came to me and said that it was  
18                  against the policy to include opinions in  
19                  reports, so I rewrote that first report. And  
20                  from then on opinions about what were occurring  
21                  were not included in my reports.

22          Q       What was the opinion that you expressed that  
23                  Mr. Dickson objected to?

24          A       Well, I don't want to construct a memory, but  
25                  I'm almost certain it had to do with my strong

1 belief that organized crime was laundering money  
2 through the casino.

3 Q When you were a police officer with the  
4 Vancouver Police Department and were forwarding  
5 a report to Crown counsel for consideration,  
6 would it be acceptable for you to express an  
7 opinion as to the type of unlawful activity you  
8 believed was happening in your report to Crown?

9 A I believe there was a place for opinions in  
10 those reports, yes.

11 Q And after the direction from Mr. Dickson, did  
12 you over the next seven years complete your  
13 reports for GPEB without expressing your views  
14 as to what was happening, your opinions?

15 A I kept my opinions out of the report of findings  
16 that I filed, yes.

17 Q Did Mr. Dickson tell you why he believed it was  
18 unacceptable for you to express an opinion about  
19 what was happening in a report of findings?

20 A I cannot recall him doing so.

21 Q The quantity of cash coming into -- maybe I  
22 should ask you: do you have sort of a lens into  
23 Lower Mainland and British Columbia casinos  
24 generally, or was your focus really River Rock?

25 A My focus was the River Rock until 2015. After

1                    July of 2015 I handled the reports for all the  
2                    casinos in the province, which is basically the  
3                    Lower Mainland.

4                    Q    I wonder if you could talk to the Commissioner,  
5                    then. We'll start with River Rock. From 2010  
6                    to 2015, the development of cash buy-ins just in  
7                    sort of an overview way, if you explain to the  
8                    Commissioner what you observed happening in that  
9                    regard.

10                  A    Well, it was just a very steep increase from --  
11                  I guess it had been occurring before I began my  
12                  position there, but from the time I started to  
13                  the time -- certainly to July of 2015 it ramped  
14                  up very quickly, not only the frequency of the  
15                  cash buy-ins but the large amounts of cash so  
16                  that I still remember the figures very well. In  
17                  July of 2015 there was \$20 million that flowed  
18                  through the casinos in the Lower Mainland of  
19                  which 14 million was \$20 bills.

20                  Q    And that's the figure that came from a  
21                  spreadsheet that you and Mr. Ackles created?

22                  A    That's right. It was actually fairly  
23                  interesting. Mr. Ackles talked me into creating  
24                  that spreadsheet. I was somewhat reluctant to  
25                  change -- basically we were ignoring I guess

1                   GPEB policy by doing it. We'd both been writing  
2                   these reports and becoming more frustrated over  
3                   the years and he convinced me that we would  
4                   create a spreadsheet and from that point forward  
5                   we submitted the reports -- well, instead of  
6                   multiple reports we submitted one report per  
7                   month.

8                   Q     And the \$20 million figure we're talking about,  
9                   is that \$20 million identified from Suspicious  
10                  Transaction Reports or section --

11                  A     Yeah. Yes. And in 2015 it was still  
12                  transactions only over \$50,000.

13                  Q     So that \$20 million did not take into account  
14                  buy-ins under \$50,000?

15                  A     That's right. Well, let me just say, there  
16                  might -- if one was extraordinarily suspicious,  
17                  there might be one, like a \$45,000 or whatever,  
18                  but 99.9 percent they would have been over  
19                  \$50,000.

20                  Q     Okay. So unless a buy-in under \$50,000 was  
21                  reported as suspicious, those dollar amounts  
22                  weren't taken into account in the \$20 million  
23                  figure?

24                  A     That's right.

25                  Q     And at that time there was a practice at least



1                   at some locations or location of not reporting  
2                   cash buy-ins under \$50,000. Is that your  
3                   understanding?

4           A       Yes, that's correct.

5           Q       So with this development of cash buy-ins over  
6                   the years, was your response as investigator to  
7                   review reports of what was happening and forward  
8                   those up to your superiors?

9           A       Largely, yes.

10          Q       And from those reports you were, I guess, moving  
11                  up the chain, did you observe any response that  
12                  to your eye had any significant impact on the  
13                  quantity of cash coming in?

14          A       No. They continued to increase throughout the  
15                  years.

16          Q       Did you as a GPEB investigator feel that you and  
17                  your fellow investigators were having any impact  
18                  on the quantity of cash coming into British  
19                  Columbia casinos?

20          A       No.

21          Q       Did you speak with your -- and I gather from  
22                  your affidavit that you did speak with other  
23                  front-line personnel with BCLC and service  
24                  providers?

25          A       Yes.

1           Q     What was their response -- and let me ask you  
2                    this:  when you spoke with them, did you raise  
3                    the concerns about what might be occurring that  
4                    you told the Commissioner about today?

5           A     Yes.  We spoke frequently.

6           Q     What was the response of the BCLC investigators  
7                    that you shared these concerns with?

8           A     I believe they -- we were on the same page.  I  
9                    thought that they were doing the best that they  
10                   could reporting this stuff and they were  
11                   frustrated by the situation.

12          Q     Okay.  And who were the BCLC investigators that  
13                   you spoke most frequently with about this issue?

14          A     Well, in the beginning Duncan Gray and Mike  
15                   Hiller were working there, and I knew them from  
16                   my time in working in drug investigations, so I  
17                   started off focusing towards them, but I very  
18                   quickly came to recognize that the two  
19                   investigators that knew the most were Stone Lee  
20                   and Mike Beeksma.  They had been in the industry  
21                   for a long time, and I respected what they said.  
22                   I found them to be very professional and I  
23                   had -- I was satisfied that they and we were  
24                   working in a collaborative fashion.

25          Q     Did you express the concerns that you've told

1                   the Commissioner about today to personnel at  
2                   the -- associated with service providers?

3           A       Yeah, I've already testified to my conversation  
4                   with Mr. Duff, who was the General Manager of  
5                   the casino. I also had some conversations with  
6                   Arlene Strongman and Pat Ennis, who were  
7                   managers within Great Canadian. I had the sense  
8                   that they were, to an extent, trapped by their  
9                   management. I think they were not entirely  
10                  comfortable with the situation either. That was  
11                  my interpretation. It was not so much what they  
12                  said but what they didn't say and as a result of  
13                  the conversations we had about these issues.

14          Q       Did they accept your assessment that this cash  
15                   was proceeds of crime?

16          A       I never heard them say that, but as I included  
17                   in my affidavit, I had a telling conversation  
18                   with Mr. Ennis where he said that he believed  
19                   that if the government sent a letter to Great  
20                   Canadian casino to stop taking the money, he  
21                   thought they would, and so my interpretation of  
22                   that, among other things, is he thought the  
23                   money couldn't entirely be clean either or why  
24                   would you worry about it.

25          Q       When did you first communicate to staff at the

1 River Rock Casino your concern that a  
2 significant proportion of this cash was proceeds  
3 of crime?

4 A Well, my first conversation was with Mr. Duff,  
5 and that would have been in my first perhaps two  
6 months working there, so somewhere between  
7 December and, say, February of 2011.

8 Q And when did you first communicate this concern  
9 to somebody associated with BCLC?

10 A Probably the same time period.

11 Q Sir, you've attached to your affidavit as  
12 exhibit E a report of findings that I gather you  
13 drafted about two approximately \$500,000 buy-ins  
14 largely in \$20 bills. Do you recall this  
15 incident?

16 A Yeah, I had an opportunity to review it  
17 yesterday. I might want to mention I had a  
18 little -- we had a power failure last night and  
19 it caused my router to blow up, so I was going  
20 to review again this morning and I was unable to  
21 do so.

22 Q That's fine. Let me see if I can maybe refresh  
23 your memory about some of this and you'll tell  
24 me if I've got it right. This is an incident  
25 that happened around September of 2014?

1           A     Right.

2           Q     And there was a patron who was -- had initially  
3                    bought in for \$50,000 in 100s but had exhausted  
4                    those chips?

5           A     M'mm-hmm.

6           Q     The player is then observed on a telephone at  
7                    11:00 p.m. at night?

8           A     Yes.

9           Q     And shortly after being observed on the phone,  
10                   the patron left the casino and entered a waiting  
11                   vehicle?

12          A     Yes.

13          Q     And the patron returned a very short time later  
14                   with a suitcase filled with \$500,000 in  
15                   \$20 bills?

16          A     Yes, I remember that because suitcases were  
17                   relatively unusual. Usually it was plastic  
18                   bags, but I do recall that, yes.

19          Q     And the patron bought in at the cash cage with  
20                   the suitcase full of 20s, to the tune of  
21                   approximately half a million dollars and was  
22                   back playing again at 11:30 p.m.?

23          A     Right.

24          Q     And by approximately 1:00 a.m. the patron had  
25                   lost that half a million dollars or a

1                   substantial portion of it?

2           A       Yes.

3           Q       The patron was observed being passed chips on a  
4                   couple of occasions by other individuals?

5           A       Yes.

6           Q       After the patron lost the first 500,000 in 20s  
7                   or the largest proportion of that, he was  
8                   observed on a phone again?

9           A       Yes.

10          Q       The patron then left the casino and what is  
11                  observed interacting with two males from a  
12                  vehicle?

13          A       Yes.

14          Q       One of those males you believe to have been an  
15                  individual that was barred because of  
16                  associations with Paul Jin, who was a suspected  
17                  loan shark?

18          A       Yes.

19          Q       The patron then returned with another suitcase  
20                  again filled with approximately half a million  
21                  dollars in \$20 bills?

22          A       Yes.

23          Q       Bound in bricks with elastic bands at each end?

24          A       Yes.

25          Q       And the patron bought in with that money at

1 approximately 1:00 a.m.?

2 A Yes.

3 Q And recommenced playing?

4 A Yes. It's fairly typical transaction in that  
5 time period.

6 Q You were the investigator assigned to  
7 investigate this incident?

8 A Yes.

9 Q Aside from reviewing reports from BCLC or the  
10 service provider and information available from  
11 the surveillance room, what did you do to  
12 investigate?

13 A Well, the fact of the matter is that very little  
14 was actually done to investigate beyond  
15 documenting it.

16 Q And is that a typical response of a GPEB  
17 investigator in your time to a report such as  
18 this?

19 A Yes.

20 Q Did you have the power as a peace officer to  
21 seek, for example, production orders?

22 A I believe I did. I should just say I purposely  
23 have not been listening to the inquiry previous  
24 to today; however, I've watched the news at  
25 night and I had the opportunity, incidentally,

1           to hear Mr. Ackles yesterday discussing special  
2           constable status, which I knew I shouldn't have,  
3           but anyway I was in front of the TV and it came  
4           on, and I was a little bit surprised by that.  
5           It was not a position I necessarily agreed with.  
6           I thought that we did have the power to do that,  
7           but my position as contained elsewhere in the  
8           affidavit is that we were not set up to conduct  
9           those sorts of investigations. We didn't have  
10          the budget, the training, the manpower, the  
11          facilities to do them, or even the vehicles, for  
12          that matter, for a good part of my time.

13          Q     Had you as a police officer, perhaps as a drug  
14                 investigator, sought production orders to  
15                 obtain, for example, cellphone records or  
16                 subscriber information?

17          A     Well, I hate to tell you this, but I'm too old.  
18                 Production orders didn't come into usage until  
19                 after I retired. However, I have some  
20                 familiarity with them because they were served  
21                 upon me in some of my post-career jobs.  
22                 Obviously I'd written many search warrants.

23          Q     Yes. And you were aware at the time that you  
24                 could have sought a production order to obtain,  
25                 for example, the phone records of the individual



1                   who was bringing the suitcases in?

2           A        There might have been many investigative avenues  
3                   possible, but you know, I don't think the entire  
4                   Richmond detachment was big enough to conduct  
5                   the size of the investigation that was taking  
6                   place and we certainly did not. I mean, so this  
7                   was an interesting case. It had many obvious  
8                   factors indicating money laundering and perhaps  
9                   other offences, but there might have been on  
10                  that same night another five or six very similar  
11                  events. So if I was to stop and investigate one  
12                  of those events, well, I would have been back in  
13                  2011 seeking phone records -- well, I mean  
14                  obviously we didn't have surveillance  
15                  capabilities or any of the other niceties of  
16                  policing that would have allowed us to move  
17                  forward with an investigation.

18                         So my position was -- and forgive me if I'm  
19                         jumping ahead -- I made the decision very early  
20                         on that the most valuable thing I could do was  
21                         learn who was active in this business, know who  
22                         they were, know who they associated with; if I  
23                         could know what vehicles, where they lived, so  
24                         when the day came when the police realized that  
25                         this was a serious matter I could be a resource

1 to them. And I directed my activities in that  
2 area probably shortly after the project that I  
3 worked with IPOC collapsed in 2011.

4 Q Had you had the resources or the mandate to  
5 pursue other investigative avenues such as in  
6 this incident, obtaining the subscriber  
7 information and phone records such that you  
8 could ascertain who this individual was speaking  
9 to before they left, would that have give you a  
10 greater understanding of the network and  
11 connections such that you could have presented a  
12 more advanced product to law enforcement?

13 A I would have to agree with that, yes.

14 Q Prior to JIGIT coming into being, are you aware  
15 of any GPEB investigator taking any  
16 investigative step or pursuing any line of  
17 investigation other than reviewing reports or  
18 available surveillance and the like?

19 A With regard to money laundering?

20 Q Yes, with regard to money laundering or loan  
21 sharking.

22 A No, I'm not.

23 Q Or large cash buy-ins?

24 A No, I'm not.

25 Q You've told us your -- you produced that chart

1                   with Mr. Ackles setting out the \$20 million in  
2                   cash buy-ins. What was your assessment of the  
3                   proportion of that that was in your view illicit  
4                   in origin?

5           A        Oh, I thought it all was. Or certainly  
6                   98 percent of it.

7           Q        You had been seeing cash buy-ins of the like  
8                   that were reported in this chart year on year  
9                   prior to you creating it; correct?

10          A        Yes.

11          Q        And did you hold the same view as to the  
12                   proportion of those cash buy-ins that was likely  
13                   to be illicit in nature?

14          A        Yes.

15          Q        In the face of that, did you urge your superiors  
16                   as the regulator to step in and take some action  
17                   to prevent the service providers from accepting  
18                   these buy-ins?

19          A        Oh, I had conversations with Mr. Schalk and  
20                   Mr. Vander Graaf in that area, and what they  
21                   communicated to me was that they were fighting  
22                   the battle in Victoria, and I can recall several  
23                   occasions when Mr. Schalk in particular would  
24                   come into my office and show me documents he was  
25                   preparing to bring over there and asked me to



1                   laundrying was out of control in casinos  
2                   and something needed to be done about it."

3                   What was the purpose of the meeting that you had  
4                   with Mr. Scott?

5           A        Just to clarify, there was a meeting with  
6                   Mr. Scott and the entire investigative branch of  
7                   GPEB in Burnaby.

8           Q        Yes.

9           A        And I cannot recall what the meeting was about.  
10                   It wasn't about money laundrying. And when the  
11                   meeting concluded, I waited till everybody  
12                   cleared out of the room and Mr. Scott was  
13                   gathering up the stuff and went to leave and I  
14                   stood in front of him and said that to him,  
15                   thinking that I might surprise him, shock him,  
16                   get him to engage me in a conversation about it.  
17                   And as I stated in my affidavit he essentially  
18                   had to step around me, which he did. He never  
19                   said a word. And he looked me in the eyes and  
20                   walked around me and left the room and I believe  
21                   left the building.

22           Q        Was your assessment that he heard what you said?

23           A        I was confident that he heard what I said, yes.

24           Q        Did he give you any response, either verbal or  
25                   otherwise?

1           A     He didn't say a word.  He just looked at me and  
2                   stepped around me and left.

3           Q     Was anyone else when you said this to Mr. Scott?

4           A     No.

5           Q     Dealing with your -- GPEB's oversight of BCLC,  
6                   you say you recall being informed by Mr. Dickson  
7                   or his replacement that BCLC did not recognize  
8                   GPEB as its regulator.

9           A     Yes.

10          Q     Can you give us any more specifics about when  
11                 you say you were told this?

12          A     I actually think it started a little earlier  
13                 when Mr. Vander Graaf was still in the office,  
14                 and I had a conversation with him where he said  
15                 that Mr. Desmarais was disagreeing with our  
16                 authority under section 86 to obtain reports  
17                 from them.  And so it stayed on the boil for  
18                 many months.  I was not particularly focused on  
19                 the issue.  And then I became aware and I think  
20                 this was after Mr. Vander Graaf had left us, and  
21                 I think it was Mr. Dickson that made an  
22                 announcement to me in the office as a whole that  
23                 BCLC -- I think he used the expression lawyered  
24                 up, and they were stating that they no longer  
25                 recognized us as their regulator.

1           Q     Did you understand -- what did you understand  
2                     from Mr. Dickson and Mr. Vander Graaf to be the  
3                     position of GPEB as to whether they were the  
4                     regulator of BCLC?

5           A     Well, I was surprised. From my interpretation  
6                     in the *Gaming Control Act*, from my conversations  
7                     with fellow investigators and managers and --  
8                     and we were the longstanding regulator, I really  
9                     didn't quite comprehend where they were coming  
10                    from, to be honest.

11          Q     Did Mr. Dickson or Mr. Vander Graaf tell you  
12                     whether they believed GPEB was the regulator of  
13                     BCLC?

14          A     Well, they definitely -- they believed that we  
15                     were the regulator.

16          Q     You say:

17                     "I recall this issue being discussed by  
18                     John Mazure in front of the GPEB staff.  
19                     It was also discussed with Cheryl  
20                     Wenezenki-Yolland present."

21                     What did Mr. Mazure say in front of the GPEB  
22                     staff about this issue?

23          A     Okay. So this was a meeting with the entire  
24                     office and also the audit section present. So  
25                     we're talking about a roomful of 20 people. And





1 describe to you is unionized workers.

2 Q Yes.

3 A That stenos and whatnot. And they were present  
4 also, but it was a roomful. It was a crowded  
5 room.

6 Q Okay. Aside from what you've told us about  
7 Ms. Wenezenki-Yolland's response, can you recall  
8 anything else that she said in response to this  
9 request from Mr. Mazure?

10 A During that meeting, no. She didn't say very  
11 much at all other than that, but that was saying  
12 a lot, I thought.

13 Q You talk in your affidavit about regular  
14 meetings you had with the RCMP. Was this in  
15 your days when you were at River Rock?

16 A Yes.

17 Q Did you express to them what you've expressed to  
18 the Commissioner about your assessment and  
19 concerns related to large cash buy-ins?

20 A There wasn't the entirety of what the meetings  
21 were about, but yes, I can remember, for  
22 example, one time an RCMP member who specialized  
23 in Asian organized crime came to the meeting and  
24 we were discussing Paul Jin's role, and it was  
25 essentially [indiscernible] he was well aware of

1                   the situation. So it was -- we would discuss  
2                   many other police related issues besides money  
3                   laundering. I don't want to make it seem like  
4                   these meetings were all about money laundering.

5           Q       Was concerns about large cash buy-ins and money  
6                   laundering your biggest concern as a GPEB  
7                   investigator?

8           A       Yes. Yes.

9           Q       And did you bring that issue to the forefront in  
10                  your meetings with the RCMP?

11          A       It was -- those meetings, it was discussed, but  
12                  it was not something I railed about. Whereas  
13                  you might find people to say I blathered on and  
14                  railed at other police facilities and  
15                  institutions with other police members.

16          Q       Did the RCMP's response during these monthly  
17                  meetings communicate to you that they accepted  
18                  your assessment of what was going on?

19          A       Yeah. I certainly thought that we were all on  
20                  the same page, yes.

21          Q       You had -- shortly after you started you engaged  
22                  in a project with personnel from IPOC where you  
23                  were providing regular reporting to them about  
24                  what was happening at the River Rock Casino?

25          A       That's right, yes.

1           Q     And to your understanding, did that lead to an  
2                    investigation being commenced?

3           A     Yes, it did.  So just to go over this in  
4                    thumbnail, for three months, two other  
5                    investigators were taken away from other  
6                    casinos, so the three of us were able to write  
7                    reports in a timely fashion.  They were hand  
8                    delivered to the IPOC office out in Surrey.  
9                    They gathered together a lot of information.  We  
10                   had a lot of back and forth.  I was the main  
11                   contact person.  They would seek clarification  
12                   and I would provide them followup information to  
13                   the reports.  And then sometime after that, they  
14                   actually went out and did some surveillance.  I  
15                   went out and assisted them with the  
16                   surveillance.  I don't know what their  
17                   surveillance training was, but I recall very  
18                   clearly they were very happy they -- in their  
19                   first instance when I called away somebody to  
20                   watch, they were able to follow and  
21                   they informed me later they saw a transaction of  
22                   money delivered, and I had a real sense that  
23                   they were enthusiastic in moving forward with  
24                   the project.

25           Q     What were they surveilling?

1           A     Oh, I -- it's funny. I know the person they  
2                    looked at, and I've written his name a million  
3                    times, but it just alludes me right now. If I  
4                    can assist you, his shtick was to hang around  
5                    the surveillance room and watch for a large  
6                    player's round of money and then he would  
7                    basically reach agreements with those people, go  
8                    out and get money and bring it back for them for  
9                    a small commission. And he hung around the VIP  
10                  rooms for years.

11          Q     Okay. And was this investigation about this  
12                  individual, or was it a broader investigation  
13                  about this individual and other individuals  
14                  engaged in like behaviour?

15          A     Well, it was their investigation, but my sense  
16                  was what they wanted to try and do was trace the  
17                  money back to a crime or people involved in  
18                  crime.

19          Q     And how long did this collaboration go on, this  
20                  collaboration with IPOC and the three GPEB  
21                  investigators?

22          A     Well, I had the assistance to the other two for  
23                  three months, and then there was a time period  
24                  where there was some more communication between  
25                  just myself and them, and then their actual

1                   going out on the road and working, I would -- I  
2                   think it may have lasted one to two weeks,  
3                   maybe. So overall, we're talking about some  
4                   months, but I believe their actual out on the  
5                   road working was a couple of weeks.

6           Q       What came of this investigation?

7           A       They just -- it just folded. It just stopped.

8           Q       Were you advised why?

9           A       No, I wasn't. I did make some inquiries, and I  
10           was told by an RCMP contact that the IPOC  
11           section in British Columbia had been folded, it  
12           had been embedded in other units of the RCMP.

13          Q       And did the timing of the folding of the IPOC  
14           unit correspond with what you understood to be  
15           the termination of this investigation?

16          A       Roughly, yes.

17          Q       You say in your affidavit, sir:

18                         "I perceived the BCLC investigators to be  
19                         frustrated by their management."

20           Who at BCLC told you that they were frustrated  
21           with their management?

22          A       Well, I was in that office a great many times,  
23           and I talked to a great many of those -- all of  
24           them all of the time, but I think some of the  
25           better examples were Duncan Gray, who I knew

1                   from the RCMP retired as a result, I believe,  
2                   largely of his frustrations. Another gentleman  
3                   by the name of Jerome Wakeland I talked to in  
4                   relative depth, and he resigned and went to work  
5                   elsewhere in government regulatory bodies as a  
6                   result of his frustration. I probably heard the  
7                   odd word of frustration from all of them, but  
8                   they were -- I was -- you know, I was the  
9                   regulator and they were BCLC people, so they  
10                  were professional and they didn't come out and  
11                  complain to me. It was more an interpretation  
12                  of our daily meeting -- or weekly meetings.

13                Q     What was the source of the frustration?

14                A     Well, they were like me. They were writing tons  
15                  of reports, but the amount of money pouring in  
16                  was just ramping up in the -- in the -- I think  
17                  they were frustrated by BCLC as an entity, to  
18                  some degree.

19                Q     You go on to say:

20                                "They also seemed frustrated because it  
21                                appeared to them that I was not doing much  
22                                to help them."

23                A     That's right. That was articulated to me by  
24                  Stone Lee.

25                Q     Was Mr. Lee's assessment accurate?

1           A     Well, I guess I could make that argument either  
2                    way.  As I said in my affidavit, it was  
3                    difficult for me to tell him specifics of my  
4                    interactions with police because it's just not  
5                    how it functions.  And if information flowed  
6                    back to the casino that I was talking to police  
7                    about issues, they would not make the police  
8                    happy, and rightfully so, so it was difficult  
9                    for me to be as open with them as they were with  
10                  me.  In other words, the information tended to  
11                  flow to me as opposed to information flowing  
12                  from me to them.  So I'm sure that frustrated  
13                  them.

14           Q     You say:

15                         "Based on my conversations with BCLC  
16                         investigators, I came to believe that BCLC  
17                         management was not interested in stopping  
18                         or reducing large and suspicious cash  
19                         transactions and were only interested in  
20                         ensuring that they complied with their  
21                         reporting obligations."

22                         Is this an assessment that was communicated to  
23                         you by a BCLC investigator?

24           A     No.  That's my assessment.  You know, I read  
25                    their reports, and they were very clear and I

1 believe very accurate, and they documented lots  
2 of what appeared to be money laundering and lots  
3 of what appeared to be loan sharking. They  
4 wrote those reports year in, year out and yet  
5 their management never -- they did not stop the  
6 money from flowing in.

7 Q And you wrote similar reports year in, year out  
8 about the same transactions?

9 A That's right.

10 Q And did your management take action that had the  
11 effect of stopping the transactions?

12 A Well, the transactions didn't stop, so the  
13 answer to that is no, we did not stop it either.

14 Q You say in your affidavit:

15 "During a meeting in what I believe was  
16 2014, Cheryl Wenezenki-Yolland told me  
17 that Mr. Desmarais had suggested that the  
18 large cash transactions in British  
19 Columbia casinos could be attributed to  
20 underground banking."

21 A Yes.

22 Q Where did that meeting take place?

23 A It took place in my office in Burnaby. Just,  
24 again, to set the table. It wasn't a formal  
25 meeting. I was working in my office and she



1 walked by and took the opportunity to walk in  
2 and engage me in conversation. During that  
3 conversation I explained to her my understanding  
4 of what was taking place there, that the drug  
5 trade was moving money to people that were  
6 loaning to people who played at high stakes, and  
7 we had a long conversation during which  
8 Mr. Ackles, whose office was right across the  
9 hall, joined me, and we discussed this at some  
10 length. There was a -- I characterize it as a  
11 good conversation. She had a good grasp of the  
12 issues, and I thought she clearly believed what  
13 we were saying, and during that conversation one  
14 of her responses was she'd had a meeting with  
15 Mr. Desmarais and he'd told her that the money  
16 flowing into the casinos was as a result of  
17 underground banking. Whatever that meant.

18 Q Did she express to you any concern about money  
19 from underground banking making its way into  
20 British Columbia casinos?

21 A My interpretation of the conversation was she  
22 believed Ackles and myself and she thought that  
23 Mr. Desmarais's explanation was either faulty or  
24 only a partial explanation or not really an  
25 explanation at all for how the money ended up

1                   from underground banking into casinos. That's  
2                   my interpretation of the conversation.

3           Q       In response to -- were you essentially telling  
4                   her there are large quantities of illicit  
5                   proceeds coming into British Columbia casinos  
6                   and this was money laundering?

7           A       Essentially, yes.

8           Q       Did she say whether she accepted your  
9                   assessment?

10          A       I believe from the conversation she did, yes.

11          Q       Did she say what she was going to do about it?

12          A       No.

13          Q       Did she tell you whether she had prior to this  
14                   taken any action to try to address the problem?

15          A       No.

16          Q       Do you have any information one way or another  
17                   about any steps she took in response to this  
18                   conversation?

19          A       No, I do not.

20          Q       You talk in your affidavit about buy-ins under  
21                   \$50,000 and cash not being reported by the  
22                   service provider as suspicious?

23          A       Right.

24          Q       These are cash buy-ins?

25          A       Yes.

1 Q Did you view them as suspicious?

2 A Yes.

3 Q And this is a practice that went on for some  
4 years?

5 A Yes.

6 Q And this was a concern about River Rock  
7 specifically not reporting, or was it other  
8 casinos too?

9 A Well, when I became aware of it, I was focused  
10 at the River Rock. I can't comment whether at  
11 the same time it was taking place in other  
12 venues.

13 Q There was no question in your mind at this time  
14 that GPEB was the regulator of Great Canadian as  
15 service provider, was there?

16 A No, there was no question in my mind.

17 Q And did you see this practice as non-compliant?

18 A Yes, I did.

19 Q Why as an investigator for the regulator of a  
20 service provider who in your view was being  
21 non-compliant did you not direct them to report  
22 these transactions?

23 A The answer to that question is that my authority  
24 was in question. I was always aware that if I  
25 told somebody to do something and they didn't do

1                   it, that would be the end of it for me in that  
2                   casino. It's sort of an element of cry wolf.  
3                   If I tell them to do something and they don't do  
4                   it, I'm in a very awkward position. So what I  
5                   did do, because this, again, this revved me up  
6                   considerably, I went to Mr. Vander Graaf  
7                   directly and talked about not just that issue,  
8                   but the issue of non-reporting of buy-ins with  
9                   50 and \$100 bills. And what he said to me  
10                  essentially was the issue with the \$20 bills was  
11                  big enough to leave it at that for now, focus on  
12                  that issue and we're still working on addressing  
13                  that and the other issues were almost secondary  
14                  or tertiary to the huge amounts of \$20 bills  
15                  coming in.

16                   I didn't necessarily agree with it. In my  
17                   mind's eye I didn't see much of a difference  
18                   between somebody buying in with a whack of  
19                   \$50 bills and \$20 bills, although I know from my  
20                   police background it's more accepted that  
21                   \$20 bills are the denominations generally used  
22                   in the drug trade, but --

23                  Q     Sir --

24                  A     I was a little surprised by that, but it was --  
25                   these were surprising times for me, on many

1 fronts.

2 Q Why would you be done in the casino if you as  
3 the investigator for the regulator stepped in  
4 and gave a direction to address what you  
5 assessed to be clear and obvious non-compliance?

6 A Well, because from established long before I got  
7 there, people were not responding to us as the  
8 regulator. So I'm left in a position where I  
9 can continue to go to the casino and try to get  
10 through gentle suggestions, which was largely  
11 not successful, some action to take place, and I  
12 could choose to keep those channels open to  
13 continue to get information, or I could try to  
14 play a more severe role, and if I was challenged  
15 and unsupported, I would be -- well, where would  
16 I be? I would be the day before my retirement,  
17 I guess, because I had very little authority,  
18 for whatever reason. And it was long  
19 established.

20 Q Were you concerned that your job would be in  
21 jeopardy if you gave a direction to a service  
22 provider?

23 A I was never worried about my job. I didn't come  
24 to this industry for money, and I don't want  
25 that to sound arrogant. I came to work here

1                   because I thought it was an opportunity to learn  
2                   something about something I didn't know very  
3                   much about, and that was gambling and gaming and  
4                   that's why I chose to come here. I could have  
5                   stayed working at BC Hydro. I had a lot of  
6                   other opportunities, and it wasn't about --  
7                   worried about my maintaining a job. It was  
8                   about my perception and my ability to carry out  
9                   the job if I tried to lay down the law and I was  
10                  not supported by the industry, by government, by  
11                  the situation as it existed.

12                Q    You talk in your affidavit about in 2016 and  
13                    2017 the largest cash player in the province who  
14                    had bought in for millions of dollars in  
15                    transactions that you assessed to be suspicious  
16                    and those transactions had not been reported as  
17                    suspicious because they were in \$100 bills as  
18                    opposed to \$20 bills. Have I summarized that  
19                    accurately?

20                A    Yes.

21                Q    And this was, again, the service provider not  
22                    reporting large cash transactions that you  
23                    thought to be obviously suspicious and should  
24                    have been reported?

25                A    Yes. I was quite disappointed that here's a

1                   player that I think had put at risk something  
2                   like \$69 million and I'd been there for over six  
3                   years and I'd never heard of him. I thought  
4                   that was not right.

5                   Q     And were his buy-ins predominantly in cash?

6                   A     Well, as the conversation -- as the -- my  
7                   investigation moved forward, that turned out not  
8                   to be the case. The nexus of the issue, as I  
9                   recall it, was he had come to the River Rock and  
10                  deposited \$700,000 in \$100 bills, and I think  
11                  there was another ancillary deposit of, I think,  
12                  \$70,000. And I couldn't find any history of him  
13                  playing -- well, I didn't know he was a player.  
14                  When I looked a bit further I think his last  
15                  play was seven months before, so I guess it was  
16                  BCLC's position that because he won that amount  
17                  of money or more seven months before, it was  
18                  okay for him to bring in \$700,000 seven months  
19                  later. And it was my position that this was  
20                  something that should have been filed with us.

21                  Q     And you as the investigator, I take it from what  
22                  you've told us, didn't give any direction to the  
23                  service provider in response to these concerns?

24                  A     Well, what I did -- so by this time the battle  
25                  was ranging that BCLC was not our -- they were

1 not going to be regulated by us, so the AML unit  
2 that existed within BCLC at that time was -- the  
3 person was in charge was Ross Alderson and  
4 his -- too I see was Daryl Tottenham.

5 So it was Tottenham that made the decision  
6 to allow the money to be deposited in his player  
7 gaming fund account. So I arranged to make a  
8 meeting with him after one of the other casinos  
9 to explain it more on a -- my attempt at a  
10 collegial discussion, and as part of my subtle  
11 psychological strategy, I brought along a new  
12 hire at GPEB who was the retired deputy chief of  
13 the New Westminster Police Department, which is  
14 where Tottenham had worked before he retired,  
15 and I thought that might assist in him being  
16 more forthright and provide an explanation for  
17 what they were doing.

18 So anyway, it unfolded that Mr. Tottenham  
19 was very confident that the fact that the  
20 gentleman in question had won money in the  
21 casino seven months before, was perfectly okay  
22 for him to walk in with \$700,000 and \$70,000 in  
23 cash seven months later, and that was basically  
24 how it transpired. I'm sorry, you've muted.

25 Q Thank you. In your affidavit at paragraphs 82



1 through 85 you talk about a meeting you had with  
2 Ms. Wenezenki-Yolland. Is that the same meeting  
3 that you've told us about where you and  
4 Mr. Ackles spoke with her in your office?

5 A I'd just better ...

6 Q Page 14 of your affidavit.

7 A Yeah, mine is not numbered. But it probably is.  
8 The first meeting took place in my office, and  
9 that was the one where we talked about  
10 underground banking and my and Ackles'  
11 explanation was transpiring. My other testimony  
12 with regards to her was some months later in the  
13 boardroom of the audit investigation building.

14 Q Are those the only two meetings you had with her  
15 where you recall the topic of large cash buy-ins  
16 and money laundering being discussed?

17 A Yes.

18 Q You talk about in your affidavit a time shortly  
19 after Mr. Mazure succeeded Doug Scott and you  
20 say when you first met with him, he said to you  
21 and other investigators, "stop doing what you  
22 are doing." What did you interpret that to mean  
23 and why?

24 A I interpreted it to mean that I was to stop  
25 conducting investigation and documentation of

1                   large cash buy-ins because that was 90 percent  
2                   of what I was doing and had been doing for some  
3                   years.

4           Q       Is there some further context that you can share  
5                   with us that supports the interpretation that  
6                   you had of what that meant?

7           A       No. It was my interpretation of what he was  
8                   saying, he came in there and he appeared to be  
9                   angry, and I had the impression that he was --  
10                  thought we lacked credibility in the issue and  
11                  he wanted it to stop.

12          Q       And do you recall anything else about the  
13                   conversation or what was said proceeding him  
14                   saying these words to you?

15          A       No. That was about the first thing he said.  
16                   You know, to be honest with you, I think the  
17                   steam coming out of my ears from that point on  
18                   probably avoided me from absorbing a lot more of  
19                   what he said. I want to say in his defence that  
20                   within the short period of time, he -- the  
21                   conversations with me, he came around and I  
22                   believe was supportive of me and believed that  
23                   money laundering was taking place in the  
24                   casinos.

25          Q       You say that you understood from Mr. Mazure that

1                   he was not being supported by  
2                   Ms. Wenezenki-Yolland. What caused you to have  
3                   that understanding?

4           A        Because he said -- he said it. And not only did  
5                   he say it, he said it in a room full of people,  
6                   probably over 20 people. It was quite  
7                   extraordinary.

8           Q        What was he not being supported about, according  
9                   to him?

10          A        He said -- I believe the words he used was he  
11                   couldn't bring BCLC to heel, they weren't  
12                   recognizing him as a regulator, they wouldn't  
13                   listen to him, they were -- that was the essence  
14                   of it.

15          Q        What specifically did he say about  
16                   Ms. Wenezenki-Yolland's lack of support?

17          A        Well, he didn't say that she wasn't supporting  
18                   him. He asked her to support him and to help  
19                   him. And her response was, as I testified  
20                   earlier, you're the ADM; you're the -- you know,  
21                   you sort it out.

22          Q        And it's that conversation that led you to this  
23                   impression?

24          A        Yes. It was pretty black and white direct.

25          Q        Thank you. You say in your affidavit that you

1 believe Mr. Schalk and Mr. Vander Graaf were  
2 terminated because of their persistent efforts  
3 to raise concerns about large cash buy-ins?

4 A That's correct.

5 Q There's been some evidence of those efforts.  
6 Who told you, if anybody, that that's why they  
7 were terminated?

8 A I don't think anybody specifically told me that,  
9 but the day that they came and they were taken  
10 away, I mean, let out of the office, I mean  
11 obviously everybody was left in the office  
12 started talking about it, and it was the general  
13 consensus, and it was certainly my thoughts,  
14 that that was the result, the reason.

15 Q In or around July 5th, 2015, you took on a role  
16 where you had some province-wide  
17 responsibilities with respect to oversight of  
18 concerns related to money laundering?

19 A That's correct.

20 Q And in that capacity, did you have a lens into  
21 the quantity and magnitude of large cash buy-ins  
22 at casinos across the province?

23 A Yes. It was quite helpful. It was a slightly  
24 larger window for me.

25 Q Based on the reviews you conducted can you offer



1                   action.  Second, I reached out to various  
2                   police entities on my own initiative and  
3                   tried to convince them to investigate what  
4                   was taking place in our casinos."

5                   Sir, you've identified as you primary goal  
6                   eliminated money laundering in British Columbia.  
7                   During your tenure as the GPEB investigator,  
8                   were you or the Gaming Policy Enforcement Branch  
9                   successful in accomplishing or addressing that  
10                  goal?

11                 A     No, we were not.

12                 MR. MCGOWAN:  Thank you for answering my questions,  
13                         sir.

14                         Mr. Commissioner, those are my questions.

15                 THE COMMISSIONER:  All right.

16                 MR. MCGOWAN:  I should say I have neglected to mark  
17                         the affidavit of Mr. Barber.  I'll ask that it  
18                         be marked as the next exhibit.

19                 THE COMMISSIONER:  Very well.  That will be  
20                         exhibit 145.

21                 THE REGISTRAR:  Exhibit 145.

22                                 **EXHIBIT 145:  Affidavit #1 of Robert Barber,**  
23                                 **made on October 29, 2020**

24                 MR. MCGOWAN:  Mr. Commissioner, pursuant to your  
25                         direction, exhibits prior to being posted are to

1                   be redacted for certain types of information,  
2                   and we have as we've gone along in respect of  
3                   each exhibit sought a direction and I'm  
4                   wondering if it might be appropriate for you,  
5                   Mr. Commissioner, to make a general direction  
6                   that exhibits that are entered in this  
7                   proceeding not be posted until such time as the  
8                   appropriate redactions have been applied.

9                   THE COMMISSIONER: All right. Thank you.

10                  MR. MCGOWAN: Mr. Smart has come on screen. I think  
11                   that's probably just because he's preparing to  
12                   answer [sic] questions, but I want to make sure  
13                   he doesn't have anything to say on the request  
14                   I've just made for a direction.

15                  MR. SMART: No, I don't. Thank you.

16                  THE COMMISSIONER: Thank you.

17                                So, Mr. Smart, I believe you've been  
18                   allocated 25 minutes.

19                  MR. MCGOWAN: Have we assigned an exhibit number to  
20                   the affidavit, Madam Registrar?

21                  THE REGISTRAR: Yes. 145.

22                  MR. MCGOWAN: Thank you.

23                                And, Mr. Commissioner, you're content to  
24                   make the direction I've sought?

25                  THE COMMISSIONER: Yes, I am.

1 MR. MCGOWAN: Thank you.

2 MR. SMART: Thank you.

3 **EXAMINATION BY MR. SMART:**

4 Q Mr. Barber, it sounds like your six or seven  
5 years at GPEB was an unhappy experience.

6 A I was pretty disappointed. I was pretty unhappy  
7 when I left, yes.

8 Q You were spending much of your time, the  
9 majority of your time, taking information from  
10 BCLC together with the Section 86(1) Report and  
11 supplemental report, adding a little information  
12 that you might get from CPIC or RCMP PRIME and  
13 preparing a report and sending it up the chain  
14 of command.

15 A That's what I did a lot of the time, yes.

16 Q You didn't feel you had any authority as a  
17 regulator to actually step in the casino and  
18 regulate service providers or BCLC?

19 A That's true.

20 Q At times you reached out to police without any  
21 authorization from your superiors and tried to  
22 get them engaged; right?

23 A That's correct.

24 Q And you did that because you realized it was  
25 police organizations that had the resources and



1                   the ability if they turned their attention to  
2                   money laundering to do something about it?

3           A       That is correct.

4           Q       Your interaction with BCLC investigators was  
5                   generally positive is the impression I have.  
6                   That is, you found them professional, you found  
7                   them concerned about the money that was coming  
8                   into the casinos, and you found that the reports  
9                   that they wrote about those transactions to be  
10                  thorough and well done?

11          A       That is all true.

12          Q       And they were -- like GPEB, they were submitting  
13                  reports to police and regulatory bodies like  
14                  GPEB and nothing seemed to be happening?

15          A       And I would add to FINTRAC.

16          Q       Yes.  Maybe it might be helpful if I -- I'd like  
17                  to just show you -- well, let me ask you.  In  
18                  February of 2011, within a month or two of you  
19                  joining, there was a review that was directed by  
20                  the government based on all media reports of  
21                  these large cash transactions in \$20 bills.  
22                  Based on that, Mr. Kroeker was asked by the  
23                  Minister of Public Safety and solicitor general  
24                  to order a review of anti-money laundering  
25                  strategies employed at BC gaming facilities.

1                   Were you aware of that?

2           A        I wasn't aware of it at the time. I think I  
3                   became aware of it sometime later.

4           MR. SMART: I'm going to ask, Mr. Commissioner, that  
5                   it's exhibit 141. It's BCLC015781. If Madam  
6                   Registrar could put that up on the screen. The  
7                   exhibit number might be different. There's a  
8                   few copies of this, Madam Registrar. It's  
9                   exhibit 141, in any event?

10          THE REGISTRAR: Yes. I will get that.

11          MR. SMART: Thank you.

12          THE WITNESS: Mr. Smart, you're muted to me now.

13          MR. SMART: Thank you. Thank you, Madam Registrar.

14          Q        So this is the review, Mr. Barber, and I'll  
15                   take -- I'll go to the first page, please, Madam  
16                   Registrar.

17                   This just sets out the -- that this review  
18                   had been ordered by the Minister of Public  
19                   Safety. And I'll direct you to page 10, if we  
20                   could go there, please. The author of the  
21                   report was dealing with BCLC's responsibilities  
22                   and obligations, Mr. Barber, and at page 10 he  
23                   writes:

24                   "BCLC's obligation is primarily a duty to  
25                   report. These reporting obligations do

1 not extend to a duty to investigate and  
2 confirm the exact provenance of cash used  
3 to buy-in. Detailed inquiries and  
4 investigation into legitimate or  
5 illegitimate sources of cash appropriately  
6 fall to various law enforcement and  
7 regulatory authorities."

8 Was that your understanding at the time that you  
9 were at GPEB that that was BC's obligation is  
10 primarily to report?

11 A No.

12 Q I see.

13 A I thought both the service provider and BCLC had  
14 a responsibility to conduct their businesses so  
15 that organized crime could not flourish.

16 Q Yes. And let me take you down to the third  
17 paragraph. Mr. Kroeker writes:

18 "Drawing the conclusion that a large cash  
19 transaction involves funds from legitimate  
20 sources based only upon patron  
21 identification and playing history is not  
22 consistent with best anti-money laundering  
23 practices."

24 I expect you would agree with that.

25 A I'm sorry, I can't -- it's so small on my

1 screen, I'm just struggling. There we go.

2 Q Let me just read that again:

3 "Drawing the conclusion that a large cash  
4 transaction involves funds from legitimate  
5 sources based only upon patron  
6 identification and playing history is not  
7 consistent with best anti-money laundering  
8 practices."

9 In other words, the fact that the player has  
10 lots of money and loses it isn't consistent with  
11 best anti-money laundering practices. I expect  
12 you agree with that.

13 A I agree with that sentence.

14 Q And then Mr. Kroeker writes:

15 "Conclusions and statements as to the  
16 ultimate legitimacy of cash should only be  
17 made where there is detailed, independent  
18 information verifying the source of the  
19 funds and should only be made by the  
20 enforcement agencies with a mandate to  
21 conduct these types of inquiries."

22 Do you agree with that?

23 A No, sir, I do not.

24 Q So in your time as investigator, you didn't  
25 believe that was BCLC's scope of responsibility

1                   and limitations on its mandate, did you?

2           A        No.  I believed that BCLC had a greater  
3                   responsibility.

4           Q        So if BCLC was following the review ordered by  
5                   the government, that would -- and was following  
6                   that as its guide, you would disagree with that?

7           A        Yes.  I disagree with that.

8           Q        All right.  Thank you.  In your affidavit,  
9                   Mr. Barber, you -- and in your evidence here  
10                  today you have spoken about a meeting with  
11                  Mr. Tottenham to do with a patron's large cash  
12                  transaction.  That was in a meeting that you had  
13                  in November of 2016?

14          A        Yes.  Yes.

15          Q        You said you brought along a former  
16                  supervisor -- sorry, let me back up.  
17                  Mr. Tottenham has been a New Westminster city  
18                  police officer for many years?

19          A        Correct.

20          Q        You brought along a former supervisor of his  
21                  from his time at New Westminster PD who was now  
22                  working with GPEB?

23          A        That's correct.

24          Q        And you did that hoping he would be more  
25                  forthright, was your words?

1           A     Forthright would have been good, yes.

2           Q     But that's your language?

3           A     Yes.

4           Q     That's a bit disparaging of Mr. Tottenham, isn't  
5                   it, as if he would not have been forthright?

6           A     Well, one must look at context, and I was  
7                   working within the context of BCLC's  
8                   communicating to us that we were no longer their  
9                   regulator.

10          Q     Yes.

11          A     I do accept your criticism, but it occurred at  
12                   that time under those conditions.

13          Q     But this particular patron, Mr. Tottenham had  
14                   said they had done their own investigation;  
15                   correct?

16          A     Yes. He said they'd done an open-source  
17                   investigation.

18          Q     Did you not accept that Mr. Tottenham was  
19                   concerned, as concerned as you were about  
20                   proceeds of crime coming into casinos?

21          A     No, sir. What I took away from the meeting was  
22                   that he was having trouble distinguishing  
23                   between a wealthy person and a source of funds.  
24                   Wealthy people can conduct themselves in  
25                   criminal fashion. And the fact that he knew

1                   that this man was rich did not satisfy me with  
2                   regards to the source of funds. It was  
3                   something that I had been harping on for almost  
4                   seven years at that point in time and I was  
5                   actually quite shocked by his response.

6           Q       Did you know that they had investigated and  
7                   discovered that he had actually won more than  
8                   \$4 million at River Rock over the course of  
9                   years of his gaming?

10          A       Well, I was at a disadvantage because I knew  
11                   very little about it in the beginning, but I  
12                   did -- I can't recall if I learned at that time  
13                   or before that he'd won a lot of money, but my  
14                   point of concern was that he hadn't played in  
15                   the casino in over seven months.

16          Q       Did you know that he actually phoned River Rock  
17                   ahead of time and 10 days before he came out  
18                   with cash to them him know that he was going to  
19                   be bringing a large amount of cash?

20          A       I believe I did know that, yes.

21          Q       You did know that?

22          A       Yes.

23          Q       Did you know that he had a long, extensive --  
24                   first of all, did you know he was a very wealthy  
25                   businessperson?

1           A     I did learn that.  I'm sorry, I can't tell you  
2                    exactly when I learned that.

3           Q     Did you know that the FSOC, the RCMP federal  
4                    agency, had conducted their own investigation  
5                    and were satisfied that the money he was  
6                    bringing was not suspicious?

7           A     I did know that, but I suspect if they did  
8                    conduct that investigation, it was subsequent to  
9                    my inquiry.

10          Q     But you put this in your affidavit and it  
11                    certainly is disparaging of Mr. Tottenham and  
12                    BCLC, isn't it?

13          A     Well, I'm certainly -- I was certainly critical.  
14                    I continue to be critical in that instance.  I'm  
15                    still not satisfied.  And I've been retired for  
16                    over three years.

17          Q     Yes.  From time to time, Mr. Barber, when asked  
18                    questions and you've answered them, you have  
19                    repeated information you have learned from  
20                    others.  That's secondhand, as you know, what we  
21                    call hearsay?

22          A     That is correct, yes.

23          Q     For example, you reported what someone told you  
24                    Mr. Desmarais had said in, I guess, 2014 about  
25                    the source of these large cash transactions?



- 1           A     I'm sorry, who did you say?
- 2           Q     Mr. -- I probably mispronounced it?
- 3           A     Mr. Desmarais.
- 4           Q     Yes. First of all, you know Mr. Desmarais from
- 5                    his time as a police officer?
- 6           A     Yes, I do.
- 7           Q     He was very knowledgeable about proceeds of
- 8                    crime investigations, wasn't he?
- 9           A     I believe he was, yes.
- 10          Q     Yes. He conducted some large proceeds of
- 11                    crimes, drug transactions investigations, when
- 12                    he was a police officer?
- 13          A     I'm aware of that, yes.
- 14          Q     And he would be someone you would expect would
- 15                    be quite vigilant, knowledgeable about proceeds
- 16                    of crime?
- 17          A     Yes.
- 18          Q     And I'm going to suggest that -- you don't know
- 19                    whether, yourself, whether Mr. Desmarais told
- 20                    the person who spoke to you some of this money
- 21                    may come from underground banking as opposed to
- 22                    it's all from underground banking. You don't
- 23                    know one way or the other, do you?
- 24          A     No, I'm just recounting to the best of my
- 25                    ability the conversation I had with Ms. Yolland.

1           Q     Yes.  And when Mr. Schalk and Mr. Vander Graaf  
2                   were terminated at the end of 2014, you and the  
3                   other investigators discussed why, and you came  
4                   to an assumption that it was because they were  
5                   reporting these large cash transactions?

6           A     That's correct.

7           Q     That's just an assumption, isn't it?

8           A     That's fair to say.

9           Q     I mean, you don't know, for example, that  
10                  Mr. Schalk wrote a letter to Mr. Hodgkin at  
11                  BCLC.  Did you know who Mr. Hodgkin was?

12          A     Yes.

13          Q     He wrote a letter at the end of December of  
14                  2012, setting out certain information that  
15                  resulted in a response from the chief executive  
16                  officer of BCLC to the head of your  
17                  organization, Mr. Scott, pointing out that there  
18                  were errors and false assumptions in that  
19                  letter, it was offensive, some of the language  
20                  that he used.  You didn't know that?

21          A     I didn't know that at that time, no.

22          Q     No.  And that Mr. Scott had essentially  
23                  apologized for Mr. Schalk's letter?

24          A     I did not know that either at that point.

25          Q     So there may be other reasons for why Mr. Schalk

1                   and maybe Mr. Vander Graaf were terminated other  
2                   than the assumptions and speculation of the  
3                   investigators. Do you agree with that?

4           A     It is possible.

5           Q     You've given evidence that BCLC -- and you say  
6                   -- in your affidavit you actually refer to them  
7                   as a rogue -- no, that you got the impression  
8                   from Mr. Mazure, who was the new head of GPEB,  
9                   that he was dealing with a bunch of rogue  
10                  investigators.

11          A     That's what I interpreted, yes.

12          Q     That's very strong language, isn't it?

13          A     Yes.

14          Q     Do you not think that the investigators at BCLC,  
15                  and frankly the management at BCLC, were trying  
16                  to fulfil their responsibilities in a manner  
17                  consistent with what they thought was their  
18                  duty?

19          A     Well, my opinion's a little more complicated  
20                  than that, but my opinion is the frontline  
21                  people employed at BCLC were doing the very best  
22                  they could to do the job. I have less faith in  
23                  people higher up --

24          Q     But you never spoke -- sorry, Mr. Barber. But  
25                  you never spoke to those people, did you?

1           A     Well, I did approach Mr. Desmarais within his  
2                    first few weeks on the job. He and I know each  
3                    other, and I offered an opportunity to sit down  
4                    and discuss my opinion on what was going on, and  
5                    he never did respond to me.

6           Q     So you had been an investigator for maybe three  
7                    years or so?

8           A     Three or four, yes.

9           Q     Do you think maybe he thought he had  
10                   investigators that were more knowledgeable than  
11                   you?

12          A     I can't really say what he thought about it, but  
13                   because he and I had a relatively friendly  
14                   relationship before and I was a little  
15                   disappointed that he didn't give me a call out  
16                   of courtesy if nothing else.

17          Q     Well, he had just joined. He might have been a  
18                   little busy?

19          A     I don't know that, sir.

20          Q     Yeah. I mean, you've also been critical of  
21                   Mr. Scott, I think. You approached him after a  
22                   meeting in Burnaby and stood in front of him and  
23                   confronted him?

24          A     Well, you're interpreting it as a confrontation.  
25                   I thought that his liability was considerable

1                   and I thought it was -- although I was outside  
2                   of the -- because we're almost paramilitary  
3                   because we're all ex-cops, it was definitely out  
4                   of the ordinary, but I hold my head up high in  
5                   trying to do that. It wasn't something that I  
6                   did easily.

7           Q       No. And I'm not going to suggest it wasn't done  
8                   with the best of motives. You were no doubt  
9                   frustrated by what you were observing.

10          A       Well, sir, I disagree with you wholeheartedly.  
11                   Although I was frustrated, my motives were, in  
12                   my opinion, very good.

13          Q       No, no, sorry. I either misspoke or you  
14                   misheard me. I suggested you did it for the  
15                   best of motives, for the best of reasons, but  
16                   you were -- and you were frustrated with the  
17                   fact that you were watching all of these large  
18                   suspicious cash transactions occurring and  
19                   nothing seems to be being done about them?

20          A       I agree with that, yes.

21          Q       But, I mean, ultimately you and GPEB didn't have  
22                   the resources and apparently the authority to  
23                   investigate the source of those cash  
24                   transactions; right?

25          A       Correct.

1 Q And according to Mr. Kroeker, BCLC investigators  
2 shouldn't be doing it either?

3 A Well, obviously I disagree with that.

4 Q Yes. And the people who should be doing it, the  
5 people that you were trying to get engaged, the  
6 people that you spoke with without permission  
7 from your supervisors, RCMP and other police  
8 authorities, they didn't seem to be doing very  
9 much?

10 A Yes, but Mr. Smart, what you're saying is true.  
11 However, police investigation went forward,  
12 millions of dollars were spent, millions of  
13 dollars were spent in all sorts of areas, but  
14 would it not have been more expedient and more  
15 reasonable for the government of the day to  
16 communicate to a Crown corporation, the service  
17 provider that they'd engaged, to stop doing it?  
18 Would they not have done it? Would none of this  
19 happened? Therein flows my frustration.

20 Q Yes. Well, I expect we're going to hear from  
21 those people in due course, Mr. Barber, and  
22 we'll hear their explanations and their reasons  
23 for what they did. But I want to go back to the  
24 concern about BCLC not accepting your impression  
25 or your interpretation is that they were

1                   essentially a rogue organization that wasn't  
2                   accepting BCLC as its regulator?

3           A        I'm sorry if maybe I misunderstood you.  What  
4                   I'm trying to say is Mr. Mazure was -- I believe  
5                   he thought we and GPEB were a bunch of rogue  
6                   investigators.

7           Q        I see.

8           A        Not BCLC.

9           Q        I see.  But this lawsuit that you've said that  
10                   BCLC was lawyering up, as a lawyer I'm a bit  
11                   resentful of that phrase, but you're suggesting  
12                   that BCLC said, we're not going to accept you as  
13                   a regulator; we're getting your lawyers and  
14                   we'll take you to court.  Is that sort of what  
15                   you understood?

16          A        Yes.

17          Q        Okay.  And I'm going to suggest what happened  
18                   was not that but that BCLC obtained a legal  
19                   opinion that it was not in -- that by  
20                   providing -- by disclosing players' personal  
21                   information to GPEB outside of the regulatory  
22                   reporting requirement, in other words, what they  
23                   had to report, that they were in fact not in  
24                   compliance -- I'll put it more strongly --  
25                   violating the *Freedom of Information and*

1                    *Protection of Privacy Act*, sometimes called  
2                    *FIPPA*, by disclosing this information and they  
3                    stopped doing it, and that was one of the  
4                    frustrations that occurred between GPEB and  
5                    BCLC. Are you aware of that?

6                    A    Not really.

7                    Q    No. This is one of the problems with being  
8                    down -- you're a motivated investigator. An  
9                    ex-police officer is used when you see what  
10                   appears to be a crime to investigate it, but  
11                   you're down the chain of command in GPEB, and a  
12                   lot of the information you're getting is  
13                   secondhand. Isn't that fair?

14                   A    That's fair comment, yes.

15                   Q    Yes. In your concluding remarks -- and I think  
16                   Mr. McGowan asked you about this -- you thought  
17                   your task was to help eliminate money laundering  
18                   in casinos?

19                   A    Yes.

20                   Q    And that's why I say at the end of six or seven  
21                   years it was pretty frustrating for you because  
22                   your ability to do very much -- because you  
23                   recognized your ability to do very much was  
24                   pretty limited?

25                   A    That is true. I would point out that I retired



1                   after E-Pirate rolled out and allowed me to  
2                   leave with some semblance of dignity, I guess.

3           Q        Although ultimately it didn't end so well?

4           A        It did not.

5           Q        Let me just leave one thing, and that is what  
6                   appears to have happened is that with the  
7                   evolution of anti-money laundering measures  
8                   being brought into gaming in this province,  
9                   ultimately the government did take a step of  
10                  forming JIGIT?

11          A        That is true.

12          Q        And rather than go knock on doors of police  
13                   officers as you tried to do on your own, you  
14                   actually had an organization with GPEB and  
15                   RCMP -- or CFSEU were embedded together and  
16                   collectively could try to do the investigations  
17                   and the work that was necessary to combat the  
18                   source of funds that were coming into casinos.  
19                   Is that sort of a fair summary of where things  
20                   evolved to?

21          A        Yes, it is.

22          Q        So it may have been a frustrating six or seven  
23                   years, but it seems like it had progressed at  
24                   least to a much better resolution than when you  
25                   started?

1           A     Damn, I don't want to answer that question, but  
2                    I guess there's been some improvement.

3           MR. SMART: All right. Those are my questions,  
4                    Mr. Barber. Thank you.

5           THE COMMISSIONER: Thank you, Mr. Smart.

6                    Mr. Skwarok, I understand that you on  
7                    behalf of Great Canadian Gaming Corporation have  
8                    been allotted 15 minutes

9           MR. SKWAROK: Yes, sir. Thank you.

10           **EXAMINATION BY MR. SKWAROK:**

11          Q     Mr. Barber, my name is Mark Skwarok. I'm one of  
12                    the lawyers for Great Canadian Gaming  
13                    Corporation, and I'm hoping you'll answer some  
14                    questions I have about your time at GPEB.

15                    Sir, you're aware that Great Canadian's  
16                    obligations were to report unusual financial  
17                    transactions and also to file Section 86  
18                    Reports; correct?

19          A     Correct.

20          Q     And it wasn't their job to investigate the  
21                    origin of cash coming into the casino; their job  
22                    was to report on suspicious circumstance; right?

23          A     That's correct.

24          Q     With respect to the Section 86 Reports, these  
25                    are documents that were required to be filed

1 immediately under the relevant legislation, and  
2 they necessarily had to be quite bare bones in  
3 their description of unusual financial  
4 transactions. Would you agree with that?

5 A Yes.

6 Q And you would -- after receiving such reports,  
7 you would then go and ask for further  
8 information from BCLC and service providers like  
9 Great Canadian; right?

10 A I would do so, yes.

11 Q In your affidavit or in your testimony you  
12 suggested that you would get this additional  
13 information from BCLC in a supplemental report.  
14 Do you recall that?

15 A I did receive supplemental reports from BCLC  
16 from -- yes.

17 Q But are you aware, sir, that the original  
18 incident was written up and described in some  
19 detail by Great Canadian, not BCLC?

20 A Yes, I'm aware of that.

21 Q So it was Great Canadian that initiated the  
22 report and initiated the concerns about any  
23 particular transaction; right?

24 A Yes. They reported these things in the first  
25 instance.

1 Q And they were typically quite detailed, weren't  
2 they? They would record such things as the  
3 buy-ins of potentially problematic patrons, the  
4 denomination of the bills that were used and  
5 that type of thing?

6 A Yes.

7 Q Let me ask you some questions, if I may, about  
8 your relationships with Great Canadian  
9 compliance staff. And I take it you had  
10 interactions throughout with various people at  
11 River Rock in particular.

12 A Yes. I made an effort to make contact with all  
13 the people I could.

14 Q How would you generalize your relationship, your  
15 working relationship with these people?

16 A I thought it was good.

17 Q Did they provide you with full access to their  
18 facilities whenever you asked to use them?

19 A Yes, they did.

20 Q And did they provide you with information when  
21 you asked for it?

22 A Yes.

23 Q Sir, are you aware of any directive ever being  
24 issued by GPEB either by yourself or hearsay  
25 from third parties, any time when a directive of

1 GPEB was ignored by Great Canadian?

2 A No, I'm not aware.

3 Q Put it into more understandable question, you're  
4 not aware of any time that Great Canadian  
5 dissipated directive from GPEB; right?

6 A Not directly.

7 Q All right. I want to address some questions  
8 about your perception of large cash  
9 transactions. You say at paragraph 20 -- and  
10 I'm going to paraphrase, but please open up your  
11 affidavit and make sure I get it right. At  
12 paragraph 20 -- sorry, sir, do you have that?

13 A Yes, I do.

14 Q At paragraph 20 you say at the beginning of your  
15 tenure as an investigator, you were immediately  
16 shocked and concerned by the large cash  
17 transactions. Do you see that?

18 A Yes.

19 Q And you became aware of these large cash  
20 transactions primarily from reports prepared by  
21 River Rock; right?

22 A That was the primary initial source, yes.

23 Q At paragraph 29 of your affidavit, you found  
24 these transactions to be "shocking and  
25 concerning." You see that?

1 A Yes.

2 Q And at paragraph 30 you state that even though  
3 you had no experience in money laundering or  
4 proceeds of crime investigations, it was  
5 immediately apparent to you that this cash was  
6 likely the proceeds of crime. "This belief was  
7 not necessarily from my experience in law  
8 enforcement"; it was from commonsense; it seemed  
9 obvious to me this cash had to be related to  
10 illegitimate businesses. That was your  
11 evidence?

12 A Yes.

13 Q Did you pass on your perceptions of the obvious  
14 nature of these transactions to the RCMP?

15 A Yes.

16 Q And what was their reaction?

17 A There was no disagreement.

18 Q Were you given any reason why no prosecutions  
19 have been successfully conducted?

20 A I can't recall any specific conversations in  
21 that area, but I'm aware from my background that  
22 it's -- these are very difficult charges to  
23 prove. There was manpower shortages in policing  
24 in Canada, and in British Columbia in particular  
25 there was emphasis on other types of crime

1                   during the period that I worked at the River  
2                   Rock.

3           Q     Is it possible, sir, that these individuals with  
4                   the police, RCMP and other regulatory police  
5                   units, are much more experienced and have a lot  
6                   more expertise than you do in money laundering  
7                   investigations; correct?

8           A     Oh, I'm sure there's many police officers that  
9                   have more experience in the area than I do, yes.

10          Q     And to them it may not have been as obvious as  
11                  you thought, that these large buy-ins were  
12                  proceeds of crime. Do you accept that  
13                  possibility?

14          A     Not really, no.

15          Q     Well, but you'll accept the reality that nothing  
16                  was done about it by the police; right?

17          A     Well, you're complicating the question. Some  
18                  things were done that I was involved in in 2011.  
19                  E-Pirate eventually evolved, and as Mr. Smart  
20                  just queried me, JIGIT was created, so I'm not  
21                  quite sure how to answer your question.

22          Q     Well, there was no successful prosecutions  
23                  relating to proceeds of crime through casinos;  
24                  correct?

25          A     That is correct.

1 Q And you're aware, sir, that GPEB is responsible  
2 for the overall integrity of gaming in the  
3 province; right?

4 A That is correct.

5 Q And it was throughout your tenure with GPEB;  
6 right?

7 A Yes, it was.

8 Q And you're aware that the *Gaming Control Act*  
9 required service providers to immediately  
10 disclose to GPEB things like unusual financial  
11 transactions; right?

12 A Yes.

13 Q Are you aware that since 2018 at least GPEB  
14 could directly remove patrons if they were  
15 acting contrary to the integrity of gaming?

16 A No. Having been retired in that time period,  
17 and I actually have not heard that before.

18 Q Fair enough. But in light of GPEB's overall  
19 responsibilities for the integrity of gaming,  
20 couldn't they have directed Great Canadian to  
21 not accept large cash transactions?

22 A I would have thought so. And as I've tried to  
23 communicate in my affidavit, when I came here, I  
24 thought as a regulator I would have a lot more  
25 power than I did have.



1           Q     Who told you you had less power than you thought  
2                    you did?

3           A     I'm not able to provide you with the name of an  
4                    individual.  The information was absorbed by me  
5                    after talking with my peers in the office and  
6                    perhaps Mr. Dickson, who was my immediate  
7                    supervisor, but I'm challenged to come up with a  
8                    specific instance.  And I'm not saying ever --  
9                    just to assist you -- that people in Great  
10                   Canadian said no to any request or suggestions  
11                   that I provided.  They were generally  
12                   cooperative.  It was just that nothing they were  
13                   going to do was going to stop the large buy-ins  
14                   from occurring.

15          Q     Well, you don't know that because you never told  
16                    them to refuse them, did you?

17          A     Well, perhaps I can answer that question best by  
18                    describing, as I did in my affidavit, the first  
19                    time I went to the River Rock and went to the  
20                    surveillance room.  I was brought there by  
21                    another GPEB employee to be introduced, and  
22                    within a couple of moments of arriving there, a  
23                    very heated argument rose up because they  
24                    resented the fact that myself and the other GPEB  
25                    investigator suggested that there was out of

1 control money laundering occurring at the  
2 casino, and it was actually quite an interesting  
3 experience to be yelled at when you're first  
4 meeting with people you knew you depended on in  
5 your career to achieve any success whatsoever.

6 Q Did these individuals give you any information  
7 about potential money laundering in this meeting  
8 that they hadn't given before?

9 A It wasn't a meeting. I walked in to be  
10 introduced, and their point of view was that we  
11 didn't know what we were talking about, that  
12 people in the Chinese culture used cash more  
13 than other cultures, and they were just very  
14 wealthy individuals that happened to have lots  
15 of money to bring into the casinos.

16 Q Sir, if I understood your evidence correctly,  
17 you said you believed that Mr. Pat Ennis, who is  
18 head of compliance, was convinced that large  
19 cash buy-ins were the proceeds of crime. Was  
20 that your evidence?

21 A I don't think I used the word "convinced," but I  
22 think he -- I testified and I continue that I  
23 believe that that was the case.

24 Q What made you think that if he didn't say it?

25 A Well, I'm distilling interactions with Mr. Ennis

1                   who -- you know, I probably talked with him 50,  
2                   60 times over seven years. He was somebody I  
3                   sought out and he was knowledgeable in the  
4                   industry, he had a longstanding background, and  
5                   that's what I took away from it.

6           Q       And you also said, I believe in evidence that  
7                   you felt that River Rock management somehow  
8                   encouraged Ennis to allow proceeds of crime to  
9                   be deposited. Was that your evidence?

10          A       No, I don't think I said that.

11          Q       You certainly did say that you thought that  
12                   Ennis's position was constrained by management?

13          A       Yes. Yes. That was my testimony.

14          Q       And what do you mean by that?

15          A       I just think he was a man who was trying to do  
16                   his best for his company without getting in  
17                   trouble with his employer.

18          Q       Sir, I anticipate that Mr. Ennis is going to  
19                   take the stand and swear under oath that he  
20                   might have thought such deposits were  
21                   suspicious, but he didn't know they were  
22                   proceeds of crime. You don't have any evidence  
23                   to suggest that would be false, do you?

24          A       No, I do not.

25          Q       And I anticipate that there will be evidence

1                   from witnesses saying that Mr. Ennis is a man of  
2                   uncompromising integrity. Do you have any  
3                   reason to disagree with that?

4           A       Not only would I not disagree with that, I would  
5                   also echo that. I thought that also.

6           Q       And I further anticipate that Mr. Ennis is going  
7                   to testify that management of River Rock put  
8                   compliance above profit and indeed compliance  
9                   was a top priority for the company. Do you have  
10                  any reason to disagree with that?

11          A       Yes, I disagree with that.

12          Q       On what basis?

13          A       I think that the entire industry was predicated  
14                  on bringing as much money in, devil may care  
15                  how.

16          Q       You do realize that it's a business that's aimed  
17                  at profit, but profit to be earned in a legal  
18                  way, and I suggest to you that's what management  
19                  wanted to do. Do you disagree with that?

20          A       I don't think I can answer that.

21          Q       All right. With regards to your concerns about  
22                  the \$50,000 reporting threshold, you were aware  
23                  that there was such a threshold; correct?

24          A       Not immediately, but I came aware of it.

25          Q       When was that?



1 exhibiting.

2 Q Yes, but you didn't feel that GPEB had any  
3 responsibility to take any enforcement or  
4 supervisory role, did you?

5 A Well, as I testified, when I started, I  
6 certainly thought as a regulator I would be  
7 allowed to regulate either through the General  
8 Manager -- and I actually throughout threw  
9 myself if I went into the Great Canadian casino  
10 and made a suggestion it would be responded to,  
11 but I found that that was not the case.

12 Q Again, sir, you never issued a directive to  
13 Great Canadian that was not followed; correct?

14 A That is correct.

15 Q All right. In your last paragraph of your  
16 affidavit, the last couple of lines you say:

17 "I believed Great Canadian Gaming  
18 Corporation as a publicly traded company  
19 would be compelled to act if directed to  
20 do so by government."

21 Do you see that?

22 A Yes. I remember writing it.

23 Q But you worked for the governmental body that  
24 was responsible for administering the gaming in  
25 the province and to ensure it was conducted in

1 integrity; right?

2 A That's correct.

3 Q And you didn't do anything to pursue your  
4 concerns directly with Great Canadian by issuing  
5 a directive; correct?

6 A I did not issue a directive in my seven years,  
7 no.

8 Q And you never told them to refuse large cash  
9 buy-ins; right?

10 A I think it's fair to say that it was suggested  
11 by me.

12 Q You never directed them to refuse large cash  
13 transaction reports -- transactions, did you?

14 A No. We've already addressed that.

15 Q And you never told Great Canadian to prevent any  
16 given player from buying in at River Rock, did  
17 you?

18 A No.

19 MR. SKWAROK: Okay. Those are my questions. Thank  
20 you, sir.

21 THE WITNESS: Thank you.

22 THE COMMISSIONER: Thank you, Mr. Skwarok.

23 I'm sorry, Mr. McFee, I think we'll take the  
24 morning adjournment at this point and resume  
25 after that, if that's satisfactory to you.

1 MR. McFEE: Yes. Thank you.

2 THE COMMISSIONER: All right. 15 minutes.

3 THE REGISTRAR: This hearing is adjourned for the  
4 15-minute recess until 11:44 a.m. Thank you.

5 (WITNESS STOOD DOWN)

6 (PROCEEDINGS ADJOURNED AT 11:29 A.M.)

7 (PROCEEDINGS RECONVENED AT 11:44 A.M.)

8 ROBERT BARBER, a witness  
9 for the commission,  
10 recalled.

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

13 THE COMMISSIONER: Thank you, Madam Registrar.

14 Yes, Mr. McFee. I understand you have been  
15 allocated 15 minutes.

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

17 **EXAMINATION BY MR. McFEE:**

18 Q Mr. Barber, in answer to Mr. McGowan's  
19 questions, you indicated that one of the reasons  
20 you went to GPEB was to learn something about an  
21 industry that you didn't know very much about,  
22 which was gambling and casinos. Did I  
23 understand you correctly?

24 A That's right, yes.

25 Q So from that I take it that in your many years



1                   with the VPD you had very little exposure to the  
2                   gaming industry.

3           A        The legal gaming industry, I had basically none,  
4                   yeah.

5           Q        Thank you.  And can I also take from that answer  
6                   that in your many years with the VPD you had  
7                   very little direct involvement in money  
8                   laundering or proceeds of crime investigations?

9           A        That's true, yes.

10          Q        And when you joined GPEB in December 2010 as a  
11                   casino investigator, or GPEB investigator I  
12                   guess is the better phrase, was it your  
13                   understanding that part of GPEB's mandate was to  
14                   investigate money laundering and the potential  
15                   for the infiltration of proceeds of crime into  
16                   the legal gaming industry in British Columbia?

17          A        When I was engaged, those matters weren't  
18                   discussed.  I cannot recall any discussion of  
19                   money laundering.  When I discovered it was  
20                   occurring in the casinos as criminal offences, I  
21                   assume they fell under my purview.

22          Q        Well, did you understand that investigating  
23                   potential proceeds of crime and money laundering  
24                   was within GPEB's mandate when you commenced  
25                   your duties as a GPEB investigator?

1           A     Well, as I just said, because they're contained  
2                     within the *Criminal Code*, I thought they would  
3                     be under the purview of GPEB when I started  
4                     there. Money laundering was not really  
5                     discussed during my interview process or my  
6                     engagement or the research I did before I  
7                     applied for the job.

8           Q     As I --

9           A     That, I recall.

10          Q     As I understand matters despite your lack of  
11                   previous experience with proceeds of crime and  
12                   money laundering, when you joined GPEB, GPEB  
13                   didn't provide you with any additional training  
14                   to prepare you for your new role as a GPEB  
15                   investigator.

16          A     Well, I did have training in -- with regards to  
17                   gaming and casino games but no training with  
18                   regards to money laundering, if I'm answering  
19                   your question correctly.

20          Q     Yes. Thank you. And in your seven years with  
21                   GPEB were you provided with training to certify  
22                   you as an anti-money laundering specialist?

23          A     No. I had a one-day course towards my  
24                   retirement that was provided by the RCMP, but  
25                   that was very late in the day for me.

1           Q     And did you request training to assist you in  
2                    becoming more up to speed on money laundering  
3                    and the proceeds of crime while you were at  
4                    GPEB?

5           A     I did not.

6           Q     Now, as you indicated in your evidence, as soon  
7                    as you commented your duties as a GPEB  
8                    investigator with River Rock you were  
9                    immediately concerned about the large cash  
10                   transactions that were occurring?

11          A     Yes, that's correct.

12          Q     And to be clear, these large cash transactions  
13                   within the usual and ordinary course be reported  
14                   by the service provider and BCLC to GPEB?

15          A     Yes, they were.

16          Q     And they'd be reported to FINTRAC as you  
17                   understood it?

18          A     Yes. By BCLC, not the service provider.

19          Q     And where appropriate would be reported to law  
20                   enforcement?

21          A     Yes.

22          Q     And as I understood your evidence, you  
23                   immediately came to the conclusion this cash was  
24                   likely the proceeds of crime. Did I understand  
25                   you correctly?

1           A     Yes, you did.

2           Q     And so that was within, what, weeks of you  
3                 commencing your employment as a GPEB  
4                 investigator?

5           A     Yes.

6           Q     Now, had you conducted an investigation to  
7                 ascertain the source of the patrons' cash?

8           A     At the time I determined that I believed that it  
9                 was dirty money, to save us some time, no. It  
10                was very obvious to me, and I think to anybody  
11                that saw it -- saw money coming in in the  
12                volumes in the circumstances that it did.

13          Q     But to be clear, when you came to this immediate  
14                 conclusion, you hadn't conducted any  
15                 investigation into the source of the patrons'  
16                 funds, had you?

17          A     That's correct.

18          Q     And to your knowledge had GPEB conducted any  
19                 investigation into the source of the patrons'  
20                 funds?

21          A     I know -- I learned that these issues had arisen  
22                 before I started there, and I knew that some  
23                 actions had been taken, but I'm not particularly  
24                 comfortable testifying on events that occurred  
25                 before I was employed there.

1           Q     Isn't that the case that you had suspicions but  
2                   not proof?

3           A     Well, I had no proof, but I mean, as I said,  
4                   it's the reason we're having this inquiry; it  
5                   was obvious.

6           Q     Well, that's your view?

7           A     That's my view, yes.

8           Q     But you had no proof, to be clear; correct?

9           A     Well, if we want to parse this out and discuss  
10                  proof, we can go on for some length, but what  
11                  financial institution is going to be able to  
12                  provide money \$50,000, 100,000, 200,000, 300,000  
13                  at 3:00 or 4 o'clock in the morning? How is it  
14                  going to be delivered without security? Money  
15                  that's ordered from a normal financial  
16                  institution has to be ordered ahead of time  
17                  because financial institutions don't keep that  
18                  amount of money in most branches. Financial  
19                  institutions wouldn't stuff money into cardboard  
20                  boxes and plastic bags. I mean, those are  
21                  indicators -- you know, are we going to say  
22                  that's proof? I'm not sure. I mean, if we're  
23                  going to be disputing whether that was money  
24                  from illegal places, this might take quite a  
25                  while.

1           Q     Well, as a veteran police officer, you knew that  
2                   to take action against an individual suspicion  
3                   was insufficient, rather you had to have proof  
4                   that would hold up under scrutiny; correct?

5           A     Well, if I had suspicion, I could engage in an  
6                   investigation. I wouldn't need definitive  
7                   proof.

8           Q     Right. And you had suspicion, but you didn't  
9                   engage in any investigation, did you?

10          A     I gathered the information and in my first few  
11                  months I collaborated with the RCMP in a  
12                  project, as I've testified.

13          Q     And much of your time, as I understood your  
14                  evidence as a GPEB investigator, was reviewing  
15                  the Section 86 Reports and doing some other  
16                  inquiries on PRIME and CPIC and then providing  
17                  those reports to your superiors?

18          A     Those are all activities I did, yes.

19          Q     And you told the commission in response to  
20                  Mr. McGowan's questions that when you prepared  
21                  these reports you were directed by Mr. Dickson  
22                  that your opinions were not to be included in  
23                  your reports; correct?

24          A     That's correct.

25          Q     And in the course of your duties you reviewed a

1                    number of these supplementary reports prepared  
2                    by BCLC investigators?

3            A        Yes.

4            Q        And from your review of those supplementary  
5                    reports you were aware that BCLC didn't place  
6                    any similar restrictions on its investigators,  
7                    rather BCLC investigators did express their  
8                    opinions about the suspicious transactions;  
9                    correct?

10          A        That is correct.

11          Q        And you've testified that GPEB didn't have the  
12                    capacity to effectively conduct investigations  
13                    into suspected money laundering or loan  
14                    sharking?

15          A        I did testify to that, yes.

16          Q        I just want to explore that. During your tenure  
17                    with GPEB to your knowledge was consideration  
18                    given to selecting one or two highly suspicious  
19                    transactions and investigating those  
20                    transactions, given GPEB's limited resources?

21          A        I can't recall that course of action being  
22                    discussed. It was discussed -- Mr. Vander Graaf  
23                    suggested at one point that GPEB go out and  
24                    start seizing money, suspicious cash as it came  
25                    into the casinos. That was one strategy that

1                   was discussed.

2           Q     My question was a little more pointed than that,  
3                   a little more direct. Was consideration, to  
4                   your knowledge, given to selecting one or more  
5                   highly suspicious transactions and conducting a  
6                   targeted investigation with respect to those  
7                   transactions?

8           A     No. Not that I'm aware.

9           Q     Did you ever make that suggestion that perhaps a  
10                  few investigations would be better than no  
11                  investigations, given our limited resources?

12          A     No, that wasn't my opinion and that's not how I  
13                  thought it should be pursued.

14          Q     So during your seven year-tenure with GPEB, to  
15                  your knowledge did GPEB itself conduct even one  
16                  investigation into suspected money laundering  
17                  through BC casinos?

18          A     Well, I'll respond to that question by saying  
19                  again, in 2011, I worked with an RCMP IPOC team,  
20                  and we started from scratch and I went to the  
21                  casino and I waited for the first person to  
22                  start conducting themselves in a manner that I  
23                  thought was going to result in success for them,  
24                  and so they focused on that individual for a  
25                  period of time, which I'm not able to testify



1                   beyond that. And as time passed and project  
2                   E-Pirate came into focus, certainly an  
3                   individual was selected to be the target of that  
4                   investigation and other associates were also  
5                   looked at, and I assisted the RCMP at that time  
6                   with target selection and other intelligence.

7           Q       But those investigations, the 2011 and the 2015  
8                   investigation you referred to were joint  
9                   investigations, weren't they, with the RCMP? My  
10                  question was focused on did GPEB undertake any  
11                  investigations on its own?

12          A       I think the answer you're looking for is no.

13          Q       Well, I'm actually looking for your best  
14                  recollection and a truthful answer. And so is  
15                  the answer no?

16          A       Well, you're posing questions that are causing  
17                  long, long responses, for which I apologize to  
18                  the commission.

19          Q       Was the answer no?

20          A       I viewed the compilation of those reports as  
21                  basic investigative steps that were necessary to  
22                  go forward in any potential investigations that  
23                  might occur later. I thought it was hopeless  
24                  for GPEB, a small amount of people with no  
25                  budget and no facilities, no storage for large

1 amounts of money, to engage in investigations by  
2 ourselves. From the first couple of weeks, I  
3 knew that any response we took, if it wasn't  
4 through representations to government, would  
5 have to be joint with the RCMP. There was very  
6 little doubt in my mind from the beginning on  
7 this.

8 Q So I take it, then, the answer to my question is  
9 GPEB didn't initiate and conduct any money  
10 laundering investigations on its own as opposed  
11 to joint investigations with the law enforcement  
12 office?

13 A Well, I'm more comfortable with the long-winded  
14 answer I just gave you, but I will respond by  
15 saying no.

16 Q And in your affidavit and your testimony, you  
17 described interactions with BCLC investigators  
18 that gave you the perception that BCLC  
19 investigators were frustrated by their  
20 management. Do you recall that?

21 A Yes, I do.

22 Q And in answer to Mr. McGowan's questions, you  
23 indicated the names of some of those  
24 investigators and they include Steve Beeksma and  
25 Stone Lee?

1 A Yes.

2 Q And I take it that you would defer to their own  
3 description of the direction they were receiving  
4 from BCLC management and their contentedness or  
5 otherwise with that as opposed to your  
6 perception. Correct?

7 A Absolutely, yes.

8 Q In your evidence you referred to Mr. Desmarais  
9 replacing Mr. Towns as BCLC's VP compliance?

10 A Yes.

11 Q Do you recall that?

12 A Yes.

13 Q Do you recall when Mr. Desmarais became BCLC's  
14 VP of Compliance?

15 A I believe it was somewhere around March of 2013.

16 Q And were you aware that my client, Jim  
17 Lightbody, became BCLC's Vice President of  
18 Casinos and Community Gaming prior to that in  
19 2011?

20 A I was not aware of the precise dates. I was  
21 aware he moved into that position.

22 Q And you say in your affidavit:

23 "Based on my observations, I do not  
24 believe that BCLC's approach materially  
25 improved under Mr. Desmarais."

1 Do you recall that evidence?

2 A Yes, I do.

3 Q Now, were you aware that in and after 2011 BCLC  
4 implemented a number of AML measures, including  
5 2011 establishing a cash alternatives program?  
6 Do you recall that?

7 A Yes, I'm aware of that.

8 Q Do you recall that in 2012 BCLC banned a number  
9 of cash facilitators, including Paul Jin and his  
10 associates? Are you aware of that?

11 A Yes, I am.

12 Q And in 2013 BCLC established a dedicated AML  
13 unit. Do you recall that?

14 A Yes. Yes, I do.

15 Q And I take it you would have worked with that  
16 dedicated AML unit on occasion.

17 A Yes, yes.

18 Q And did you become aware that in 2014 BCLC  
19 entered into an information sharing agreement  
20 with the RCMP?

21 A Yes, I believe I was aware of that.

22 Q And did you become aware that in the summer of  
23 2015 BCLC established a cash conditions program  
24 where patron had to disclose the source of their  
25 cash?

1 A Oh, yes, I'm aware of that.

2 Q And a key component of that was BCLC  
3 investigators interviewing the patrons. You're  
4 aware of that?

5 A Yes, yes, I'm aware of that.

6 Q Were you aware that in 2016 BCLC significantly  
7 expanded BCLC's dedicated AML unit?

8 A You mean personnel-wise?

9 Q Yes.

10 A Yes.

11 Q And you would have had interaction with that  
12 expanded unit during your time as a GPEB  
13 investigator?

14 A I really didn't have contact with the other  
15 people that came on. I think they were  
16 analytical people and my -- the value I derived  
17 from my interactions was probably primarily with  
18 Steve Beeksma and Stone Lee. They were by far  
19 the most knowledgeable people in the industry,  
20 and I had a lot of time for their  
21 professionalism and knowledge.

22 Q Were you aware that in 2017 BCLC engaged an  
23 analysis of the risks of accepting cash sourced  
24 from money service businesses?

25 A No.

1           Q     Well, were you aware that in 2017 BCLC de-risked  
2                    money serving business -- money services  
3                    business in the sense that that they wouldn't  
4                    accept cash sourced from MSBs?

5           A     No, I was not aware of that.

6           Q     And you are aware, I take it, however, that cash  
7                    coming into BC's casinos declined steadily after  
8                    the summer of 2015 when the cash conditions  
9                    program was implemented?

10          A     My recollection is the cash ramped up steadily  
11                   up until July of 2015, and there was a drop for  
12                   a month of two and then it started increasing  
13                   again and stayed steady up until my retirement.  
14                   I'm going by my memory, but ...

15          Q     Is your memory that the cash coming into BC  
16                   casinos at the time of your retirement in 2017  
17                   was the equivalent of what was coming in in the  
18                   summer of 2015?

19          A     No, the summer of 2015 was the peak.

20          Q     So against that background, do you still say  
21                   that BCLC's approach to money laundering didn't  
22                   improve materially under Mr. Desmarais?

23          A     Well, I think you've just read off that it  
24                   really didn't. These steps were taken, but  
25                   during the time those steps were taken on a

1 strictly dollars and cents basis, the amounts of  
2 money steadily increased up until July of 2015,  
3 as we've agreed.

4 Q And then decreased thereafter?

5 A Yes, but in July of 2015 circumstances changed  
6 in many other senses, too. The RCMP arrived on  
7 the scene. They were in the surveillance room  
8 frequently. There was people from the  
9 government started to pay attention. I cannot  
10 attribute the decrease that occurred to AML  
11 issues -- or AML tactics taken my BCLC. They  
12 may have contributed to an extent, but I think  
13 that there were other factors at play.

14 Q Well, I expect you would agree with me that all  
15 those steps that we've gone through that BCLC  
16 implemented were positive steps and a step in  
17 the right direction.

18 A Well, again, you've asked a question which  
19 causes me to provide you with a bit of a  
20 long-winded answer. So firstly while these  
21 steps -- while those steps ramped up, among the  
22 other things that happened is the amount of  
23 collaboration between BCLC and my organization  
24 was somewhat reduced. Secondly, things that  
25 seemed really good on paper, for example, the

1 source of funds documents that BCLC created for  
2 the service provider, they sure made a lot of  
3 sense, but I managed to get my hand on about 15  
4 or 20 of them, and I don't know if you're aware  
5 of this, but the responses to where did you get  
6 the money were responses such as, out of my  
7 purse, out of my bank account, out of the trunk  
8 of my car. Those reports, it made a lot of  
9 sense, it sounded reasonable for them to occur,  
10 but it really -- there was no value to it.

11 With regard to the interviewing of patrons  
12 that were being watched, it's difficult for me  
13 to comment on that beyond the fact that this was  
14 during the time when BCLC decided that they  
15 couldn't disclose issues, matters, reports to us  
16 as was discussed in evidence earlier, apparently  
17 relating to privacy issues. But anyway, it's  
18 again a long answer to your question. But I'm  
19 not disputing the fact that Mr. Desmarais took a  
20 lot more steps and did a lot more things than  
21 occurred before he was there. I guess what has  
22 to be decided is was the money controlled in any  
23 way as these stepped were ramped up up until  
24 after 2015.

25 MR. McFEE: Those are my questions for you. Thank you.



1 THE WITNESS: Thank you.

2 THE COMMISSIONER: Thank you, Mr. McFee.

3 Ms. Mainville, on behalf of Mr. Kroeker, has  
4 been allotted 20 minutes.

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

6 **EXAMINATION BY MS. MAINVILLE:**

7 Q Mr. Barber, you've talked about relying -- and  
8 correct me if I'm not paraphrasing correctly --  
9 but relying fairly heavily on the reports  
10 provided to you from BCLC and the service  
11 providers to prepare your own reports; correct?

12 A That is correct.

13 Q And it's fair to say there wasn't too much  
14 substantive information added; correct?

15 A Usually that was the case.

16 Q Is it fair to characterize it as mostly a  
17 copy/paste situation?

18 A No.

19 Q So if -- do you know Mr. Ross Alderson?

20 A I do.

21 Q And he used to be with BCLC. If he later  
22 testifies that that is what you conveyed to him,  
23 that you would mostly copy/paste BCLC's reports  
24 into your own reports and that would get  
25 forwarded on IPOC, you would say that's

1                   inaccurate?

2           A       That's completely inaccurate. I've never cut  
3                   and pasted a single report in those seven years.

4           Q       And if your partner Mr. Ackles yesterday agreed  
5                   that it was in many respects a copy/paste  
6                   situation, you still disagree?

7           A       If Mr. Ackles testified that he cut and paste,  
8                   I'm surprised. All's I can tell you is I never  
9                   did so. I would not consider it appropriate to  
10                  do so. And I have nothing more to say about  
11                  that. If Mr. Alderson believes that, it's not  
12                  correct, certainly in my case.

13          Q       Well, you've indicated that in your affidavit  
14                   that writing reports took up too much of your  
15                   time to be able to investigate; correct?

16          A       Well, yes, but another aspect of that answer is  
17                   this is a hearing about money laundering and  
18                   we're talking about money laundering, but the  
19                   casino generated hundreds of reports and many of  
20                   them required investigation that had nothing to  
21                   do with money laundering, and so I'm also  
22                   talking about those issues.

23          Q       But you agreed with commission counsel that a  
24                   lot of what you were doing in terms of report  
25                   writing was duplicative of what BCLC's

1 investigators were doing; correct?

2 A I'm sorry, you've cut out.

3 Q Sorry. You agreed with commission counsel that  
4 a lot of what you were doing in terms of report  
5 writing was duplicative of what BCLC's  
6 investigators were doing. Is that not correct?

7 A Yeah, there was a lot of duplication of effort,  
8 for sure.

9 Q So wouldn't it have been a way to save some time  
10 in fact to perhaps do less report writing and  
11 perhaps do a bit of cut and paste or simply  
12 send, forward on BCLC's own reports?

13 A I just thought it was unethical to do so, and I  
14 was not comfortable with doing it, and it was  
15 also slightly complicated by the fact that many  
16 times reports would arrive from the reporting  
17 entities, and I would -- the reports would  
18 evolve in my care because I might roll four,  
19 five incidents into one report, so that's how I  
20 conducted myself. I didn't cut and paste  
21 reports.

22 Q You didn't see what you were doing as  
23 inefficient in terms of priorities?

24 A I will respond to that question by saying I  
25 thought everything else that I did in the

1 casinos paled in comparison to addressing the  
2 issue of money laundering.

3 Q Was it the case when you were there that when  
4 any report was received involving suspicious  
5 financial activity, it was removed from the list  
6 of reports to be assigned for investigation?

7 A I'm sorry. I don't understand the question.

8 Q That when reports, UFTs or reports from service  
9 providers or BCLC, were received that related to  
10 these large cash buy-ins, was it removed from  
11 those reports that required investigation --  
12 from the pile or list of reports that required  
13 investigation?

14 A Well, I didn't think of it in those terms.  
15 Reports relating to money I always considered to  
16 be intelligence being gathered for future police  
17 action. A lot of the other reports I wrote  
18 involved registered gaming workers who maybe  
19 committed some sort of malfeasance and might be  
20 in danger of losing their registration, so -- or  
21 there could be a criminal theft or a cheating of  
22 play or some sort of collusion with a dealer.  
23 So they were handled difference than the money,  
24 which was basically in my opinion became an  
25 intelligence file.

1 Q In terms of the 2011 IPOC project, can you just  
2 clarify for me what the significance was of hand  
3 delivering these reports?

4 A Well, it was -- bear in mind that I had been  
5 there for about a month, but I surmised that it  
6 would be delivered in a more timely fashion.  
7 There would be greater relationships created by  
8 that, and we could be comfortable that they had  
9 the reports in hand.

10 Q Okay.

11 A Instead of having, for example, to extract them  
12 out of FINTRAC.

13 Q I understand from your affidavit that Mr. Vander  
14 Graaf at one point suggested that you guys  
15 should seize the cash.

16 A I'm sorry --

17 Q You suggested that Mr. Vander Graaf suggested  
18 seizing the cash at one point in time?

19 A Easing?

20 Q Seizing.

21 A Oh, yes, yes, he did. I'm sorry.

22 Q He did. And you disagree?

23 A Yes, I did.

24 Q But you understood that you had the authority to  
25 seize the cash?

1           A     I believe that we did.

2           Q     And am I right that Mr. Vander Graaf was heavily  
3                    focused on the \$20 denominations?

4           A     Yes, that's correct.

5           Q     That's what he really cared about?

6           A     Well, he didn't say this, but what I surmised  
7                    was he thought that looking at 50 and \$100 bills  
8                    would complicate his endeavours because players  
9                    when they went in with \$20 bills would be paid  
10                  out in \$100 bills, and they could come back to  
11                  the casino creating what's called in the  
12                  industry "churn." So I thought he thought it  
13                  would be simpler to keep going after the  
14                  \$20 bills. He didn't say that, but that's sort  
15                  of what I thought.

16          Q     I take it you agree that you also had the  
17                  authority to interact with patrons.

18          A     Well, sure.

19          Q     And you could issue warnings or cautions?

20          A     Well, I'm not sure about conducting warnings or  
21                  cautions. I looked at that as being the  
22                  responsibility of BCLC and their conducted  
23                  manage mandate. However, I might tell you that  
24                  somewhere in 2012 Mr. Alderson and I  
25                  collaborated on attempting to interview a large

1 cash patron that Mr. Alderson was interested in  
2 interviewing, and for the sake of collaboration  
3 I agreed that I would do that, and I went to --  
4 met with him at BCLC headquarters and we  
5 attempted to do that with a civilian person at  
6 BCLC who spoke Mandarin, and essentially it  
7 didn't work because without a trained  
8 interpreter, you just don't achieve any success.  
9 But if he had admitted certain things, then I  
10 think Mr. Alderson and I would have been on the  
11 same page with regards sanctions that patron.

12 But the bottom line, if this is helpful,  
13 almost all of those patrons either didn't speak  
14 English or they effected they did not speak  
15 English, so for myself or any of the other BCLC  
16 investigators, with the exception of Stone Lee,  
17 it was very difficult to speak to patrons.

18 Q Did you ever interview or get statements from  
19 the casino staff? For instance, the cage staff?

20 A No.

21 Q Did you -- I take it you didn't see it -- you  
22 didn't view it as useful or effective to go and  
23 flex your regulatory authority, so to speak?

24 A I was of the opinion that people, particularly  
25 cage staff, were not being very well paid. It

1                   was -- would be a waste, a waste. There were  
2                   just doing what they were told. They were  
3                   caught up with their employer, and there was no  
4                   reasonable reason to try to sanction or speak to  
5                   cage staff. Although I believe BCLC made some  
6                   efforts to provide education to them.

7           Q       Well, you seem to be making a lot of assumptions  
8                   about what people would have done had you acted  
9                   and I'm trying to understand. There is a  
10                  dissonance, I'm going to suggest, between my  
11                  understanding that you thought you couldn't even  
12                  tell service providers not to take the cash  
13                  because they may tell you no, and your superior,  
14                  Mr. Vander Graaf, thinking you should be seizing  
15                  the cash. Help me understand that.

16          A       I don't quite follow the connection between  
17                  Mr. Vander Graaf's discussion of that matter,  
18                  which happened very late in his tenure. It  
19                  makes no sense if you're on the ground to walk  
20                  in and speak to somebody that's making \$15 an  
21                  hour and tell them not to collect cash when it's  
22                  their job to do so.

23                         I spoke initially with Mr. Duff, who was  
24                         the General Manager of the facility attempting  
25                         to get him on board with this, and he was not



1                   amenable to that. Why would I go to anybody  
2                   below them and try to browbeat them when they're  
3                   caught up in this huge moneymaking machine?  
4                   These people, they're almost victims.

5           Q       Mr. Barber, would you agree with the statement  
6                   that being a GPEB investigator is a retirement  
7                   gig for ex-cops?

8           A       I've certainly heard that before.

9           Q       Was there that perception by some?

10          A       It's possible.

11          Q       And is that because GPEB investigators didn't  
12                   tend to take much action?

13          A       I disagree with that last statement.

14          Q       You said that you called the OPP of your own  
15                   initiative in Ontario to ask what they did to  
16                   deal with dirty cash in casinos and you were  
17                   told that Ontario had police embedded in casinos  
18                   and they would seize suspicious cash and that  
19                   criminals were aware of that; correct?

20          A       I think what I said is suspicious cash didn't  
21                   come into the casinos because the police were  
22                   embedded there and it was not something they  
23                   confronted. If you allow me to expand for a  
24                   moment. It occurs to me that if I as an  
25                   investigator had started with GPEB when the

1 casino first opened and before large amounts of  
2 people realized they could take money into the  
3 casinos, maybe in the beginning something could  
4 have been done, but by the time I came to the  
5 industry in 2010, it was already -- well, I  
6 thought it was a significant forest fire at that  
7 time. As I was to learn by 2015 it could grow  
8 considerably. In other words, what I'm trying  
9 to say is trying to stop a train that's roaring  
10 down the tracks is pretty difficult. If I --  
11 you know, if the train is still in the station  
12 you might have some -- both ourselves and  
13 perhaps BCLC with the correct direction could  
14 have been more successful early on.

15 Q Do I take it you and your colleagues gave up?

16 A No. I certainly didn't give up. I made every  
17 effort I could to engage the police because I  
18 knew, I knew that the only way that this thing  
19 could be investigated was with a major police  
20 operation. Well, in the beginning I didn't  
21 realize how big it was. I thought the police --  
22 I knew the police were the solution, but after a  
23 couple years I realized it was very large; it  
24 would require significant police effort.

25 Q Did you make a case for GPEB investigators, at a

1 minimum, to be embedded in casinos?

2 A No, I don't think so.

3 Q You understand that Peter German later  
4 recommended that?

5 A Yes. I read his report.

6 Q Do I understand that that would not be an  
7 effective recommendation from your perspective  
8 if you were mostly a conduit to the police?

9 A I'm not -- sorry, I'm not sure if I understand  
10 your question. I think embedding of GPEB  
11 investigators in the casinos might be a  
12 reasonable solution. I also think that having  
13 sworn police officers in casinos is another  
14 reasonable solution.

15 Q In terms of your suggestion that BCLC did not  
16 see GPEB as its regulator, I understand that you  
17 say this was still the case as you understood it  
18 from Mr. Mazure in late 2015 and 2016?

19 A That's correct.

20 MS. MAINVILLE: Could we please bring up, Madam  
21 Registrar, exhibit 141, which is the one that  
22 Mr. Smart asked to be brought up.

23 Q Do you know, Mr. Barber, that in late 2015,  
24 early 2016, Mr. Kroeker was VP of Compliance at  
25 BCLC?

1           A     Yes, I'm aware of that. I've never met  
2                     Mr. Kroeker, but I was aware of that.

3           Q     And in this report of his, if we can go to  
4                     page 2.

5           A     Can we make that bigger?

6           Q     Yes.

7           A     Thank you.

8           Q     He indicates you'll see the second paragraph  
9                     that -- about halfway through the paragraph:

10                    "Gaming is regulated by government through  
11                    the Gaming Policy and Enforcement Branch  
12                    (GPEB). The branch's mandate includes  
13                    oversight of BCLC's activities, including  
14                    its anti-money laundering regime."

15          A     Yes, I see that.

16          Q     So I'm going to suggest to you that under  
17                    Mr. Kroeker BCLC never took the position that  
18                    BCLC was not regulated by GPEB.

19          A     Well, that's interesting. All's I can tell you  
20                    is what I saw on the ground and what I was  
21                    informed by the ADM, who was also the General  
22                    Manager at that time.

23          Q     Are you aware of the MNP report in 2016?

24          A     Well, I know MNP filed a report. Because it was  
25                    delayed for probably over a year, I don't think

1 I ever had an opportunity to read it.

2 Q Do you have any knowledge that MNP in fact  
3 recommended that GPEB issue directives to BCLC?

4 A No, I was not aware of that.

5 Q And so you're not aware, I take it, of BCLC's  
6 response under Mr. Kroeker inviting GPEB to do  
7 that, including to set a cash cap?

8 A No, I'm unaware of that.

9 Q I'm going to suggest to you that GPEB under  
10 Mr. Mazure in fact -- we can take this document  
11 away, Madam Registrar.

12 I'm going to suggest Mr. Mazure under his  
13 authority in fact took the initiative of  
14 relinquishing some of its authority over BCLC.  
15 Are you aware of that?

16 A Absolutely not.

17 Q Do you understand -- let me ask you this: do  
18 you have a clear understanding of BCLC's  
19 obligations under the *Proceeds of Crime (Money*  
20 *Laundering) and Terrorist Financing Act*, the  
21 FINTRAC legislation?

22 A I knew they have responsibility to report to  
23 FINTRAC. I certainly can't comment further. I  
24 apologize. My doorbell is ringing.

25 Q You are not a subject matter expert on FINTRAC's

1 requirements and guidelines?

2 A No.

3 Q I understood your evidence to be that in terms  
4 of information sharing, it was mostly a one-way  
5 street from BCLC to GPEB. Correct?

6 A Yes.

7 Q Are you aware of the power under -- or the  
8 authority under the GCA section 81(4)(b) for  
9 GPEB to provide results of its investigation to  
10 BCLC if the General Manager considers it  
11 appropriate?

12 A I can't honestly say I recall that section of  
13 the act.

14 Q I take it you would agree with me an  
15 investigation by GPEB could include CPIC  
16 searches, for instance?

17 A Perhaps.

18 Q And I understand and from your response you  
19 never sought authorization from the General  
20 Manager to provide information to BCLC to  
21 alleviate its investigators' frustration that  
22 they conveyed to you?

23 A No, I did not.

24 Q I take it it's your position that it was up to  
25 BCLC to deal with the cash coming into the

1 casinos and not GPEB.

2 A Well, my primary thought is it should have been  
3 a decision made by provincial cabinet.

4 Q Do you agree, though, if BCLC could have acted  
5 from your perspective that it ought to have had  
6 access to as much information as it needed?

7 A Yes. Yes.

8 Q Do you agree that it makes sense in those  
9 circumstances for BCLC to have a direct  
10 connection to the police?

11 A That's reasonable, yes.

12 MS. MAINVILLE: I am out of time, I'm notified. I  
13 really just have, I think, a few more minutes,  
14 Mr. Commissioner, if I may.

15 THE COMMISSIONER: All right. That's fine.

16 MS. MAINVILLE: Thank you.

17 THE COMMISSIONER: I think we are a little pressed,  
18 so if you would --

19 MS. MAINVILLE: Okay. Certainly.

20 Q Mr. Barber, you testified about -- I will use  
21 the term confronting. I'm not sure if you ended  
22 up endorsing or adopting that term, but  
23 confronting the AGM Doug Scott and informing  
24 him, I think you said that his liability was  
25 high.

1           A     Yes, I approached him and said words to that  
2                    effect.

3           Q     And this was in respect of what you perceived to  
4                    be money laundering at the River Rock?

5           A     Yes.

6           Q     I take it he was certainly aware of the issue,  
7                    then, by 2011.

8           A     He was?

9           Q     He was, yes.

10          A     I believe he was.

11          Q     You believed he bore some responsibility because  
12                   he could have acted?

13          A     Yes.

14          Q     And in 2015 you indicated that ADM Mr. Mazure  
15                   told GPEB investigators to stop doing what they  
16                   were doing; correct?

17          A     Correct.

18          Q     And this was at the peak of the problem,  
19                   correct, in 2015?

20          A     Correct.

21          Q     And Mr. Mazure at that time had been in his  
22                   position for more than a year. He replaced  
23                   Mr. Scott in 2013?

24          A     Yes.

25          Q     Do you agree that any efforts that GPEB made



1                   prior to 2015 to intervene with the service  
2                   providers or BCLC on the issue of large cash  
3                   buy-ins came from GPEB investigations and not  
4                   from GPEB as a whole?

5           A        I think that's true.

6           Q        It was not the message coming from the heads of  
7                   GPEB, the authority of GPEB?

8           A        I think that's true.  But, again, my knowledge  
9                   is not direct, direct, but I think you are  
10                  correct.

11          Q        And the perception at least within GPEB -- at  
12                  least by some in GPEB, I should say, is that  
13                  GPEB investigators were perceived as rogue?

14          A        That was my interpretation of what Mr. Mazure  
15                  thought when he first arrived at our office.  He  
16                  might deny it or -- but that's what I got.  He  
17                  was definitely -- he definitely walked in angry  
18                  and communicated that.

19          Q        I'm going to suggest to you that it is -- you  
20                  say in your affidavit that people in the  
21                  industry were comfortable ignoring the  
22                  regulator.

23          A        Yes.

24          Q        I'm going to suggest that is a disingenuous  
25                  comment given your evidence that there was never

1 a direction coming from the regulator?

2 A I don't agree with your suggestion.

3 Q You spoke about giving -- providing figures to  
4 Mr. Vander Graaf to bring to -- or Mr. Schalk to  
5 bring to Victoria?

6 A Yes.

7 Q Are you aware of Mr. Meilleur, Len Meilleur,  
8 being in attendance at those meetings?

9 A No, I was actually not aware of that.

10 Q You met with Peter German during his review?

11 A Yes, I did.

12 Q I take it much of what you conveyed to him was  
13 along the lines of your evidence today in terms  
14 of any blame that the industry or BCLC bore?

15 A I would hope there's some similarities, yes.

16 Q And just my very last point. You talk in your  
17 affidavit about a direction from Mr. Alderson to  
18 stop sharing information with GPEB?

19 A Yes. I assumed it was coming from somewhere  
20 else and Mr. Alderson was getting to be the  
21 deliverer of the message, as it were.

22 Q And you indicated to Mr. Smart that you were not  
23 really aware of the fact of illegal opinion  
24 having been obtained regarding privacy concerns?

25 A I don't think so, no.

1 Q Were you aware of the discussions that  
2 Mr. Kroeker had with Mr. Meilleur regarding this  
3 issue?

4 A No.

5 Q And were you aware that GPEB investigators  
6 working at JIGIT continued to receive all STR  
7 reports proactively at all times?

8 A I'm just trying to recall that. I know I was  
9 communicating all my reports when JIGIT was  
10 formed. I'm not sure if I recall that -- the  
11 FINTRACs were going there.

12 MS. MAINVILLE: Those are all my questions.

13 THE COMMISSIONER: All right. Thank you,  
14 Ms. Mainville.

15 Ms. Tweedie, for the British Columbia Civil  
16 Liberties Association, has been allocated  
17 10 minutes.

18 MS. TWEEDIE: Thank you, Mr. Commissioner.

19 **EXAMINATION BY MS. TWEEDIE:**

20 Q Good afternoon, Mr. Barber. Sir, you testified  
21 today as to your significant experience in drug  
22 investigations from your time with the VPD.  
23 Given your experience would you agree that the  
24 illicit drug market resulting from drug  
25 prohibition is a major source of profitability

1                   for organized crime?

2           A       Yes, I agree with that statement.

3           Q       And you would agree that the illicit drug market  
4                   fuels social harms such as gang activities,  
5                   violence and corruption, to name a few?

6           A       Absolutely.

7           Q       And I'd like to turn to paragraph 6 of your  
8                   affidavit where you state that during your time  
9                   with the VPD you were involved in a number of  
10                  investigations that included cash seizures and  
11                  that cash seized from persons in the drug  
12                  dealing hierarchy above street dealers was  
13                  almost always bundled and secured with elastic  
14                  bands. To be clear, this cash that you seized  
15                  was proceeds of the illicit drug trade resulting  
16                  from drug prohibition; correct?

17          A       Yes.

18          Q       And it's fair to say that most people outside  
19                  the drug dealing hierarchy don't carry around  
20                  cash in that manner?

21          A       That's been my experience.

22          Q       And in your experience as a VPD officer involved  
23                  in drug investigations, the illicit drug trade  
24                  dealt with substances such as cocaine, heroin  
25                  and marijuana before it became legal?

1           A     Correct.

2           Q     Suffice to say that marijuana no longer forms a  
3                 part of this illegal drug market?

4           A     That's correct.

5           Q     And at paragraph 29 of your affidavit, you speak  
6                 to the transactions coming into casinos that you  
7                 found to be shocking and concerning. You speak  
8                 about this cash being wrapped in rubber bands  
9                 and in shopping bags, and you go on to state in  
10                paragraph 30 of your affidavit that it was  
11                immediately apparent to you that this cash was  
12                likely the proceeds of crime. And you testified  
13                to that fact today. Is it fair to say that this  
14                cash you thought was likely the proceeds of  
15                crime was generated from the illicit drug trade?

16          A     That is my belief, yes.

17          Q     Thank you. I'd like to turn to paragraph 48 of  
18                 your affidavit, please, and here you reference  
19                 that you attended monthly meetings with the BCLC  
20                 and the RCMP and that the purpose of these  
21                 meetings was to share information. May I ask  
22                 what type of information was being shared at  
23                 these meetings with BCLC and the RCMP.

24          A     It basically was any subject that touched on  
25                 policing, the Richmond detachment and how it

1 connected to the casino. So it could be pretty  
2 broad, broad area. For example, for a while  
3 people were stealing bicycles from in front of  
4 the casino, I remember, and it was a discussion,  
5 and in another time period it was a lot of cars  
6 being stolen from the parkades. So I was just  
7 trying to expand on it was not in any way, shape  
8 or form all about money laundering discussions.  
9 Because, again, the detachment has so many  
10 responsibilities, in my opinion they were in no  
11 more position to investigate a large thing like  
12 this than we were.

13 Q Okay. And in these meetings where you exchanged  
14 information regarding crimes around the casinos,  
15 what form would this information exchange take  
16 place? Was it verbal, or would you exchange  
17 reports or documents at such meetings?

18 A It was all verbal. Or almost all verbal,  
19 anyway.

20 Q And to your knowledge would the personal  
21 information of patrons ever be shared at these  
22 meetings?

23 A If somebody was a suspected loan shark or  
24 whatever, it would be shared, yeah.

25 Q So what would the threshold or criteria -- what

1                   was used to determine which patron's personal  
2                   information you would share at this meeting?  
3                   Would it be they were the subject of a  
4                   suspicious transaction report or something else?

5           A        It could be anything.  If they were a suspect of  
6                   a crime, their information would likely be  
7                   shared.

8           Q        And to your knowledge the information that was  
9                   shared at these meetings, did it lead to any  
10                  successful findings in investigations?

11          A        No.  I think it was more just a matter of  
12                  maintaining relationships and communicating  
13                  openly.  It was not investigatively focused.

14          MS. TWEEDIE:  Okay.  Thank you, sir.  Those are all  
15                  the questions I have for you.

16          THE WITNESS:  Thank you.

17          THE COMMISSIONER:  Thank you, Ms. Tweedie.

18                         Ms. Rajotte for the Province, who has been  
19                         allocated one half an hour.

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

21                         **EXAMINATION BY MS. RAJOTTE:**

22          Q        Good afternoon, Mr. Barber.  My name is  
23                   Chantelle Rajotte, and I'm counsel for the  
24                   Gaming Policy and Enforcement Branch.

25                         Mr. Barber, we've heard from you today that

1                   you were a police officer with the Vancouver  
2                   Police Department for approximately 30 years; is  
3                   that right?

4           A       That's right.

5           Q       And you worked on cases involving organized  
6                   crime?

7           A       A few, but in a 30-year career a very small  
8                   portion that was -- involved organized crime.

9           Q       And a greater proportion was involved in drug  
10                   investigations. Do I have that right?

11          A       Well, I worked six years in drug squad, but I  
12                   worked probably the majority of my career in  
13                   uniform as a constable and later as a road  
14                   supervisor, a sergeant, and most of it in the  
15                   downtown east side.

16          Q       Thank you. And I think, if I understand your  
17                   testimony today correctly, as a GPEB  
18                   investigator you understood your authority to  
19                   conduct investigation was more limited than when  
20                   you were a police officer. Is that right?

21          A       Yes.

22          Q       In a response to a question asked by my friend  
23                   Mr. McGowan earlier this morning, you mentioned,  
24                   I believe, that GPEB investigators, for example,  
25                   you understood they did not have the authority



1 to conduct surveillance; is that right?

2 A The authority is a good question. But my brain  
3 never got there because I knew we didn't have  
4 the capability.

5 Q Right.

6 A The surveillance teams have to be trained  
7 together and large numbers of vehicles are  
8 necessary and it's actually a very significant  
9 enterprise.

10 Q That's right. And you provided, I think, an  
11 example when you were working with IPOC, and it  
12 was IPOC RCMP members who led a surveillance  
13 operation. Is that correct?

14 A That's correct.

15 Q It was not led by GPEB?

16 A No.

17 Q And you've provided evidence today and in your  
18 affidavit as well that it was your belief pretty  
19 much from day one on the job at GPEB that the  
20 large volumes of cash coming into casinos  
21 consisting of \$20 bills wrapped in elastics and  
22 bundled in \$10,000 bundles were proceeds of  
23 crime; correct?

24 A Correct.

25 Q And in response to a question asked by

1                   Mr. McGowan you stated that you reported your  
2                   concerns to your superiors?

3           A     Yes.

4           Q     Did you report your concerns to Mr. Dickson?

5           A     I talked to Mr. Dickson almost on a daily basis.  
6                   I talked to Mr. Schalk and Mr. Vander Graaf or  
7                   Mr. Dickson's superiors less often.  But I  
8                   talked to them frequently.

9           Q     And so you reported your concerns about proceeds  
10                  of crime entering casinos to Mr. Schalk and  
11                  Mr. Vander Graaf as well?

12          A     Yes.  But what I realized very quickly is they  
13                  were well aware and they knew long before I was  
14                  on the scene that it was an ongoing problem.

15          Q     And you reported those same concerns to  
16                  Mr. Meilleur when he became Executive Director  
17                  of Compliance for GPEB; correct?

18          A     Yes, I did.

19          Q     And even though you could not prove as a fact  
20                  that the funds were proceeds of crime, was it  
21                  your experience that money laundering in casinos  
22                  was a priority for the investigations division?

23          A     It was my priority.  And part of it was because  
24                  I was assigned to the River Rock and the vast  
25                  majority of the activity took place there, and I

1                   just could not in good conscience pursue other  
2                   matters that I considered less serious and less  
3                   damaging to the economy and to the integrity of  
4                   the province and to the gaming industry.

5           Q       And based on your regular conversations that you  
6                   say you had with Mr. Dickson, did you observe it  
7                   to be a concern and a priority for Mr. Dickson  
8                   as well?

9           A       Yes.

10          Q       And throughout your tenure with GPEB, you  
11                   provided law enforcement agencies with  
12                   information about the large cash transactions  
13                   you were observing in casinos?

14          A       Yes, I did.

15          Q       Throughout your tenure at GPEB you reported your  
16                   concerns about suspected money laundering in  
17                   casinos to the RCMP?

18          A       I did.

19          Q       And throughout your tenure at GPEB you reached  
20                   out to various police entities to try to  
21                   convince them to investigate large cash  
22                   transactions in casinos?

23          A       Correct.

24          Q       You've been -- you've answered a number of  
25                   questions today, Mr. Barber, from a number of

1                   counsel around the directions, whether you  
2                   issued directions to service providers or BCLC.  
3                   Do you recall those questions?

4           A       Yes.

5           Q       And do I have this right that you understood  
6                   that you did not have the authority to issue a  
7                   direction to service providers?

8           A       Yes.

9           Q       And is it right that you also understood that  
10                  you did not as a GPEB investigator have the  
11                  authority to issue directions to BCLC?

12          A       Well, in the first year or two, the issue didn't  
13                  arise. I mean, I did everything I could to work  
14                  collaboratively with BCLC and the subject of  
15                  directives or direction never came up. It did  
16                  not come up until much later when, as I  
17                  testified, BCLC took a position that they could  
18                  no longer provide us with various pieces of  
19                  information.

20          Q       Thank you. So with respect to service  
21                  providers, it was your understanding that you  
22                  could not direct service providers to stop  
23                  accepting large cash buy-ins; is that right?

24          A       Yes.

25          Q       And you understood that you could not direct

1 service providers to limit the volume of  
2 \$20 bills that they accepted?

3 A Yeah. Just perhaps to simplify this, I quickly  
4 came to the conclusion that those directives had  
5 to flow from the General Manager as defined in  
6 the act.

7 Q That was your understanding?

8 A That was my understanding, yes.

9 Q Your understanding was that as a GPEB  
10 investigator you did not have the authority to  
11 direct a service provider with respect to these  
12 types of issues?

13 A That's correct.

14 Q Was it also your understanding that BCLC had the  
15 ability to issue these types of directive to  
16 service providers?

17 A Well, I was very aware that BCLC was banning  
18 various patrons and prohibiting patrons and had  
19 been for some time before I came to GPEB.

20 Q Thank you. Mr. Barber, in your affidavit you  
21 provide some evidence about how in 2016 and  
22 2017, so the later part of your career with  
23 GPEB, you began preparing intelligence reports  
24 that discussed cash transactions in Lower  
25 Mainland casinos; is that right?

1 A Yes.

2 MR. RAJOTTE: Madam Registrar, if you could please  
3 pull up for Mr. Barber GPEB document 3325. And  
4 if we could turn to page 3 of that document. If  
5 we could zoom in for Mr. Barber to the heading  
6 so I can familiarize him with this document.

7 Q So, Mr. Barber, this report is titled "Current  
8 Intelligence Report, Gaming Enforcement Branch  
9 Intelligence Unit" dated February 22nd, 2017.  
10 Do you see that?

11 A Yeah. I'm looking at the first page.

12 Q Yes. And it's not shown on the screen, but at  
13 the bottom it states "report provided by:  
14 Investigator Rob Barber." Is this an example of  
15 an intelligence report that you prepared in 2016  
16 and 2017?

17 A It is.

18 Q And is this report -- at the top I note it  
19 states "December 2016 -- Cash Trends in Lower  
20 Mainland Casinos," so this report is your  
21 intelligence information based on activities  
22 that were taking place in casinos in December of  
23 2016; is that right?

24 A Yes, that's right.

25 Q And the highlighted paragraph, paragraph 2

1 states:

2 "This information is not intended to be  
3 absolutely accurate with regard to dollar  
4 amounts that match amounts reported to  
5 FINTRAC as those reports are prepared by  
6 BCLC. This report is intended to provide  
7 an understanding of trends within Lower  
8 Mainland casinos related to suspicious  
9 cash transactions as well as the  
10 facilitation of cash and/or chips to  
11 patrons."

12 Does this report accurately reflect your  
13 observations and conclusions about trends within  
14 lower mainland casinos relating to suspicious  
15 cash transactions at the time?

16 A Yes.

17 Q And in the third paragraph, there's a note  
18 beside two stars. It says:

19 "Please note: BCLC has not provided the  
20 BCLC Investigator's Narrative portion of  
21 the STRs for the month of December. This  
22 is as a result of their recent change to  
23 their disclosure policies as they relate  
24 to GPEB. There will be some cash buy-ins  
25 that will not be captured by GPEB as a

1 result of this review."

2 What did you understand to be BCLC's change with  
3 respect to their disclosure policies as they  
4 related to GPEB?

5 A I'm not sure if I had a solid grasp of where  
6 they were going. I just interpreted BCLC as  
7 deciding to be less collaborative than they had  
8 been in the past with us.

9 Q So am I correct, then, BCLC at this time started  
10 sharing less information with GPEB?

11 A That's correct.

12 Q And is it fair to say that as a result your  
13 intelligent report was then based on less  
14 information?

15 A That's true.

16 Q And if we look under the heading "Trends," Madam  
17 Registrar, if you wouldn't mind just scrolling  
18 down the page. Thank you.

19 The report states:

20 "The amount of unsourced cash accepted at  
21 Lower Mainland casinos in December has  
22 increased from the month of November. In  
23 November there was approximately  
24 \$2.7 million in buy-ins, while the  
25 December amount was approximately



1                   3.8 million with 2.3 million of the cash  
2                   consisting of \$20.00 bills -- a  
3                   38.7 percent increase. There was a  
4                   57 percent increase in individual  
5                   transactions from 79 in November to 124 in  
6                   December. These transactions also tended  
7                   to be smaller than previously reported ...  
8                   in the \$10,000 to \$20,000 range."

9                   And then you state:

10                   "Unsourced cash within this document may  
11                   be defined as cash presented without  
12                   documentation from an accredited financial  
13                   institution, or cash that cannot be traced  
14                   to previous gaming activity."

15                   Do you understand what is stated here to  
16                   accurately reflect the trends that you were  
17                   observing at this time?

18                   A     Yes, yes, they do. They did.

19                   Q     If you could turn to page 4, please, Madam  
20                   Registrar, at the top. You state in this  
21                   report:

22                   "  The BCLC initiative to issue SOF --"  
23                   Is that source of funds?

24                   A     It is source of funds.

25                   Q     "-- source of funds restrictions on

1 patrons with a history of suspicious  
2 activity is continuing to result in  
3 sanctioned patrons using unsanctioned  
4 players to conduct their play, this is  
5 being recognized and reported by  
6 Surveillance personnel. BCLC  
7 investigators are aware of this trend and  
8 advised that the BCLC strategy is based on  
9 progressive reaction that may subsequently  
10 result in a patron being prohibited if  
11 repeated."

12 What did you understand the BCLC strategy  
13 described as being based on progressive reaction  
14 to mean?

15 A My belief was BCLC was concerned about  
16 offending, chasing away the big players, so they  
17 tried to make an effort to handle them gently,  
18 and so that's -- their policy was to start  
19 slowly with providing guidance and sanctioning  
20 and gradually ramp up.

21 Q Is it fair to say that you understood BCLC  
22 strategy to be reactive more than proactive?

23 A Well, it would be difficult for BCLC to do  
24 anything, you know, take an action unless  
25 somebody came in and did something that was

1                   concerning to them, so I'm not sure if I grasp  
2                   your question in its entirety.

3           Q        Okay. In the third paragraph down it states:

4                   "GPEB Compliance Investigators are of the  
5                   opinion that the number of prohibitions  
6                   being issued by BCLC to these patron does  
7                   not reflect the degree of abuse of the  
8                   source of funds sanctioning that is  
9                   occurring."

10          A        Right.

11          Q        Was that your opinion at the time?

12          A        It was certainly my opinion and I think it's --  
13                   well, I was going to say I think it was probably  
14                   the opinion of the frontline BCLC investigators,  
15                   but I won't say that, having just blurted that  
16                   out. But it certainly was my opinion. It was  
17                   quite rampant at that time.

18          MS. RAJOTTE: Madam Registrar, if we would please  
19                   turn to the next page, to page 5 under the  
20                   heading "Conclusions" at the top of the page.

21          Q        The third bullet point, Mr. Barber, reads:

22                   "The use of cash has been reduced since  
23                   reaching a peak in July of 2015."

24                   And you provided that evidence earlier today.

25                   "However, significant amounts of unsourced

1 cash are continuing to be accepted in  
2 Lower Mainland casinos."

3 Was that your understanding at the time?

4 A Yes, it was.

5 Q And then two bullet points down you state:

6 "BCLC has made efforts to address the  
7 unsourced cash phenomenon occurring within  
8 the Lower Mainland casinos; however, the  
9 effectiveness has not resulted in bringing  
10 the problem of source of cash being  
11 verified at the time of transaction being  
12 brought under control."

13 And that was your opinion at the time?

14 A Yes, it was.

15 Q And then the final bullet point reads:

16 "The source of funds questionnaire created  
17 by BCLC for service provider staff is not  
18 adequate to determine the origin of cash  
19 presented nor the manner in which it was  
20 obtained. There is no effort made on the  
21 part of the service provider to try and  
22 verify or clarify the information within  
23 the source of funds questionnaire."

24 And I think this relates to some of the evidence  
25 you were giving earlier in response to a

1 question from my friend Mr. McFee in terms of  
2 the example of some of the responses you saw  
3 when you saw those funds completed. I think you  
4 mentioned some forms may say that the money was  
5 sourced out of my car or out of my safe or out  
6 of my home. Is that right

7 A That's exactly what it pertains to, yes.

8 Q Okay. Thank you. If we could scroll back to  
9 page 2 of this document, Madam Registrar.

10 So, Mr. Barber, you'll see that this is an  
11 email which attaches the report that you  
12 prepared that we just reviewed dated  
13 February 22nd, 2017, and this is sent from  
14 Mr. Scott McGregor. Who was Mr. McGregor at the  
15 time?

16 A He was our intelligence person at GPEB.

17 Q And he's sending the report to Robert Stewart.  
18 And I think you mentioned earlier that -- what  
19 was Mr. Stewart's position at this time? Do you  
20 know?

21 A He was -- he had become my director or acting  
22 director.

23 Q He was a director of the intelligence unit; is  
24 that right?

25 A Well -- okay, this is going to require a long



1 Do you understand "LE" to refer to law  
2 enforcement?

3 A Yes, it's law enforcement.

4 Q "We have in the past sent these intel  
5 reports to the following. OADM."

6 Do you understand "OADM" to mean the office of  
7 the Associate Deputy Minister?

8 A I'm glad you told me that. Thank you.

9 Q You didn't know that?

10 A I didn't recognize the acronym.

11 Q Okay. Do you know what ADM?

12 A Yeah.

13 Q ADM would refer to Assistant Deputy Minister  
14 within GPEB?

15 A Yes, sorry, yes.

16 "Michael Noseworthy -- Superintendent of  
17 Real Estate, FINTRAC, Murray Duggan,  
18 Michele Jaggi-Smith, Tom Steenvoorden  
19 (Police Services). I recommend we  
20 continue to do so."

21 Is it your understanding that your intelligence  
22 reports were being provided to various law  
23 enforcement entities?

24 A Yes.

25 Q Is it your understanding that your intelligence

1 reports were being provided to the Assistant  
2 Deputy Minister who at that time was Mr. Mazure?

3 A Yes.

4 Q Is it your understanding that your intelligence  
5 reporting were being shared with Mr. Noseworthy?

6 A I did not know that.

7 Q You didn't know that. Were you aware that your  
8 intelligence reports were being shared with  
9 FINTRAC?

10 A I guess I assumed they were.

11 Q You didn't know one way or the other?

12 A I didn't know definitively, no. Nor the last --  
13 I didn't know Michele Jaggi-Smith was getting  
14 them or Mr. Steenvoorden.

15 Q Ms. Jaggi-Smith at this time, I have her as the  
16 Executive Director of Strategic Policy and  
17 Projects within GPEB. Did you know that to be  
18 her title?

19 A Well, I knew it was something like that.

20 Q She worked in the policy division, essentially?

21 A Yes, I believe that.

22 MS. RAJOTTE: Thank you, Madam Registrar. We're done  
23 with that document. If I may, actually, I will  
24 mark it as the next exhibit.

25 THE COMMISSIONER: All right. Very well. That will



1                   be -- I think we're at 147 now, are we, Madam  
2                   Registrar?

3                   THE REGISTRAR: The next number is 146,  
4                   Mr. Commissioner.

5                   THE COMMISSIONER: Thank you.

6                   THE REGISTRAR: Exhibit 146.

7                   **EXHIBIT 146: Email Robert Stewart, subject: Fw:**  
8                   **CIR\_17-003\_AML Month of December.docx -**  
9                   **February 23, 2017**

10                  MR. RAJOTTE:

11                  Q     Mr. Barber, you've provided evidence today about  
12                   a meeting with Mr. Mazure where you say that  
13                   Mr. Mazure told you and other investigators to  
14                   stop what you were doing; correct?

15                  A     Correct.

16                  Q     When do you say this meeting took place? What  
17                   year?

18                  A     I think it was 2015.

19                  Q     2015. And if I have your evidence right,  
20                   Mr. Mazure did not explain what he meant by  
21                   this; correct?

22                  A     I think it's possible he may have expanded a  
23                   little bit, but I certainly do not recall any  
24                   more detail beyond that.

25                  Q     I think you said earlier that you had steam

1                   coming out from your ears so it may have  
2                   prevented you from hearing what else he said.

3                   Is that right?

4           A       That sounds like me, yes.

5           Q       Okay. But your evidence was you understood  
6                   Mr. Mazure to be telling you to stop reporting  
7                   on large suspicious cash transactions; correct?

8           A       Correct.

9           Q       This is what you guessed Mr. Mazure might have  
10                  meant?

11          A       Yes.

12          Q       You would agree with me that Mr. Mazure might  
13                  have meant something entirely different from  
14                  what you assumed; correct?

15          A       I suppose it's possible.

16          Q       The fact is you do not know for sure what  
17                  Mr. Mazure meant?

18          A       Well, I interpreted the communication in the  
19                  manner I did. People often in this life  
20                  misinterpret communication.

21          Q       And to know for sure you would agree with me we  
22                  would have to ask Mr. Mazure?

23          A       Yes.

24          Q       After this meeting with Mr. Mazure, you did not  
25                  stop reporting on large and suspicious cash

1 transactions; correct?

2 A Oh, no, I did not.

3 Q You continued to regularly submit reports about  
4 large and suspicious cash transactions up the  
5 chain of command through GPEB; correct?

6 A Yes, that's correct.

7 Q And your evidence is that in fact in July of  
8 2015 you took on responsibility for GPEB's  
9 investigations relating to money laundering  
10 across the province?

11 A Correct.

12 Q And we know from your testimony earlier that in  
13 August of 2015 you and Mr. Ackles presented  
14 Mr. Meilleur with a spreadsheet listing all of  
15 the suspicious cash transactions of \$50,000 or  
16 more for the month of July; correct?

17 A Yes.

18 Q And we know that in 2016 you started preparing  
19 monthly intelligence reports for GPEB discussing  
20 cash transactions in Lower Mainland casinos?

21 A Correct.

22 Q And you continued to submit those reports until  
23 your retirement from GPEB in 2017?

24 A Correct.

25 Q And you did not face any pushback from

1                   Ms. Mr. Mazure on your continued reporting of  
2                   large and suspicious cash transactions; correct?

3           A       No. In fact, as I hope I clearly testified,  
4                   it's my opinion that he came around to be quite  
5                   supportive of my position.

6           Q       Thank you. I believe in your affidavit you say  
7                   that you believe that Mr. Mazure made genuine  
8                   efforts to address the problem of large and  
9                   suspicious cash transactions. Is that right?

10          A       That was my belief, yes.

11          Q       And you've been asked by both Mr. McGowan and  
12                   Mr. Smart today about your evidence that you  
13                   believe that Mr. Schalk and Mr. Vander Graaf  
14                   were terminated from GPEB because of their  
15                   persistent effort to raise their concerns about  
16                   large and suspicious cash transactions with  
17                   government officials; correct?

18          A       Correct.

19          Q       I believe you agreed with Mr. Smart earlier that  
20                   that was your assumption; correct?

21          A       It was my assumption and the assumption of every  
22                   investigator in the office, yes.

23          Q       Mr. Barber, you did not have any involvement in  
24                   the decision that was made in 2014 to conduct an  
25                   internal operations review of GPEB, did you?

1 A No.

2 Q You don't know the purpose of that review?

3 A No. I only became aware of it, I think, last  
4 night when I read it. It was included in  
5 documents that were sent to me.

6 Q And you had no involvement in the decisions that  
7 were made as a result of that review back in  
8 2014; correct?

9 A Correct.

10 Q And so you'll agree with me that when you say  
11 you believed that Mr. Schalk and Mr. Vander  
12 Graaf were terminated because of their efforts  
13 to raise concerns, you don't know whether that's  
14 true or not; correct?

15 A I continue to believe that that is the case.  
16 I'm sorry.

17 Q I understand you believe it to be the case. But  
18 you do not know whether it is in fact the case?

19 A That's true.

20 Q You agree with me that we would have to ask the  
21 people who made the decisions; correct?

22 A Well, we'd have to hope that they'd answer  
23 truthfully, but yes.

24 Q And after Mr. Schalk and Mr. Vander Graaf were  
25 terminated from GPEB, you continued to regularly

1                   report your large -- regularly report large and  
2                   suspicious cash transactions to your  
3                   supervisors?

4           A     I did.

5           Q     You reported your concerns about suspicious cash  
6                   transactions to Mr. Meilleur when he became  
7                   Executive Director of Compliance?

8           A     Yes, I did.

9           Q     And based on your observations, Mr. Meilleur  
10                  took your concerns seriously; correct?

11          A     Yes, he did.

12          Q     Mr. Barber, you've also provided some evidence  
13                  today around an interaction that you had with  
14                  Mr. Scott. Do you recall that?

15          A     Yes. Yes.

16          Q     And today you stated that you communicated to  
17                  Mr. Scott in that interaction that you thought  
18                  Mr. Scott's liability was considerable or  
19                  something to that effect; is that right?

20          A     The conversation was almost 10 years ago, so I  
21                  can't recall clearly the words I provided, but I  
22                  know I said to him that money laundering was out  
23                  of control and I think I said something about  
24                  liability.

25          Q     Do you recall when in 2011 this conversation

1                   took place?

2           A        I'm sorry, I do not.

3           Q        Are you aware that Mr. Scott became Assistant  
4                   Deputy Minister for GPEB in June of 2011?

5           A        No. I'm not aware.

6           Q        And so if that's the case that Mr. Scott became  
7                   ADM in June 2011, you would agree with me that  
8                   at most Mr. Scott had been ADM for seven months  
9                   at the time that you had this conversation? He  
10                  was fairly new to the position. Does that  
11                  accord with your recollection?

12          A        You know, I did not know that because of course  
13                  I was new also.

14          Q        That's right. And in 2011 a number of counsel  
15                  have taken you to a report that was prepared at  
16                  the request of the province by Mr. Kroeker  
17                  conducting a review of money laundering measures  
18                  within casinos. Do you recall that report?

19          A        Yes. Well, I don't recall it from the time  
20                  particularly, but I've read it since.

21          Q        And in 2011 when you had this conversation with  
22                  Mr. Scott, did you know about the work Mr. Scott  
23                  was doing with BCLC implementing the  
24                  recommendations from that review?

25          A        No, I did not.

1 Q Did you know that in 2011 Mr. Scott formed  
2 GPEB's anti-money laundering cross-divisional  
3 working group?

4 A I had some awareness of that. I actually spoke  
5 at it once.

6 Q You were not a member of that group; correct?

7 A That's correct.

8 Q You did not have first-hand knowledge about the  
9 work that that group was doing in 2011; is that  
10 fair?

11 A That's fair.

12 Q And so you would agree with me, Mr. Barber, that  
13 in 2011 you really did not know what steps  
14 Mr. Scott was taking to address concerns about  
15 money laundering in BC casinos; is that right?

16 A That is right.

17 MS. RAJOTTE: Thank you very much, Mr. Barber. Those  
18 are my questions.

19 THE WITNESS: Thank you.

20 THE COMMISSIONER: Thank you, Ms. Rajotte.

21 Anything arising, Ms. Mainville?

22 MS. MAINVILLE: I do in fact, Mr. Commissioner. I  
23 was told earlier my sound was poor, which I  
24 didn't realize. Is it okay now?

25 THE COMMISSIONER: Yes, it's fine.



1 MS. MAINVILLE: Thank you.

2 Could we bring back up the document

3 GPEB3325. Could we go down further. I don't

4 recall what page. Here.

5 **EXAMINATION BY MS. MAINVILLE:**

6 Q You recall Ms. Rajotte took you to the double

7 asterisk that says "please note"?

8 A Yes.

9 Q "BCLC has not provided the BCLC

10 Investigator's Narrative portion of the

11 STRs for the month of December."

12 A Yes.

13 Q Did you request that from BCLC?

14 A Somewhere around 2011 or 2012 I made request of

15 BCLC to receive their FINTRAC reports, and they

16 supplied them up until the time when they

17 decided they were not going to supply certain

18 documentation to us.

19 Q Were you told that BCLC because of a legal

20 opinion related to privacy concerns was not

21 proactively providing GPEB with STRs but they

22 would be provided upon request?

23 A No, I never heard that.

24 Q So you never requested this information that you

25 did not have?

1           A     No.  That's not -- that's not accurate.  For  
2                     many years those reports were supplied to me,  
3                     and then some years down the road, those reports  
4                     were no longer supplied to me by BCLC.

5           Q     What I mean is when you wrote this report in  
6                     2017, you did not ask for this information.

7           A     I didn't ask for it specifically because I  
8                     stopped providing those reports sometime before.

9           Q     Do I take it Mr. Meilleur never informed you  
10                    that this could be requested?

11          A     It's not a conversation I recall having with  
12                    him, no.

13          Q     Were you told that GPEB investigators within  
14                    JIGIT had access to these and they could be  
15                    requested from them?

16          A     I'm not -- I don't know if that's the case or  
17                    not.

18          Q     I'm going to suggest that there are -- there is  
19                    a lot of erroneous information in this report  
20                    and so I just want to try to understand where  
21                    your understanding of BCLC's anti-money  
22                    laundering controls comes from.  Or came from at  
23                    the time.

24          A     I'm sorry.  Was there a question?

25          Q     Yes.  Where did your understanding of BCLC's AML

1 controls come from at the time you wrote this  
2 report?

3 A I don't know if I have a clear understanding.

4 Q Right. So it's possible that some of this  
5 information is based on your assumptions but not  
6 in fact informed?

7 A No, there were -- the information is dollars and  
8 cents reported by the casino and perhaps  
9 portions of BCLC documentation.

10 Q Could you be a bit clearer on that?

11 A Well, the reporting, as we've discussed earlier,  
12 is -- it would come in -- not in one piece. It  
13 would come in a portion and another portion and  
14 supplemental portion. So if BCLC was not  
15 providing me with the narrative portions of the  
16 transaction reports, I would have to put it  
17 together from those other sources.

18 Q Who at BCLC did you ask for information about  
19 their AML controls?

20 A Again, I'm not sure if I understand your  
21 question, but I believe when BCLC stopped  
22 supplying various documents to us, I think the  
23 person that told me that was Steve Beeksma. I'm  
24 not 100 percent sure.

25 Q To be clear, did you ever ask BCLC about -- to

1                   clarify some of their AML controls?

2           A       No, I didn't. I mean, I was told they weren't  
3                   going to give us stuff and that was it.

4           Q       So consistent with your approach, you didn't  
5                   find it appropriate to ask or request things or  
6                   probe?

7           A       That's not true at all. I spoke to the BCLC  
8                   investigators on an almost daily basis. I had a  
9                   very good relationship with them. They were  
10                  very good people. They -- the organization, as  
11                  I interpreted the situation, cut GPEB off, so I  
12                  dealt with it.

13          Q       Do I understand that most of your discussions  
14                   with BCLC's investigators were surrounding  
15                   incident reports?

16          A       I guess the majority of those conversations  
17                   would be there, yes.

18          Q       And where did you take your information  
19                   regarding trends, the analysis of trends? Was  
20                   that all based on these reports from the service  
21                   providers and BCLC?

22          A       Yes.

23          Q       So you had no other source of -- data source  
24                   beyond that to make these analyses?

25          A       No. The data flows from the service provider

1                   and BCLC.

2                   MS. MAINVILLE: Those are all my questions. Thank  
3                   you.

4                   THE COMMISSIONER: Thank you, Ms. Mainville.  
5                   Ms. Tweedie.

6                   MS. TWEEDIE: Nothing. Thank you.

7                   THE COMMISSIONER: Mr. McFee.

8                   MR. McFEE: Nothing, thank you, Mr. Commissioner.

9                   THE COMMISSIONER: Mr. Skwarok.

10                  MR. SKWAROK: No, sir.

11                  THE COMMISSIONER: Mr. Smart.

12                  MR. SMART: No, thank you.

13                  THE COMMISSIONER: Mr. McGowan.

14                  MR. MCGOWAN: Nothing arising.

15                  THE COMMISSIONER: All right. Thank you. Thank you,  
16                  Mr. Barber, you are excused from further  
17                  testimony. Thank you.

18                  THE WITNESS: Thank you.

19                  **(WITNESS EXCUSED)**

20                  MR. MCGOWAN: Mr. Commissioner, the next witness is  
21                  Ms. Labine. Her evidence has primarily been  
22                  reduced to an affidavit, and I understand that  
23                  we can be prepared to go with her right away, or  
24                  if it's your preference, we can stand down for  
25                  just a minute or two while we transition her

1                   onto the screen.

2                   THE COMMISSIONER: Why don't we take five minutes and  
3                   do that.

4                   MR. MCGOWAN: Thank you.

5                   THE REGISTRAR: This hearing is stood down for five  
6                   minutes until 1:20 p.m.

7                   **(PROCEEDINGS ADJOURNED AT 1:15 P.M.)**

8                   **(PROCEEDINGS RECONVENED AT 1:20 P.M.)**

9                   THE REGISTRAR: The hearing is now resumed,  
10                  Mr. Commissioner.

11                  THE COMMISSIONER: Yes, thank you.

12                  Yes, Mr. McGowan.

13                  MR. MCGOWAN: Yes, Mr. Commissioner. The next  
14                  witness, as I indicated, is Ms. Labine. We are  
15                  coming to our end of our scheduled hearing day.  
16                  I anticipate this witness, if everyone takes  
17                  their full allotment, will be somewhere between  
18                  45 minutes and an hour, probably closer to the  
19                  45 minute time period. We do perhaps have some  
20                  time tomorrow if at some point you feel its  
21                  appropriate to break and continue tomorrow. I  
22                  have not canvassed Ms. Labine's schedule, the  
23                  scheduling implications for her.

24                  THE COMMISSIONER: All right. Well, let's make our  
25                  best efforts to conclude with her today, and if



1                   have some questions for you as well.

2           A        Okay.

3           Q        Ms. Labine, let's just briefly go over your

4                   experience within the gaming industry. I

5                   understand you became a dealer at the Richmond

6                   casino in 1992. Is that correct?

7           A        Yes. I was a dealer in 1992. My daughter and I

8                   both started at the same day.

9           Q        And in 1995 you were promoted to dealer

10                   supervisor?

11          A        That's right. '95.

12          Q        And you continued to work at the Richmond casino

13                   in that capacity until 2000; is that correct?

14          A        Yes. In that capacity, but I was also a hostess

15                   in the casino when I was needed. Relief

16                   hostess.

17          Q        Thank you. And, Ms. Labine, you've affirmed an

18                   affidavit for the commission about your

19                   experiences working at the casino?

20          A        Yes, I did.

21          MR. McCLEERY: Mr. Commissioner, I ask that

22                   Ms. Labine's affidavit be marked as the next

23                   exhibit.

24          THE COMMISSIONER: Very well. That is I think 147,

25                   Madam Registrar.



1 THE REGISTRAR: That's right. Exhibit 147.

2 **EXHIBIT 147: Affidavit #1 of Muriel Labine,**  
3 **affirmed on 23rd day of October, 2020**

4 MR. McCLEERY:

5 Q Ms. Labine, I'm going to start off by asking you  
6 some questions about what the casino was like in  
7 1992 when you first started as a dealer. Can  
8 you tell us what was the maximum bet limit at  
9 the casino in 1992?

10 A Maximum bet limit was \$25.

11 Q And in your affidavit you explain that charities  
12 had some involvement in the casinos at that  
13 time; is that correct?

14 A That's correct. The charities opened from  
15 6 o'clock until 2:00 a.m. in morning and the  
16 casino could not open unless the charity  
17 volunteers were on site.

18 Q Could you tell us a little bit about what the  
19 charity volunteers did in the casino at that  
20 time?

21 A The charity volunteers had to work the cash  
22 cage. So there was usually two of them in the  
23 cash cage. There was a couple of the floor that  
24 would deliver chips to the table when needed and  
25 they did the count at the end of the night,

1 along with management.

2 Q Thank you. And I think you say in your  
3 affidavit that the arrangement was that they  
4 took some share of the money made by the casino;  
5 is that right?

6 A Yes. It was 40 percent went to the casino  
7 owners, 10 percent went to government and  
8 50 percent of the win went to the charity.

9 Q And when you say 10 percent went to the casino  
10 owners would that have been --

11 A No, 40 percent went to the casino owners.

12 Q I'm sorry. Wouldn't that have been Great  
13 Canadian Gaming Corporation at that time?

14 A It was Great Canadian Gaming, yes.

15 Q Thank you. And, Ms. Labine, in your affidavit  
16 you discuss some changes to the casinos that  
17 took place in 1997; is that correct?

18 A In 1997 the summer of 1997 everything changed.  
19 The bet limits went up from \$25, went up to  
20 \$500. The hours of work -- the hours the casino  
21 were allowed to be open changed from 6 o'clock  
22 till 2:00, now we're from 12 noon until 2:00,  
23 and two new games were allowed in the casinos,  
24 Pai Gow and mini baccarat.

25 Q And were there any changes at that time to the

1                   role played by the charities of the casino?

2           A       Not quite at that moment, but right after that  
3                   the charities were eliminated from the casino  
4                   and we had the casino hired cashiers for the  
5                   cashier cage.

6           Q       Thank you. In your affidavit you discuss that  
7                   following these changes a new group of people  
8                   showed up in the casino; is that right?

9           A       We all of a sudden had a lot of \$500 players  
10                   playing the baccarat tables. And just to be  
11                   clear here, when we had those new five tables  
12                   came in, five other tables had to leave. The  
13                   casino was only allowed 30 tables maximum. So  
14                   we had four new mini baccarat tables and the  
15                   maximum bet on that was \$500 a hand.

16          Q       When the \$500 a hand limit came in, did you  
17                   immediately notice that players started to play  
18                   at that level?

19          A       There was a lot of players playing at that level  
20                   at that time, and then we started seeing a group  
21                   of young Asian men started coming into the  
22                   casino.

23          Q       And these individuals are the ones you refer to  
24                   in your affidavit as "the boys"; is that right?

25          A       Yeah, we called them "the boys" because a lot of

1                   them were quite young. I would say between 19  
2                   and 25. But they also had older men that we  
3                   soon discovered were what we -- were their  
4                   bosses.

5           Q       And did these individuals, the boys as you  
6                   called them, were they gamblers? Did they play  
7                   the games?

8           A       They played the games but they weren't -- for  
9                   the most part were not heavy betters.  
10                   Occasional they were. They used to come to the  
11                   table with bundles of \$20 bills, \$1,000 and  
12                   \$2,000 bundles, all wrapped in elastic bands,  
13                   and they would cash in. And a lot of the time  
14                   they didn't play.

15          Q       And did you see what they did with the chips  
16                   they obtained with that money?

17          A       They would loan the money out. They were  
18                   loaning money to the other players. There was  
19                   no secret about it. Right under the cameras  
20                   they did it.

21          Q       So you could clearly see these individuals  
22                   lending money to players in the casino; is that  
23                   correct?

24          A       Oh, absolutely. There was no secret. They  
25                   didn't hide it.

1 Q And how often were these people at the casino?

2 A Every day they were there. Every single day  
3 these boys were in the casino. Every day.

4 Q You mentioned that there was an expansion of the  
5 casino's hours at that time. Were they there  
6 particular hours or throughout the day?

7 A They usually came in around 1 o'clock in the  
8 afternoon and stayed till about 5:00, 530, leave  
9 for a couple of hour and be back again for the  
10 evening.

11 Q Can you estimate would there be one or two of  
12 them in the casino at a time or all -- or a  
13 larger number? How many would you typically see  
14 in the casino at that time?

15 A My daughter was working on one side of the  
16 casino, I was working on the other and we  
17 decided to count one day. And we counted 23 at  
18 one time of these people that we had seen  
19 loaning money.

20 Q And was that a day when you would have said  
21 there was a particularly large number, or was  
22 that a fairly representative day?

23 A I would say that was probably a large number. I  
24 would say on the average day we're probably  
25 looking at 16 to 17 anyway.

1           Q     Thank you.  And, I mean, how -- if you can say,  
2                     how did this seem this activity in your  
3                     workplace make you feel?

4           A     I didn't like it.  I was -- it made you feel  
5                     very anxious and we began to suspect that we  
6                     were dealing with gangs and we were dealing with  
7                     organized crime.  And so there was a lot of  
8                     chatter in the staff room and we were very, very  
9                     much aware of what was going on.

10          Q     And can you speak a little bit about why you  
11                     suspected these individuals were connected to  
12                     gangs or organized crime?

13          A     Well, they seemed to have bosses.  They seemed  
14                     to be working in groups, and we started watching  
15                     this and seeing what they were doing.  They also  
16                     seemed to be, shall we say, loaning a lot of  
17                     money, moving around the casino, not playing  
18                     very much, going from table to table, doing  
19                     buy-ins, and the buy-ins were these \$20 bills  
20                     wrapped in elastic bands.  And it didn't seem  
21                     to me that these \$20 bills, or to a lot of us,  
22                     that these \$20 bills were coming from a bank.  
23                     In fact I used to work in a bank, and these  
24                     bills, some of them were damaged, corners cut  
25                     off, written on, so no, they did not look like

1                   they came from a bank.

2           Q       Can you compare if money had come from the bank,  
3                   based on your experience in the bank, what would  
4                   it have looked like in these kinds of amounts?

5           A       Well, they wouldn't -- these kind of bills would  
6                   have been taken out of circulation. They  
7                   wouldn't have left those bills in circulation,  
8                   and usually a bank will put a band on the  
9                   bundles to say where's the location the bundle  
10                  was made. And these didn't have bands. These  
11                  had elastic bands.

12          Q       What kind of bands would you expect if they had  
13                   come from a bank?

14          A       Just a band on it, stamped with a bank name and  
15                   probably the bank number, which their location  
16                   number.

17          Q       So that would be a paper band, then?

18          A       A paper band, yes.

19          Q       And you mentioned your concerns about this  
20                   activity in your workplace. Did you report  
21                   these concerns to management at the casino?

22          A       Oh, absolutely. Reported repeatedly to a lot of  
23                   different people.

24          Q       And can you describe the reaction you received  
25                   to these reports?

1           A     We were told over and over again -- and I'm not  
2                    the only one that was told this; it was a story  
3                    coming from management -- they are just friends  
4                    loaning money to friends; how do we know they're  
5                    not friends loaning money to friends?  And this  
6                    was receipted over and over again.

7           Q     Did you have a response to that question of how  
8                    did you know this wasn't just friends loaning  
9                    money to friends?

10          A     Well, the first time you hear it you think okay.  
11                   I'm not seeing this right.  You go back out on  
12                   the floor and you look again.  And then you  
13                   know.  You know what you're seeing and you go  
14                   back and you challenge it and you say no, no,  
15                   this is different, this is -- they're money  
16                   laundering; they're loan sharking.  And you  
17                   still got the same answer.  You got the same  
18                   answer no matter how many times you report it.

19          Q     And did you see casino management during your  
20                   time take any steps to stop or try to prevent  
21                   this activity?

22          A     No.  Not once did I see steps to stop this.  No.

23          Q     You say in your affidavit that casino management  
24                   in your words accommodated this activity; is  
25                   that right?



1           A     Yes, I did see some examples of this where we  
2                    were -- that made me very, very concerned.

3           Q     Can you describe a couple of those examples.

4           A     Well, one evening, late in the afternoon, floor  
5                    manager comes from the back and he gestured like  
6                    this to the boys at the table. Two of the boys  
7                    left the table and came to them. It was a  
8                    whispered conversation, and they chatted and  
9                    five minutes later, less than that, the boys are  
10                  circulating around the table, and the baccarat  
11                  tables are really busy that day, and they were  
12                  circulating around and whispering to all the  
13                  players and the other boys on the table. At the  
14                  end of the hand, the players left. They walked  
15                  out of the casino. They didn't go to the cash  
16                  cage. They put the chips in their pocket and  
17                  they walked out the floor. And the floor  
18                  manager came to me and said, clean up the pit,  
19                  brush down the tables, empty the ashtrays, get  
20                  rid of the dirty dishes; we've got company  
21                  coming. And he said Jackie Schaffer, who was  
22                  Vice President of the company, is bringing VIPs  
23                  in from BCLC. And the VIPs came in, she did the  
24                  tour, took them to the back. They were gone  
25                  within 30 minutes, and within 20 minutes of

1                   that, the boys were all back, along with the  
2                   customers.

3           Q       And did you at any time report this activity to  
4                   the police?

5           A       No. We didn't report it to the police. We -- I  
6                   believe at this time there was undercover  
7                   officers in the casino, and we had spotted a few  
8                   from time to time and security had pointed out a  
9                   couple to me. Were they there at that  
10                  particular moment? I don't know. But no, we  
11                  couldn't report to the police. If you reported  
12                  it, I would have had to leave my name and I was  
13                  too afraid to leave my name because Great  
14                  Canadian could have discovered and the boys  
15                  probably would have discovered who I was  
16                  reporting them.

17          Q       I believe in your affidavit you suggest that you  
18                   may have had made anonymous calls to the RCMP.  
19                   Is that correct?

20          A       My daughter and I both made anonymous calls and  
21                   I don't believe we were the only ones making  
22                   anonymous calls to the RCMP, Richmond  
23                   detachment.

24          Q       Aside from your suspicions there were undercover  
25                   officers in the casino, did you see any police

1 activity in response to what you subscribe as  
2 loan sharking and money laundering in the  
3 casinos?

4 A Absolutely none.

5 Q And you also say in your affidavit that you and  
6 your daughter began keeping a journal about this  
7 activity in 1998; is that correct?

8 A That's right. August 1st or 2nd of '98 we  
9 started to keep a journal because no one would  
10 listen to us. No matter how many times you  
11 reported no one would hear us, and so we decided  
12 we would keep a journal of some of the things  
13 that we were seeing.

14 Q What did you think might end up happening with  
15 this journal? Did you have a plan for what it  
16 would be used for?

17 A At that point we didn't know what we were going  
18 to do with it. We started to do a little  
19 research of different places we could send it,  
20 but we hadn't made that decision just yet. We  
21 didn't know what to do with it, but we knew we  
22 had to make a record. We had to do something.  
23 We couldn't just let this go.

24 Q And a copy of your journal is attached to your  
25 affidavit; is that correct?

1           A     That's right.

2           Q     And I see that there are both handwritten -- oh,  
3                   I'm sorry.

4           A     I think it's listed as a separate exhibit, but  
5                   yes.

6           Q     Yes, that's correct.  The copy attached to your  
7                   affidavit includes both handwritten and typed  
8                   pages?

9           A     That's right.

10          Q     And from my review it looks as though the typed  
11                 pages are copies of the handwritten pages; is  
12                 that accurate?

13          A     Almost accurate.  The first three pages we typed  
14                 that up with the idea -- we did that in January  
15                 of '99 and the idea was that this was the copy,  
16                 the typed pages were the copy that was going to  
17                 go somewhere.  And so first three pages of that  
18                 was sort of a summation so that whoever was  
19                 reading it would know what was happening, and we  
20                 changed the names inside the journal.  We gave  
21                 code names when we typed up, did the typing up,  
22                 because we didn't want to put anybody in  
23                 jeopardy.  We didn't -- I mean, we were dealing  
24                 with Asian gangs and we were very scared, so we  
25                 wanted to make sure that this was -- that we hid

1 names so we didn't put anybody at risk.

2 Q So am I correct, then, that the typed version  
3 was typed up about a year after you started  
4 keeping the handwritten --

5 A About -- we finished the journal about the first  
6 week of January. There was maybe the last, I  
7 think the first -- or the end of December was  
8 the first -- last entry, and then we typed it up  
9 almost immediately after that. And then that's  
10 where it ended.

11 Q And were you the one that did the typing?

12 A No. My daughter typed it up.

13 MR. McCLEERY: Okay. Thank you. Mr. Commissioner,  
14 those are my questions for Ms. Labine, and I  
15 understand the other participants have some  
16 questions as well.

17 THE COMMISSIONER: All right. Thank you,  
18 Mr. McCleery. I understand Mr. Mistry from the  
19 BC Government and Service Employees Union has  
20 been allocated 10 minutes.

21 MR. MISTRY: Thank you, Mr. Commissioner.

22 **EXAMINATION BY MR. MISTRY:**

23 Q Ms. Labine, I'll be very -- fairly brief here.  
24 In paragraph 14 -- and I won't take you there,  
25 but you talked about the -- your experiences

1 alerting casino management of illegal activity.  
2 Were your -- the issues raised, were they ever  
3 reduced to writing, or was there any system to  
4 do that?

5 A No. These were all verbal when we talked to our  
6 floor managers or our managers or anyone up the  
7 chain of command, and but we were never, not one  
8 supervisor or dealer that I know of was asked to  
9 come into the office and say what -- no one  
10 asked us, what are you seeing? No one asked us  
11 to put anything in writing after all that time.  
12 Not one asked us to tell them. They did not  
13 want to know.

14 Q So there was no system in place for reporting  
15 that, I gather?

16 A No.

17 Q Okay. Now, you know, when you were seeing all  
18 this, why didn't you maybe seek employment in  
19 another service field, let's say?

20 A I needed the paycheque. I needed the job. I  
21 mean, I was in my mid-50s and I was afraid I  
22 wouldn't get another job. So no, we stayed.  
23 And we kept thinking the casino would fix this,  
24 we would get on top of it, we could fix it. But  
25 we finally realized they didn't want to fix it.

1                   There was no incentive for them to fix it.

2           Q       I see. Now, you talk a little bit about the  
3                   union drive. What precipitated this move here,  
4                   and how did it turn out?

5           A       That was in January of '99 when we first heard  
6                   that the Nanaimo casino, our sister casino, the  
7                   dealers had become part of the BCGEU, and that's  
8                   when we decided that's what we're going to do;  
9                   we've tried every other thing that we can think  
10                  of and now this is what we're doing to do; we're  
11                  going to try with the BCGEU. So eventually  
12                  after several weeks of going back and forth and  
13                  being very frightened about even talking to the  
14                  BCGEU, because we had no union experience  
15                  whatsoever, and finally they reassured us that  
16                  our names -- Great Canadian would never learn  
17                  our names. And we signed our very first union  
18                  card and my hand was shaking as I signed the  
19                  card.

20          Q       How did that union drive end up going?

21          A       It was a very, very difficult union drive.  
22                  There was a lot of -- well, the first day I took  
23                  the union cards into work, the Vice President of  
24                  the company Adrian Thomas was sitting in the  
25                  staff room waiting for me and he says, I hear

1           you have something you want to tell me. And I  
2           said yeah, we want to have a union. And I had  
3           leaflets in my hand, I had cards in my hand and  
4           I was scared. And he says, you're not doing  
5           that here; put that stuff away, and you're not  
6           allowed to pass it out here in the casino;  
7           you're not allowed to pass it on the property;  
8           you're not allowed to pass the cards around.  
9           And he put that and he swore. And put into your  
10          locker and don't bring it out again. And so  
11          that was the beginning. That put a chill on the  
12          campaign before it was open for five minutes and  
13          it went downhill from there. There was a smear  
14          campaign against my daughter and myself, and  
15          finally when they finally did get to the vote,  
16          it failed. We lost the Renaissance hotel. Our  
17          sister casino wanted to go as well, and we lost  
18          both votes. There was a lot of intimidation, a  
19          lot of problems.

20          Q       Why did you want to bring a union in? I'm just  
21          curious.

22          A       Well, if we wanted to get rid of the boys, we  
23          needed help. There's no way we could get rid of  
24          the boys. I mean, there was the usual things  
25          like payroll and money and benefits, but the big



1 issue was the boys. We wanted the boys gone.

2 And this is -- we were looking to the BCGEU for  
3 help.

4 Q The -- now, after all this the union drive fails  
5 and further events happened, I mean, you've  
6 already explained why you didn't work elsewhere  
7 in the service industry. I mean, I believe  
8 there were other casino companies in BC by that  
9 point. Why didn't you seek employment in  
10 another casino operation or something gaming  
11 adjacent?

12 A Well, to start with, we tried to bring a union  
13 in and I would have been blackballed. My  
14 daughter would have been blackballed because the  
15 casino operator certainly didn't want to have  
16 unions looking over their shoulders, so they  
17 didn't want this. So we would have been  
18 blackballed and I just couldn't afford to quit.  
19 I couldn't afford to leave.

20 Q There's a really interesting story of this in  
21 the affidavit and it involves a person that I  
22 imagine on the shop floor you refer to as  
23 Scarface and smoking. Can you maybe just  
24 recount that for us.

25 A We had one of the gang leaders, and this we

1                   believed to be one of the main bosses, was in  
2                   the casino and his name was Scarface. We gave  
3                   all the boys -- as many as we could we gave them  
4                   nicknames so that we could identify them,  
5                   particularly in this journal. Scarface had a  
6                   big 4-inch scar down the side of his face. And  
7                   this one -- it was not good having him at the  
8                   table. He was a problem. And he's sitting at  
9                   the table and he's at a no smoking table and I  
10                  turn my head to look and he's blowing smoke into  
11                  the dealer's face. Every time he loses a hand  
12                  he's blowing smoke and it's a no smoking table.  
13                  So I go over to the no smoking table, and I'm  
14                  very nice. I'm trying to be nice. I don't want  
15                  to aggravate this man, and make hand signals  
16                  pointing to the sign, you can't smoke here. I  
17                  walk away, hoping that he's going to do what  
18                  I've asked. And I turned my head again. And  
19                  he's blowing smoke at the dealer. I come back  
20                  and I'm a little more insistent this time, you  
21                  can't smoke here. And he swears at me and he  
22                  gives me a rude hand gesture and flicks his  
23                  cigarette ashes onto the carpet. And so I  
24                  called my floor manager to the floor out. He  
25                  was -- my floor manager was on the floor in one

1 minute after I called him. He came out very  
2 quickly. He stood there and he said what  
3 player, who is it? And I'm thinking he's going  
4 to toss this guy right out the door. And  
5 instead he looks, he sees Scarface and he goes  
6 and he walks over to the table, picks the no  
7 smoking sign off the table, moves it to another  
8 table, takes the ashtray off a table, off that  
9 table and brings it back and gives an ashtray to  
10 Scarface. Then he pulls me aside and he tells  
11 me, I don't want you talking to this man; this  
12 guy is dangerous; leave him alone, and he's  
13 dangerous; stay away from him. And so at that  
14 point I'm wondering who's running the place.  
15 Are the gangs running it or is the casino  
16 running it? And any other time in any other  
17 situation before the boys had come in, that man  
18 would have been asked to leave. He would have  
19 been told to leave.

20 Q Ms. Labine, I'm going to backtrack for one  
21 second. I just wanted you to highlight because  
22 you explained a little bit -- I think it would  
23 assist the Commissioner to just hear it from  
24 you. The significance of moving to mini  
25 baccarat and Pai Gow. What's the nexus between

1                   that and what was the illicit activity that was  
2                   happening?

3           A       Well, when you brought -- the Pai Gow is a very  
4                   fast game, and you can probably deal a hand  
5                   every three minutes and that's -- to nine  
6                   players. It's -- the significance is that it  
7                   was \$500 at the table. You could run that  
8                   \$4,500. If all the players are playing \$500,  
9                   that's \$4,500 every three minutes that were  
10                  being played on that table. We're talking a lot  
11                  of money here. We're talking a lot of bundles  
12                  coming in through the casino. There was a lot  
13                  of money coming across that table.

14          Q       Thank you. Couple more questions. One, you  
15                   express in your affidavit your reaction to  
16                   Mr. German's report in the first line:

17                               "The casinos unwittingly served as  
18                               laundromats for dirty money."

19                  What was your reaction to that?

20          A       I was infuriated. I was shocked. It was, like,  
21                   that's not true. I know it's not true. I was  
22                   there. I -- it was there. I was there. And I  
23                   saw it. I did everything I could to stop this,  
24                   but I know that the dirty money was coming  
25                   across the table. We all suspected that this

1                   was drug money. There wasn't a doubt. So we --  
2                   yeah, it was shocking and I knew that at that  
3                   point I had to speak out. My daughter and I  
4                   talked about it and we talked about it and we  
5                   started looking for the old documents, and I  
6                   knew that we had to speak out and eventually I  
7                   went to Sam Cooper at Global TV.

8           Q       Why did you wait that long? That's a lot of  
9                   years.

10          A       I kept thinking it was going to be fixed because  
11                   every two or three years the media would come  
12                   out with a story and okay, another story from  
13                   the River Rock or another story from one of the  
14                   other casinos, and so we kept thinking this is  
15                   fixed now, okay. But in reality it was just a  
16                   band-aid being put on the problem. There's a  
17                   problem here that just putting another band-aid  
18                   on it is not going to work. There's a culture  
19                   in the casino right now that we're taking this  
20                   dirty money and we've been doing it since 1997.  
21                   And I can't see it changing. I had such high  
22                   hopes for the German report, and the very first  
23                   line gave casinos a whitewash.

24          Q       And just finally, you say at the end of the  
25                   affidavit you were afraid.

1                    "To this day, I am afraid of the gangs and  
2                    potential retribution."

3                    From who? What are you afraid of?

4                    A    Okay. I'm afraid of several things. One, I'm  
5                    afraid of the gangs. I mean, these are Asian  
6                    gangs and you can see by the shootings, the  
7                    recent shootings in Richmond, they haven't gone  
8                    away; they're still out there.

9                                       And if we disrupt their way of doing  
10                    business, there's a potential for problems. My  
11                    daughter is -- works overseas. She's not in  
12                    Canada. I feel she's okay. She's safe. But  
13                    the other problem is that I'm also fearful from  
14                    Great Canadian as well because they have  
15                    threatened suit if -- at various times they've  
16                    threatened legal action. So Great Canadian is  
17                    also a fear.

18                    Q    Sorry, they have or people there have? I  
19                    understand it's a person named Adrian.

20                    A    It's a person, a former Vice President and CEO  
21                    of the company has -- yeah. That's -- yes.

22                    MR. MISTRY: Thanks very much, Mr. Labine.

23                                       Mr. Commissioner, I have no further  
24                    questions.

25                    THE COMMISSIONER: Thank you, Mr. Mistry. Yes,

1                   Mr. Stephens for the British Columbia Lottery  
2                   Corporation who has been allocated 10 minutes.

3                   MR. SMART: It's Mr. Smart, Mr. Commissioner, rather  
4                   than Mr. Stephens.

5                   **EXAMINATION BY MR. SMART:**

6                   Q     I just have one question for you. When was the  
7                   last time you were in a casino in British  
8                   Columbia?

9                   A     I was in a casino probably just before they  
10                  closed.

11                  Q     I'm sorry. When did they close?

12                  A     They closed for the COVID, in March.

13                  Q     I see. And do you go in there -- I'll just  
14                  follow up on that. Do you go in to gamble?

15                  A     Yes, I do.

16                  Q     And you've done that regularly over the last  
17                  20 years?

18                  A     Yes, I have. I wouldn't say on a regular basis,  
19                  but yes, I have been in the casinos, yes.

20                  MR. SMART: Those are my questions. Thank you.

21                  THE COMMISSIONER: Thank you, Mr. Smart. And  
22                  Mr. Skwarok for the Great Canadian Gaming  
23                  Corporation who also has been allocated  
24                  10 minutes.

25                  MR. SKWAROK: Thank you, sir.





1 statement, and I repeated it to Global, and he  
2 said if anybody repeated it again, he would sue  
3 them.

4 Q Do you know approximately what year that was?

5 A 2019. I believe it was May. It was about a  
6 year after the German report.

7 Q Mr. Thomas wasn't employed at Great Canadian in  
8 2019.

9 A No, he wasn't. But he was asked about a meeting  
10 that I had with him by Mr. Cooper, and that's  
11 when the whole thing came out that -- I had told  
12 Mr. Cooper what was said at the meeting and it  
13 was -- when he asked Mr. Thomas, Mr. Thomas --  
14 this particular statement was denied, denied it.

15 Q I see. I suggest to you, ma'am, that Mr. Thomas  
16 was long gone by the time you say he threatened  
17 you.

18 A He was long gone from the casino, yes. But he  
19 was still -- he had -- when I was there, he was  
20 a -- the Vice President of the casino in charge  
21 of operations.

22 MR. SKWAROK: Thank you, ma'am. Those are my  
23 questions.

24 THE COMMISSIONER: Thank you, Mr. Skwarok.

25 I don't imagine there's anything arising

1                   from that, but counsel, if any of you have  
2                   something, please let me know.

3           MR. MISTRY: Mr. Commissioner, just for Ms. Labine's  
4           own comfort, I just wanted it confirmed for the  
5           record that she is here under a summons.

6           THE COMMISSIONER: All right. Thank you, Mr. Mistry.  
7                   Anything further, Mr. McCleery?

8           MR. MCCLEERY: No, Mr. Commissioner.

9           THE COMMISSIONER: All right. Thank you.  
10                   Thank you, Ms. Labine.

11                   **(WITNESS EXCUSED)**

12           THE COMMISSIONER: We will now adjourn until tomorrow  
13           morning at 9:30, unless there's something else  
14           to deal with, Mr. McGowan or Mr. McCleery.

15           MR. MCGOWAN: Nothing else to deal with today,  
16           Mr. Commissioner.

17           THE COMMISSIONER: Thank you. 9:30 tomorrow morning.

18           THE REGISTRAR: This hearing is adjourned until  
19           9:30 a.m. on November 4th, 2020. Thank you.

20                   **(PROCEEDINGS ADJOURNED AT 1:54 P.M. TO NOVEMBER 4, 2020)**

21

22

23

24

25