

**PROCEEDINGS AT HEARING  
OF  
NOVEMBER 4, 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>Daryl Tottenham (for the commission)</b>	Examination by Ms. Latimer	2
	Proceedings adjourned at 11:38 a.m.	103
	Proceedings reconvened at 11:52 a.m.	103
<b>Daryl Tottenham (for the commission)</b>	Examination by Ms. Latimer	105
	Proceedings adjourned at 2:06 p.m. to November 5, 2020	209

**INDEX OF EXHIBITS FOR IDENTIFICATION**

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

No exhibits for identification marked.

**INDEX OF EXHIBITS**

<b>No.</b>	<b>Description</b>	<b>Page</b>
148	Affidavit #1 of Darryl Tottenham, sworn on October 30, 2020	2
149	Affidavit #2 of Daryl Tottenham, sworn on October 30, 2020	3

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 4, 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: Good morning, Mr. Commissioner.  
Ms. Latimer has conduct of this morning's witness.

THE COMMISSIONER: Yes, thank you. Ms. Latimer.

MS. LATIMER: Good morning, Mr. Commissioner. Our next witness is Daryl Tottenham, and I understand the witness prefers to be sworn.

THE COMMISSIONER: Thank you.

**DARYL TOTTENHAM, 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: Daryl Edward Tottenham, D-a-r-y-l  
T-o-t-t-e-n-h-a-m.

THE REGISTRAR: Thank you.

MS. LATIMER: Thank you. Madam Registrar, I ask that affidavit number 1 be shown to the witness,

1                   please.

2                   MR. STEPHENS: Ms. Latimer, it's Mr. Stephens here.

3                   We have a hard copy as well just so you know, if  
4                   that's satisfactory.

5                   MS. LATIMER: Thanks. That does assist.

6                   **EXAMINATION BY MS. LATIMER:**

7                   Q     I'll just ask you if you could identify  
8                   affidavit number 1. You understand this was an  
9                   affidavit you swore to give evidence in these  
10                  proceedings; is that correct?

11                  A     That is correct, yes.

12                  MS. LATIMER: Can I ask that this be marked the next  
13                  exhibit, please.

14                  THE COMMISSIONER: Yes. That's 148, I think, Madam  
15                  Registrar.

16                  THE REGISTRAR: Yes, exhibit 148, Mr. Commissioner.

17                  THE COMMISSIONER: Thank you.

18                  **EXHIBIT 148: Affidavit #1 of Darryl Tottenham,**  
19                  **sworn on October 30, 2020**

20                  MS. LATIMER: I'd ask that affidavit 2 now be shown  
21                  to the witness, please.

22                  MR. STEPHENS: Ms. Latimer, we have volume 1,  
23                  including the body of affidavit 2, before  
24                  Mr. Tottenham.

25                  MS. LATIMER: Thank you.

1 Q And you recognize this as your affidavit 2 that  
2 you swore to give evidence in these proceedings;  
3 correct?

4 A Yes, I do.

5 MS. LATIMER: And I'd ask that that be marked the  
6 next numbered exhibit, please.

7 THE COMMISSIONER: Thank you. That will be 149.

8 THE REGISTRAR: Exhibit 149.

9 **EXHIBIT 149: Affidavit #2 of Daryl Tottenham,**  
10 **sworn on October 30, 2020**

11 MS. LATIMER:

12 Q Mr. Tottenham, you joined the New Westminster  
13 Police Department in 1984; correct?

14 A Yes.

15 Q And you spent 14 years on patrol and then did  
16 plain clothes police work for the  
17 New Westminster police department until 2011;  
18 correct?

19 A That is correct, yes.

20 Q In the course of that work you did subject  
21 targeting, drug investigations, human sources  
22 and homicides; correct?

23 A Yeah. We -- yes, that's correct.

24 Q In the course of your police work were you  
25 involved in search and seizures?

1 A Yes, I was.

2 Q Did that include seizures of cash that were  
3 proceeds of crime?

4 A We had a number of files that were involving  
5 cash and possibly proceeds of crime.

6 Q And did that cash have any distinctive  
7 characteristics to it?

8 A In many cases it was bundled in small bills,  
9 generally is what we encountered.

10 Q And how was it bundled?

11 A Generally by bill denomination or in amounts  
12 like thousand or \$5,000 amounts.

13 Q Was it often wrapped in elastic bands?

14 A At times, yes.

15 Q You joined the British Columbia Lottery  
16 Corporation in 2011 as a casino investigator;  
17 correct?

18 A That's correct.

19 Q And you were initially assigned to the Starlight  
20 Casino in New Westminster; correct?

21 A Yes.

22 Q One of your responsibilities initially in that  
23 role was to send Suspicious Transaction Reports  
24 to various agencies, including FINTRAC, the  
25 Integrated Proceeds of Crime Unit with the RCMP,

1 GPEB and police of jurisdiction, which was the  
2 New Westminster Police force; correct?

3 A That is correct.

4 Q And that list of recipient agencies changed over  
5 time; right?

6 A Yes.

7 Q And the current recipients are FINTRAC, GPEB and  
8 JIGIT; correct?

9 A Yeah. Sorry, say that again. The --

10 Q The current recipients include GPEB, FINTRAC and  
11 JIGIT, the Joint Illegal Gaming --

12 A Yes.

13 Q Yes. And can you describe, please, the level of  
14 cash buy-ins that you were observing at the  
15 Starlight in 2011.

16 A Originally when I first started, probably in the  
17 first year, I noted there was a number of what I  
18 would call fairly large cash buy-ins in the area  
19 of -- as probably 50,000, 100,000, up as high as  
20 \$200,000 on a fairly regular basis. Not daily,  
21 but regular.

22 Q Two to three times a week, maybe?

23 A Yeah, generally. Yes. On average.

24 Q And those buy-ins, were they in small  
25 denomination bills?

1           A     Yeah.  The majority of them were in \$20 bills  
2                    packaged in wads of 10,000, is generally what we  
3                    saw.

4           Q     Were they bundled using elastic bands?

5           A     In most instances, yes.

6           Q     Did it look like drug money?

7           A     Well, it certainly had the appearance, the way  
8                    it was bundled, as drug money, yes.

9           Q     Okay.

10          A     It's a possibility.

11          Q     And can you describe in 2011, 2012, what was the  
12                    approach to determining whether those cash  
13                    buy-ins were suspicious?

14          A     During the initial stages when we looked at  
15                    that, we -- it was obviously suspicious to us.  
16                    We tried to make a determination at times, if we  
17                    could, of where the cash was coming from, but we  
18                    didn't have any investigative ability or powers  
19                    to conduct investigations in that regard, so a  
20                    lot of the times we were trying to accumulate as  
21                    much information as we could from what we could  
22                    see in our positions as investigators from kind  
23                    of an observe/report position.

24          Q     At that time in 2011 and 2012, is it fair to say  
25                    your focus was on source of wealth rather than

1 source of cash?

2 A Yes, absolutely. We looked at the player and  
3 their source of wealth as opposed to more  
4 directly the funds.

5 Q And in terms of individual transactions, that  
6 was sort of a judgment call as to whether  
7 further inquiries were necessary?

8 A Yes, that's correct.

9 Q In 2011 and 2012 you understood that BCLC had  
10 the ability to ban patrons in certain  
11 circumstances; correct?

12 A That is correct, yes.

13 Q And one of those circumstances was the ban of a  
14 patron pending further investigation into their  
15 source of wealth; correct?

16 A Yes, that was a possibility. Yes.

17 Q But I don't understand that this was the  
18 approach at the time, but was it also open to  
19 you to impose a ban to inquire into source of  
20 funds?

21 A No. I would say that's not -- that was not  
22 something that was regularly considered or done.

23 Q It was not considered or done, but was it open  
24 to you to do that, just as you were doing that  
25 when you were inquiring into source of wealth?



1           A     I would say it was not a practice that I  
2                    observed, but I would say that there's probably  
3                    circumstances in which that may happen.

4           Q     Okay.  And you mentioned at paragraph 7 that in  
5                    your role as a casino investigator -- I'm  
6                    referring to paragraph 7 of your affidavit  
7                    number 1 -- you say you attended monthly  
8                    investigator meetings.  Do you recall what were  
9                    the main topics of discussion at those meetings  
10                   between 2011 and 2013?

11          A     In general the topics -- the main topics would  
12                    be looking at the activities -- I will call them  
13                    the big five casinos, the large five casinos in  
14                    the Lower Mainland -- the activities of the  
15                    patrons in terms of the ones coming in, buying  
16                    in with large cash transactions and certainly  
17                    with a focus on the amount of cash coming in,  
18                    the amount of -- the size of the buy-ins, the  
19                    denominations of the buy-ins that we were seeing  
20                    and issues that surround kind of who is bringing  
21                    that cash in.  That was clearly the main focus.  
22                    We covered a lot of other topics, but that was  
23                    often the main driver.

24          Q     In terms of who was bringing the cash in, what  
25                    were your concerns at that time?

1           A     Well, we were trying to at that time do whatever  
2                     we could from our perspective to determine who  
3                     was making the arrangements to facilitate the  
4                     cash to these players that they were bringing  
5                     in -- the cash that was coming in, or if it was  
6                     being delivered to the casino. So that was --  
7                     kind of our focus was trying to understand kind  
8                     of from a bigger picture where the cash was  
9                     coming from and who may be involved, if it's  
10                    somebody that is in our system that we have  
11                    information on.

12           Q     Were you concerned at that time that the cash  
13                     might be coming from underground banks?

14           A     I -- when I first started, from all my  
15                     conversations in the first year, year and a half  
16                     from other investigators that was, I think, a  
17                     common belief, that the majority of the cash was  
18                     probably, likely coming from underground  
19                     banking.

20           Q     Were you concerned about -- that the cash might  
21                     be coming from loan sharks?

22           A     That was one of our concerns, absolutely, that  
23                     it could be coming from loan sharks or could be  
24                     proceeds of crime.

25           Q     You were concerned that the money both at the

1                   underground banks and coming from the loan  
2                   sharks might be proceeds of crime?

3           A       Yes.  Again, it's very possible.  It could be --  
4                   we had no knowledge into that and we had no  
5                   evidence to support that.  It was -- a lot of  
6                   that was based on theory at that time, but that  
7                   was obviously a possibility.

8           Q       You had some evidence to support that concern  
9                   being the way the money looked when it was  
10                  coming in; correct?

11          A       Yes, correct.

12          Q       And were you concerned at that time that casinos  
13                  might be being used to facilitate money  
14                  laundering or drug offences?

15          A       I was concerned at the time that it -- the money  
16                  was suspicious and may be proceeds of crime.  
17                  From a money laundering perspective within the  
18                  casino, that was not one of my focuses or  
19                  beliefs that it was coming from that, but it was  
20                  probably the external source was the concern.

21          Q       Okay.  At paragraph 11 of your affidavit  
22                  number 1, you mention that when you joined in  
23                  2011, investigators were assigned review  
24                  functions to ensure reporting to FINTRAC and  
25                  GPEB was occurring as required.  And can you

1 describe what that review function entailed.

2 MR. STEPHENS: Mr. Tottenham just wants to turn --

3 Ms. Latimer, sorry, it's Mr. Stephens.

4 Mr. Tottenham wants to turn that paragraph up,

5 if that's satisfactory.

6 MS. LATIMER: That's fine.

7 MR. STEPHENS: I think it's paragraph 11,

8 Mr. Tottenham, on page 3. Para 11 at page 3 of

9 the body of the affidavit. No, page 3.

10 Para 11.

11 I believe, Ms. Latimer, you read the first

12 sentence of that paragraph; is that correct?

13 MS. LATIMER: Yeah.

14 Q Just my question is what did the review function

15 entail in a practical way?

16 A Okay. Yeah, I just wanted to confirm we were

17 talking about that same form. So the reviews

18 that we were doing at the time that we went back

19 and reviewed were in connection with the reports

20 that were being processed for verified win

21 cheques and cash deposit or redeposited back

22 into accounts.

23 Q Were you reviewing the Section 86 Reports that

24 were being submitted?

25 A We did not -- we did not review specifically the

1                   86 Reports. The 86 Reports were one page that  
2                   was sent directly to GPEB from the service  
3                   provider, so it wasn't part of our file when we  
4                   saw the file. We could confirm through digging  
5                   into a file to confirm if an 86 copy was sent,  
6                   but it wasn't an actual part of the file.

7           Q        Okay. Were you reviewing the Suspicious  
8                   Transaction Reports that were being filed?

9           A        Well, we were preparing those. I mean, when we  
10                   went through -- when we actually prepared our  
11                   reports, we did our investigation, completed the  
12                   STR reports. So these reports that we're  
13                   referring to were ones that were done as a back  
14                   check basically to ensure that the service  
15                   provider was doing the work properly in  
16                   assessing correct verified win cheques and  
17                   redepositing back and forth into PGF accounts.

18          Q        You were -- were you -- I'm just trying to  
19                   understand what it was you were reviewing. Were  
20                   you reviewing the information that was entered  
21                   into iTrak against surveillance video, or ...

22          A        Reviewing the information that is -- makes up  
23                   the file, including the tracking sheet to  
24                   essentially confirm that if a player is -- based  
25                   on the formula cash out minus buy-in equals

1                   verified win. So we wanted to make sure when  
2                   someone was receiving a cheque for a verified  
3                   win that it was in the right amount.

4                   So in order to do that we would have to look  
5                   at their play, their activity, and confirm how  
6                   much they started with, how much they finished  
7                   with, cashed out, and that they were only given  
8                   a cheque for the right amount for the verified  
9                   win and that any funds redeposited back into a  
10                  PGF account were done properly because you can't  
11                  introduce new cash into a PGF account. So we  
12                  had to ensure it was all sourced cash from that  
13                  same table play.

14                  Q       Okay. The last four lines of this same  
15                  paragraph, paragraph 11, you say that:

16                         "... this was an attempt by BCLC to get  
17                         all investigators involved in AML  
18                         activities to ensure they recognized key  
19                         patrons at their respective sites,  
20                         including VIP patrons who were the subject  
21                         of most of our reports and suspected cash  
22                         facilitators who were suspected to be  
23                         providing funds for some of those VIPs."

24                  Do I understand from this that as a result of  
25                  this review function, you could recognize key

- 1                   VIP patrons frequenting the Starlight; correct?
- 2           A       Yes.
- 3           Q       Did you also recognize key VIP patrons who were
- 4                   frequenting other sites?
- 5           A       That is correct, yes.
- 6           Q       And the same thing with cash facilitators? You
- 7                   could recognize those who were operating at the
- 8                   Starlight; correct?
- 9           A       Yes, that's correct.
- 10          Q       And also those cash facilitators who were
- 11                   operating at other sites; correct?
- 12          A       Correct.
- 13          Q       You describe in your affidavit in a couple of
- 14                   places PGF accounts. And at paragraph 15 you
- 15                   mention that in its current form it was
- 16                   introduced in April 2012; correct?
- 17          A       Yes. That's correct.
- 18          Q       But then at paragraph 98 you clarify that there
- 19                   was a form of PGF account that was first
- 20                   introduced by BCLC in 2009; correct?
- 21          A       Yes, that's correct.
- 22          Q       And I appreciate that was before your tenure
- 23                   with BCLC, but I take it you reviewed some
- 24                   documents in preparing this affidavit to assure
- 25                   yourself of that information; correct?

1           A     Yes, I did.

2           Q     Did you understand that this initial form of PGF  
3                   account was piloted at a handful of Lower  
4                   Mainland casinos through 2010?

5           A     Yes. I wasn't aware which ones they are, but  
6                   yes, that was the roll-out originally of the  
7                   PGF program.

8           Q     You weren't aware that those casinos included  
9                   the River Rock, the Starlight, Grand Villa and  
10                  Edgewater?

11          A     I was not -- no, not specifically which ones.

12          Q     You say at paragraph 26 of your affidavit, which  
13                  is on page 6 -- and I'm starting two lines down,  
14                  you say that:

15                   "... Service Providers considered they had  
16                   invested a lot of money in their VIP rooms  
17                   and in wooing VIP patrons. In my  
18                   experience during my first few years at  
19                   BCLC, including through conversations with  
20                   Service Provider management, any actions  
21                   by BCLC which were perceived to interfere  
22                   with these efforts, such as by speaking  
23                   with VIP patrons or considering bans on  
24                   VIP patrons, appeared to cause a negative  
25                   reaction from Service Providers.



1                   My assumption, based on conversations  
2                   with Service Provider staff and  
3                   management, is that this reaction was due,  
4                   at least in part, to concerns that patrons  
5                   might become offended, resulting in  
6                   potential loss of revenue. My perception  
7                   was that Service Providers were very  
8                   competitive with each other."

9                   And so given that you were at this time  
10                  stationed at the Starlight, are you here  
11                  referring specifically to the service provider  
12                  operating the Starlight at this time?

13                A    No. That comment is directed -- in 2011 and '12  
14                  I worked at the Starlight and had a lot of  
15                  interaction with the staff there and the  
16                  management there, but I was also aware of other  
17                  incidents that were happening at other casinos,  
18                  in particular at River Rock, so the application  
19                  of my observations was based on all of that  
20                  material in combination. So it's not specific  
21                  that it was only happening at Starlight. It was  
22                  happening, I think, at a number of places.

23                Q    It was happening at the Starlight and the River  
24                  Rock; is that correct?

25                A    Yes.

1 Q It would also --

2 A It [indiscernible] there.

3 Q Was it also occurring at the Edgewater?

4 A I would -- I didn't have a lot of feedback in my  
5 early years, knowledge of that or hearing of  
6 that being an issue at Edgewater.

7 Q Okay. You say you spoke with service provider  
8 staff and management and this was the impression  
9 that was left. Do you recall who it was that  
10 you spoke to who gave you this impression?

11 A No, I don't think I could give you specific  
12 names. That was 10 years ago. I know that  
13 the -- at one point the manager, Randy, was one  
14 of the people I normally dealt with, and we had  
15 some very healthy conversations, but clearly  
16 when things are happening out there that was, to  
17 me, an observation from the staff meetings that  
18 I attended or any conversations I had with his  
19 staff. That that was always a concern that they  
20 were looking at is what the other service  
21 providers are doing from a competitive  
22 standpoint.

23 Yeah, it was made very clear on a number of  
24 occasions that the information that they had  
25 they did not want to be shared at other service

1 providers as they are in fact the competition.

2 Q You mentioned speaking with Randy. Was that a  
3 manager at the Starlight in those early days?

4 A Sorry, what was the name again?

5 Q Randy is the name that I heard you say.

6 A Yeah, Randy. Yeah. Yeah, that's correct. Only  
7 because he was there for quite some time, so I  
8 had a lot of dealings with him. And some of the  
9 conversations was about a couple of the players,  
10 one in particular, at Starlight at the time. It  
11 was actually -- it impacted this topic that  
12 we're talking about in terms of a competitor  
13 that was trying to steal him away, basically,  
14 and get him to come gamble at their  
15 establishment, so there was a fair amount of  
16 discussion on that.

17 Q And which player was that?

18 A Li Lin Sha.

19 Q Okay. And the competitor that was trying to  
20 steal him away, was that River Rock?

21 A That would be River Rock, yes.

22 Q And did you have similar conversations with  
23 management at River Rock?

24 A Not direct conversations with their managers,  
25 no. But I had conversations with the

1           investigators that were assigned over there, so  
2           through those conversations it was clear to me  
3           that that was actually happening. I believe at  
4           one time one of them took me up and introduced  
5           me into an area in the VIP room that they were  
6           kind of building for Mr. Sha, so it was pretty  
7           evident that something was happening.

8           Q     Okay. And you understood from BCLC management  
9           at this time that you were not to speak with VIP  
10          patrons; is that correct?

11          A     That is my position, yes. I think that was made  
12          clear and that was what I observed and thought.

13          Q     Can you describe to the Commissioner what led to  
14          that understanding.

15          A     I think in combination from my training when I  
16          first started. I was trained by Don Merkel, who  
17          was stationed at Starlight, and worked with him  
18          for quite a period of time there. And in  
19          conversations with him, other investigators, my  
20          bosses at the time, John Karlovcec and Gord  
21          Friesen, I think it was made pretty clear in  
22          those discussions that we were to not approach,  
23          not have discussions with patrons or take a more  
24          aggressive or proactive role in that regard.

25                        That -- basically it was cemented home for

1 me in 2012 with the meeting that we attended  
2 where three investigators were pulled out and  
3 spoken to by the VP on that topic that I became  
4 aware of after the fact. So I think it was  
5 pretty clear to me that the direction that we  
6 were to take was observe and report.

7 Q Okay. And that meeting in 2012 that you've  
8 described that's the one that you've described  
9 in more detail in your affidavit beginning at  
10 around paragraph 29; correct?

11 A That is correct, yes.

12 Q And that was the incident where Terry Towns is  
13 said to have told those investigators not to  
14 speak to the VIP patrons; correct?

15 A That is correct, yes.

16 Q And that meeting -- you were not present for  
17 that meeting; correct?

18 A I was not. I was at the investigators meeting,  
19 and they were pulled out of that meeting to go  
20 meet with the VP.

21 Q And it was Mr. Lee, Mr. Alderson and Mr. Beeksma  
22 who were pulled out of that investigators  
23 meeting; correct?

24 A Yes, that's correct.

25 Q And they reported on what had occurred at that

1                   investigators meeting or at a later  
2                   investigators meeting?

3           A       I had a conversation with two of them after the  
4                   conclusion of our investigators meeting on that  
5                   day, and that conversation was central focused  
6                   on what had occurred when they got pulled out by  
7                   Terry Towns and met with him on the topic. So I  
8                   recall clearly the conversations that we had,  
9                   and we were standing outside of the front  
10                  entrance of BCLC in Vancouver at the time. I  
11                  did not talk to Ross at the time. It was just  
12                  the two of them were there.

13                         And then there were subsequent discussions,  
14                         I think, between me and a number of other  
15                         people, investigators, over the course of the  
16                         next couple weeks on that topic. It became  
17                         very, very apparent to all the investigators the  
18                         content of that meeting. But I clearly had a  
19                         conversation that they indicated that Terry  
20                         Towns was not happy about the actions that they  
21                         took on that date with that patron, pulled him  
22                         out and spoke to him on the gaming floor.

23           Q       And you sought to verify that direction with  
24                   your superiors, Mr. Friesen and Karlovcec;  
25                   correct?

1           A     Yes, that was -- from my recollection that was  
2                    the next meeting that we -- that investigators  
3                    meeting. They were basically monthly meetings  
4                    because obviously there was a lot of discussion  
5                    about this in the following weeks. And then  
6                    when we came back and met as a group, we wanted  
7                    to broach that subject again and have that  
8                    discussion about what does this mean; like, we  
9                    just want to confirm, is this what we're  
10                  supposed to do? Because obviously nobody wants  
11                  to lose their job.

12                         So we had that discussion and we put it --  
13                         at that point at that point we put it to John  
14                         Karlovec and Gord Friesen, is this what we  
15                         should be doing?

16           Q     And what direction did Mr. Friesen and  
17                    Mr. Karlovcec give you at that time?

18           A     They gave us a direction to say follow the  
19                    orders of Terry Towns, essentially. I think in  
20                    terms of -- they understood it was a  
21                    chain-of-command issue, and when Terry Towns  
22                    made a directive and gave a direction to us of  
23                    what we should do that we should follow it. So  
24                    they conferred that message: you should follow  
25                    what he wants done.

1           Q     And what did you understand that Mr. Towns  
2                    wanted done?

3           A     My understanding is that he wanted us to focus  
4                    solely on the observe and report aspect of our  
5                    job.  It wasn't our job to determine if -- where  
6                    the money came from, if it was criminal or a  
7                    cash-based business and people bringing in cash.  
8                    Our job is to observe and report, period, and we  
9                    shouldn't be interacting with the players and  
10                   pulling people off the floor or taking any other  
11                   actions that would upset them and subsequently  
12                   upset the service provider.

13                         We had a job and it was straightforward and  
14                   that's what we should be doing.

15          Q     Did you follow that direction at that time?

16          A     Well, I certainly followed it in terms of I  
17                   didn't pull any players or have interaction with  
18                   players and go down that road.  Yes, I did.

19          Q     And did you continue to follow that direction  
20                   the entire time that Mr. Towns remained in his  
21                   role as the VP?

22          A     Yes.

23          Q     And you understood the sensitivity around  
24                   questioning VIP patrons to be a concern about  
25                   interfering with revenue generation; correct?



1           A     Yes, from the service providers.

2           Q     And so at paragraph 55 of your affidavit you  
3                 say -- this is at page 12.  You say:

4                     "Despite BCLC's practice of not refusing  
5                     (or not directing refusal of) large cash  
6                     transactions where there was no proof of  
7                     criminality, I was never directed by  
8                     anyone at BCLC not to take any steps that  
9                     would interfere with revenue generation."

10           I take it, sir, based on what you've said  
11           earlier that the statement might be incomplete,  
12           or what you mean is no one ever said that to you  
13           directly; is that correct?

14           A     Yes, no one ever said that directly.  I was  
15                 never told personally at any point in time.

16           Q     But you do recall receiving direction in 2012  
17                 not to take any -- not to approach VIP patrons,  
18                 and you understood at that time that that  
19                 direction was given in part because of a concern  
20                 about interfering with revenue generation;  
21                 correct?

22           MR. STEPHENS:  Mr. Commissioner, I object.  That was  
23                 not Mr. Tottenham's answer to the two questions  
24                 that were posed in relation to that, and I  
25                 object to the premise of that question, which is

1                   Mr. Tottenham said the revenue generation  
2                   concern came from service providers, and  
3                   Ms. Latimer's question presupposes it came from  
4                   BCLC.

5                   MS. LATIMER: I didn't say it came from BCLC.

6                   Q     I'm asking if you were directed by someone at  
7                   BCLC -- in this instance I'm referring to a  
8                   direction you say you received from Mr. Towns,  
9                   Mr. Friesen, Mr. Karlovcec -- to observe and  
10                  report and not to approach patrons and you  
11                  understood that direction was given in part  
12                  because of a concern about revenue generation,  
13                  whether that was their concern or the service  
14                  provider's concern. Do you agree with that?

15                  MR. STEPHENS: Mr. Commissioner, I object to that  
16                  question. She's asked -- Ms. Latimer,  
17                  respectfully, is asking a question about a  
18                  direction he got from Mr. Towns with reference  
19                  to something a service provider may have been  
20                  thinking. I don't think that's a fair question,  
21                  with the greatest of respect.

22                  THE COMMISSIONER: Well, just a minute. I think the  
23                  question is about Mr. Tottenham's understanding  
24                  of why it was Mr. Towns expressed that  
25                  restriction on investigators' activities, which

1                   was confirmed by Mr. Friesen and Mr. Karlovcec.  
2                   So -- and I think that was answered in the  
3                   context of it being -- arising from a concern  
4                   about interfering with revenue generation. So  
5                   unless I've misunderstood the evidence, it seems  
6                   to me it's an appropriate line of inquiry to  
7                   pursue.

8                   MR. STEPHENS: Mr. Commissioner, my note from  
9                   Mr. Tottenham's answer on the revenue generation  
10                  question was that it was something that flowed  
11                  from conversations with service providers. That  
12                  was my note. I don't have a transcript in front  
13                  of me.

14                 THE COMMISSIONER: Well, I thought what -- well, I  
15                  think this has to be clarified, but I thought  
16                  what he said was that the concern emanated from  
17                  service providers but it was conveyed to him by  
18                  his superiors. So maybe I misunderstood, but I  
19                  think you can clarify that, Ms. Latimer.

20                 MS. LATIMER:

21                 Q     Mr. Tottenham, you understood that the  
22                        concern -- you understood that you were directed  
23                        by Mr. Towns, Mr. Friesen and Mr. Karlovcec to  
24                        observe and report and not to approach VIP  
25                        patrons; correct?

1           A     That's correct, yes.

2           Q     You understood that that direction was given in  
3                   part because of a sensitivity that questioning  
4                   VIP patrons might interfere with revenue  
5                   generation; correct?

6           A     I would say -- to answer that as concise as I  
7                   can, I would say we were given that direction  
8                   because it upset the service provider with us  
9                   pulling their patron off the floor and put them  
10                  at odds with the service provider.  They clearly  
11                  obviously complained about this issue when it  
12                  happened with Stone, Steve and Ross.  That was  
13                  an issue that was raised and it came back to  
14                  BCLC, which prompted the meeting that Terry  
15                  Towns made that comment.

16                         It was -- they were upset with the fact that  
17                         we had done that and it comprised their ability,  
18                         their position with the client and they likely  
19                         could have lost the client.  That's -- from my  
20                         perception that's what I'm talking about with  
21                         revenue losses.  If -- their concern is that  
22                         they are -- it's a very important part of their  
23                         client base, and if we were upsetting the VIP  
24                         clients and they're losing business and going to  
25                         other casinos, that would cause them a lot of

1                   angst. And that's what the concern was when  
2                   Terry Towns came back to us and said, don't talk  
3                   to the patrons.

4                   It was -- and it goes back to, again, one of  
5                   my original points in my affidavit about  
6                   upsetting -- things that we did, if they were  
7                   perceived at negative it would upset the service  
8                   providers, and we had to be careful in terms of  
9                   what we were doing with them and how we dealt  
10                  with the service providers on site.

11                Q    The service providers didn't want you to  
12                    approach VIP patrons because they might lose  
13                    that customer; correct?

14                A    That's correct, yeah.

15                Q    And that would interfere with their ability to  
16                    generate revenue; correct?

17                A    That's correct, yes.

18                Q    And BCLC was responsive to that return -- or to  
19                    that concern because it asked you not to  
20                    approach VIP patrons; correct?

21                A    That's correct, yes.

22                Q    So BCLC was responsive to the service provider's  
23                    concerns about losing revenue, and that  
24                    constrained the actions that investigators were  
25                    permitted to take; correct?

1           A     That's correct, yes.  Okay.

2           Q     When and how did you become aware of Paul Jin?

3           A     In the first year that I started working at BCLC  
4                 as an investigator at Starlight I observed files  
5                 where his name came up.  I observed that he was  
6                 actually a player at one point.  He had some  
7                 play; it wasn't a lot.  But I saw him on a  
8                 couple of files.  I saw him on other files in  
9                 other -- because we -- obviously we can see any  
10                activity from other casinos as well.  So we were  
11                seeing cash transactions and files that included  
12                him as part of the file and a couple of them in  
13                suspicious circumstances.  So that was one of  
14                the first times I actually ran the into his name  
15                and saw his name.

16          Q     So you were aware that he was a player and you  
17                 are also aware that he was making cash  
18                 deliveries to casinos; correct?

19          A     We -- yeah, we observed that over the course of  
20                 that -- 2011 and into 2012 we were seeing him  
21                 pop up on numerous files.  So when we're looking  
22                 at files as a whole, we're looking at all the  
23                 files.  Like, each night we would get the  
24                 files from the -- or sorry, each day we'd get  
25                 files from the previous night.  We would see the

1 transactions and cash buy-ins at all the sites  
2 and we were seeing some commonality in some of  
3 these reports and -- I was seeing them anyways,  
4 and others were.

5 That Paul Jin's name was -- he kept popping  
6 up on the radar where he would be either  
7 involved in a suspicious transaction possibly or  
8 a cash drop off, or he would be onsite with  
9 suspicious activity in terms of cash passed. So  
10 his name was coming up more often than not,  
11 which drew attention to him. And there were a  
12 couple of other people in that same category,  
13 but he was one of them.

14 Q When he made these cash deliveries, you  
15 understood this to be him working, not him  
16 having social interactions; correct?

17 A That's -- over time as we started watching his  
18 activities and trying to understand what he was  
19 doing, that was obviously the implication. That  
20 if he was not coming in to play, he was coming  
21 in to deliver money, he was doing cash  
22 facilitation. He was bringing it in to drop it  
23 off for somebody that wanted it.

24 Q You understood there were others working with  
25 him or for him; correct?

1           A     Yep.  And, again, through the same observation  
2                   of looking at files and looking at the common  
3                   denominators, we started to see the same -- some  
4                   of the same vehicles being used and then some of  
5                   the same people popping up that were tied back  
6                   to either his vehicle or him directly or known  
7                   associates of him, so that was again some  
8                   commonality there.

9           Q     Exhibit 3 of your affidavit.  You have prepared  
10                   a file summary outlining files from 2012 for  
11                   Paul Jin; correct?

12          A     That's correct, yes.

13          Q     And in preparing that summary, what did you rely  
14                   on?

15          A     I relied on going back into iTrak, which is our  
16                   computer system where we store all our files,  
17                   searching out Paul Jin, his profile and then all  
18                   associated files.  So the way it sets up, we can  
19                   look at any file that created where he is either  
20                   directly or indirectly involved and named in the  
21                   file, and then went through by one by one each  
22                   file to see what his involvement was and then  
23                   did a synopsis of that file in -- for the  
24                   report.

25          Q     Okay.  In the first bullet point it says:



1 "File 2012-43848."

2 And is that number an incident number from  
3 iTrak?

4 A That's correct, yes.

5 Q Here you note that Mr. Jin was barred for a year  
6 in September 2012; correct?

7 A Yes, that's correct.

8 Q And then in the second bullet point there's a  
9 different iTrak file number at the beginning;  
10 correct?

11 A Yes.

12 Q You note that on September 27th, 2012, two days  
13 after Mr. Jin's one-year barring, BCLC received  
14 a request from IPOC who advised that Paul Jin  
15 was under investigation for money laundering and  
16 proceeds of crime at that time; correct?

17 A Correct.

18 Q And here you say -- well, at paragraph 46 of  
19 your affidavit you say:

20 "Based on the high volume of STR reports  
21 being sent to IPOC, FINTRAC and GPEB in  
22 the period of 2011 to 2013, I assumed that  
23 those entities would be very interested in  
24 what BCLC investigators were observing and  
25 reporting regarding Jin and Tam and their

1                   suspected associates. However, based on  
2                   the apparent lack of response to our  
3                   reporting on those patrons and activities,  
4                   they appeared to show no interest."

5                   You'll agree with me that that statement is  
6                   incomplete; correct?

7           A       Yes. There is the -- this file obviously is  
8                   from IPOC. I don't know what the context of the  
9                   request is, but clearly from what I see here  
10                  they've made an inquiry at that time on a file,  
11                  that single file, the 43822 file.

12          Q       Right. And so IPOC is at least showing and  
13                  interest and has advised BCLC it is in fact  
14                  investigating Mr. Jin, citing a BCLC report and  
15                  investigating him for money laundering and  
16                  proceeds of crime; correct?

17          A       Yeah, I would say you could draw that conclusion  
18                  that they were doing something at that point.  
19                  Yes.

20          Q       Well, it says they were -- they advised he was  
21                  under investigation for money laundering and  
22                  proceeds of crime; correct?

23          A       Yep.

24          Q       And BCLC was asked by IPOC for all previous  
25                  files on Mr. Jin; correct?

1 A Yes.

2 Q BCLC cites 2012-43822, and you understood that  
3 to be a specific iTrak incident file number;  
4 correct?

5 A Yes.

6 Q Did you receive or review this request from IPOC  
7 personally?

8 A No, I did not.

9 Q Did you learn about this communication at the  
10 monthly investigator meetings or otherwise at  
11 this time?

12 A I wouldn't be able to advise at the time. I  
13 couldn't recall back at that time in 2012, if  
14 that was a subject that was brought up or not.

15 Q You don't recall hearing in 2012 that Mr. Jin  
16 was under investigation for money laundering and  
17 proceeds of crime?

18 A I'm saying it's possible it happened, but I  
19 don't have a recollection that I can say  
20 absolutely that that occurred, no.

21 Q Okay. But in any event --

22 A Quite likely.

23 Q It would have been recorded in iTrak; correct?

24 A Yes.

25 Q And if anyone had been looking into Mr. Jin in

1                   iTrak, they would have seen that information;  
2                   correct?

3           A       Yes.

4           Q       And Mr. Hiller responded to that request by  
5                   providing information in respect of cash  
6                   transactions, buy-in values and disbursements;  
7                   right?

8           A       That's correct, yes.

9           Q       Did you understand at this time in or around  
10                  2012 that law enforcement believed Mr. Jin's  
11                  alleged money laundering was in some way  
12                  connected to his activities at the casinos?

13          A       Sorry, did I believe that they -- that was their  
14                  opinion?

15          Q       Yeah, did you understand that at the time?

16          A       Well, I had to knowledge of what they were  
17                  doing, other than -- obviously if there was a  
18                  request they made, they were doing something,  
19                  but I have no direct knowledge of an  
20                  investigation that they were doing at the time.

21          Q       Okay. If you could turn to exhibit 5, please.  
22                  And I'm looking at page 47, at the bottom.  
23                  You'll see this is an email from Jennifer  
24                  Gallaway to you and others at BCLC dated  
25                  February 20th, 2019; correct?

1 A Yes.

2 Q Is subject is "BCLC Reporting Criminal Activity  
3 to GPEB"; correct?

4 A Yes.

5 Q And Ms. Gallaway says she's:

6 "... assisting the Comms team to locate  
7 records that validate/prove statements  
8 that BCLC reported concerns regarding  
9 criminal activity to GPEB beginning in  
10 2012 and into 2014/2015, leading up to the  
11 height of STRs."

12 She says:

13 "Emails, notes, etc. anything that can  
14 demonstrate our ongoing reporting of  
15 concerns to GPEB."

16 Correct?

17 A Yes.

18 Q Just above that email is an email from Bal Bamra  
19 of BCLC to you and to John Karlovcec asking if  
20 you can:

21 "... send the attached which shows who we  
22 notified of all the activities around  
23 JIN?"

24 Correct.

25 A Yes.

1 Q And I take it what she's referring to is the  
2 spreadsheet that follows on page 49. Correct?

3 A Yes, I would assume that is what she's referring  
4 to.

5 Q Okay. This -- you understood this spreadsheet  
6 to be not all suspicious cash transactions in  
7 this period but only those that had a nexus to  
8 Paul Jin; correct?

9 A That is correct, yes.

10 Q Now, did you understand the information in this  
11 spreadsheet to come from iTrak?

12 A I would assume that that's where it was pulled  
13 from. The format that I'm looking at is not  
14 something that -- it was obviously put on a  
15 spreadsheet, but everything looks like it is --  
16 has an iTrak associated file.

17 Q Okay. And you'll see, if you look in the  
18 left-hand column, the date 20th September 2012.  
19 Do you see that?

20 A September -- sorry, September ...

21 Q 20th of September 2012.

22 A Yep.

23 Q And that -- you'll see the same incident file  
24 number that was cited by IPOC; correct? In the  
25 next column.

1 MR. STEPHENS: Ms. Latimer, I think Mr. Tottenham is  
2 trying to cross reference that number. Can you  
3 just remind him just to --

4 THE WITNESS: The number that we're referring to.

5 MR. STEPHENS: Yeah.

6 MS. LATIMER:

7 Q Yes. The number that I'm referring to is found  
8 at exhibit 3, page 41.

9 MR. STEPHENS: Can you remind Mr. Tottenham what  
10 number that is, Ms. Latimer.

11 MS. LATIMER:

12 Q So it's in the second bullet and it's not the  
13 first file number, but if you read down to the  
14 fourth line, it says:

15 "Requested all files on Jin, citing  
16 2012-43822."

17 A Yes. Okay, I've got that. And it's shown on  
18 the spreadsheet September 20th, 2012, and it's  
19 referenced "buy-in for Xu."

20 Q Correct. And Xu was a VIP player at this time;  
21 correct?

22 A All I've got is Xu. Like, literally that's all  
23 I got the information on, so I couldn't say  
24 absolutely that that was. I'm making an  
25 assumption that he was a player at the time, but

1                   that's all I have is Zu, Z-u [sic].

2           Q       In your review function that you were discussing  
3                   previously, you indicated you were familiar with  
4                   VIP patrons, not only at the Starlight Casino  
5                   but other casinos at the time; correct?

6           A       That's correct, yeah.

7           Q       But Xu doesn't ring a bell as a VIP patron to  
8                   you at this time?

9           A       Well, you're asking me to narrow down this to a  
10                  patron. Xu is a very, very common name and  
11                  there's a lot of Xu's in our iTrak. I know from  
12                  experience. It would be hard for me -- I don't  
13                  want to give evidence to say that he is in fact  
14                  a VIP patron if he isn't.

15                         I would agree in principle that the majority  
16                         of the people that we were dealing with that  
17                         were connected were in that category, that's  
18                         what they were getting deliveries, cash  
19                         deliveries for, playing at a fairly high level.  
20                         But I can't -- on two letters of a name I can't  
21                         confirm that player.

22           Q       Do we understand from this table, if you look  
23                   after -- so there's the third column is the  
24                   synopsis and the next column says "GPEB" and it  
25                   says "Section 86." Do we understand that a



1                   Section 86 Report was filed with GPEB about this  
2                   incident?

3           A       Yes, I would assume that's what they were  
4                   referring to, that they confirmed that an  
5                   86 Report was filed by the service provider.

6           Q       In the next column it says "notification law  
7                   enforcement." That indicates that that  
8                   information would have been passed on to the  
9                   RCMP; correct?

10          A       That's correct, yeah.

11          Q       There's one column that's redacted, and then the  
12                   column after that it says "indirect." And do we  
13                   understand from this table that what's indicated  
14                   here was that Mr. Jin was indirectly involved in  
15                   this incident?

16          A       Yes, I would say that's what their intention  
17                   was, whether he was directly or indirectly  
18                   involved.

19          Q       Okay. In light of the inquiry that was made by  
20                   police about this incident file number, were any  
21                   conditions placed on the patron Zu in 2012 that  
22                   you're aware of?

23          A       I can't speak to that because I don't know the  
24                   patron you're talking about. Without seeing the  
25                   file I can't say that he was placed on

1 conditions or banned.

2 Q Okay. If you go back to exhibit 3, please.

3 Page 41. In what follows after the second

4 bullet, you outline is a variety of incidents

5 where Jin is said to have attended Lower

6 Mainland casinos, including the River Rock,

7 Starlight and Edgewater casinos in violation of

8 his one-year barring and his subsequent

9 five-year barring; correct?

10 A Yes.

11 Q Given that it had been communicated to BCLC at

12 this time, Mr. Jin was under investigation for

13 money laundering and proceeds of crime as of

14 September 2012, when Mr. Jin was observed at

15 gaming sites were police notified?

16 A I would -- I can't speak to every file, but I

17 would say from normal practice if he showed up

18 and it was a violation entry, i.e. he came up

19 and tried to walk in the casino and was turned

20 around and left because he wasn't allowed in,

21 that kind of report would not be forwarded to

22 police. But certainly if he attended and there

23 was any kind of a suspicious activity or cash

24 delivery transaction involvement, that would be

25 part of the report, and that would have been

1                    directed to police.

2                    Q     In that second kind of circumstance where  
3                    there's suspicious cash delivery, would that  
4                    report be made contemporaneously to police or  
5                    after the fact?

6                    A     It would be made after the fact. It would be as  
7                    a result of a file being created, investigated  
8                    by the investigator, and then a subsequent  
9                    report that may flow from that, an STR, and then  
10                   copies of that would then go to those police  
11                   agencies.

12                   Q     At this point in time even when an individual  
13                   was under investigation by police, there was no  
14                   policy in place for BCLC to give real time  
15                   notification to police if that individual was  
16                   undertaking suspicious activity at a casino;  
17                   correct?

18                   A     No, there was not. No. Not unless it was  
19                   something very, very specific to a request.

20                   Q     If you go back to exhibit 5, please. And  
21                   page 49. I take it do we understand this --  
22                   from this table that on any occasion where the  
23                   RCMP is listed in the notification column that  
24                   they were notified after the fact of these  
25                   incidents?

1           A     Yeah.  And I think if you -- if you look at it  
2                     as what I've just stated, if you take the  
3                     violation issues where there's numerous files  
4                     that are -- where it says "JIN ban violation"  
5                     and there's no reference to RCMP, it's because  
6                     those are the initial contact entries.  Anywhere  
7                     where there is an "RCMP" on here, it corresponds  
8                     with a "buy in for" player, with a name.  Buy-in  
9                     for another player, multiple -- I mean, that's  
10                    the commonality.

11                    So I would say in those instances it was  
12                    quite likely that this is a result of activity  
13                    that he was involved with in some way, direct or  
14                    indirect, that resulted in a report that was  
15                    subsequently sent to the RCMP.  That would be a  
16                    reasonable practice, a consistent application.

17           Q     Okay.  So where the RCMP are not listed, they  
18                    were not notified; correct?

19           A     Yes, I would say that's correct.

20           Q     Okay.  Turning back to exhibit 3, please.  And  
21                    I'm at page 42.  You indicate that about a month  
22                    after his one-year barring and after being --  
23                    after BCLC was notified that he was under  
24                    investigation for money laundering and proceeds  
25                    of crime, on October 25th, 2012, Mr. Jin arrived

1                   at the Starlight and handed a patron a Gou Shi a  
2                   large bag which was found to contain \$150,000 in  
3                   20s, 50s and \$100 bills; correct?

4           A        That's correct.

5           Q        Mr. Shi used that money to rebuy on the table;  
6                   correct?

7           A        That's correct, yes.

8           Q        And that was the incident that resulted in Jin  
9                   being barred for five years; correct?

10          A        That is correct.

11          Q        But that cash was not refused by Mr. -- for  
12                   Mr. Shi; correct?

13          A        No, it was not.

14          Q        And why not?

15          A        At the time, this is again going back to -- this  
16                   is 2012 -- we didn't have any direction or  
17                   policy that would allow us to refuse cash at  
18                   BCLC.

19          Q        Even when the cash was received from an  
20                   individual who was under criminal investigation  
21                   for money laundering and proceeds of crime?

22          A        Well -- and, again, without going in and  
23                   reviewing each file, but I would say when I'm  
24                   looking at this file, anything that we do is --  
25                   very rarely is it ever in real time, it's always

1           after the fact. So the majority of these files  
2           that we're looking at and the majority of the  
3           files we reviewed literally are -- and our  
4           investigators review on a daily basis and report  
5           on through STRs are based on reviews, video  
6           surveillance and then investigation and then a  
7           formulation of a report, a confirmation of  
8           suspicion and then an STR.

9                        So we aren't in a position -- when the money  
10           first comes in and Gou Shi gets \$150,000  
11           delivered, if we're not seeing that -- or sorry,  
12           the site is not seeing that in real time, there  
13           is no way that they could actually effect any  
14           kind of action to refuse that cash. We don't  
15           find out the source of that cash until we go  
16           back and do those reviews and that's what we  
17           found the issue is in a number of these files  
18           where it references why it wasn't stopped at the  
19           time.

20                       At the time it was Gou Shi came back in with  
21           \$150,000. So you would have to make an  
22           assumption that it's live monitored, and that  
23           whoever is live monitoring knows who delivered  
24           it, knows that person, has the ability to check  
25           that person's status on the system. So quite

1                   often when somebody pulls up in a car and they  
2                   leave, they won't know who the car belongs to  
3                   unless it's somebody that's got a vehicle in the  
4                   system. They won't know who the driver is  
5                   unless they're able to ID them. So a lot of  
6                   those, even if it's live monitored, it would  
7                   make it very, very difficult for them to come to  
8                   a conclusion in that immediate moment.

9                   So generally these buy-ins will happen very  
10                  quickly, and then after the fact we are able to  
11                  piece it back together and realize where the  
12                  source of the cash is, which is what happened in  
13                  this instance, and they subsequently banned  
14                  Mr. Jin as a result of this and other activity.

15                Q    When the review happened after the cash buy-in,  
16                  were conditions placed on Mr. Shi's play at that  
17                  time?

18                A    At that time? Again, I would have to read the  
19                  file to confirm, but I would suspect not because  
20                  at that time we did not have processes in place  
21                  to place sanctions or restrictions on players.  
22                  That wasn't a common practice.

23                  We're talking 2012 in this one here. We  
24                  didn't have that into play. We did have those  
25                  rules subsequently brought into play in latter

1                   years, but at that time that was not a policy  
2                   that we had and a direction that we could take.

3           Q     I'm going to come back to Mr. Shi in a moment,  
4                   but first you say in your affidavit at  
5                   paragraph 46 that in or around 2012 or 2013 you  
6                   also identified Kwok Chung Tam as potentially  
7                   being at the centre of a cash facilitation  
8                   network; correct?

9           A     Is that 44?

10          MR. STEPHENS: Pardon me, Ms. Latimer. I think  
11                   Mr. Tottenham's having trouble finding your  
12                   reference. Could you just repeat your paragraph  
13                   reference, please.

14          MS. LATIMER: Paragraph 46.

15          THE COMMISSIONER: Isn't it paragraph 44?

16          MS. LATIMER: I apologize.

17          THE WITNESS: Paragraph 44 is the paragraph that's  
18                   Kwok Tam.

19          MS. LATIMER: Yeah, paragraph 44. That's correct.

20          THE WITNESS: Okay. Sorry, could you just repeat the  
21                   question. I was just focused.

22          MS. LATIMER:

23          Q     You understood in or around 2012 or 2013 that  
24                   Kwok Chung Tam was also potentially at the  
25                   centre of a cash facilitation network; correct?



1           A     Yeah, it was my belief at the time, and that  
2                    was, again, based on my observations and common  
3                    denominators of files similar to what we did  
4                    with Jin.

5           Q     And you eventually realized in part from  
6                    discussions with the RCMP that he was likely  
7                    Paul Jin's boss; correct?

8           A     Yes. That was probably the clincher. We had  
9                    enough connections with Paul Jin's group that  
10                   we started -- I started to see some ties that  
11                   tied him back to Paul Jin, but absolutely we  
12                   confirmed that with a corporal in the RCMP who  
13                   was aware of the hierarchy and informed me of  
14                   that.

15          Q     So you were aware at this period of time that  
16                   these two individuals were of interest to law  
17                   enforcement; correct?

18          MR. STEPHENS: Sorry, Ms. Latimer. Could you  
19                    please -- just for fairness to the witness, what  
20                    period of time are you speaking about in that  
21                    question? Sorry, Mr. Commissioner. Just for  
22                    clarification.

23          MS. LATIMER: 2012, 2013.

24          MR. STEPHENS: And your question was what  
25                    Mr. Tottenham's knowledge in what regard,

1                   please, Ms. Latimer? Just -- sorry for  
2                   interrupting.

3                   MS. LATIMER: In his affidavit at paragraph 44.

4                   Q                "In or about 2012 or 2013, I also  
5                                identified Kwok Chung Tam as potentially  
6                                being at the center of a cash facilitation  
7                                network ..."

8                   And then near the end of that paragraph he says:

9                                "I initially thought at that Tam and Jin  
10                               ran two separate networks, but ultimately  
11                               realized (in part from my discussions with  
12                               RCMP) that it was likely a single group  
13                               and that Tam was believed to be Jin's  
14                               boss."

15                   And my question was at this point in time, in  
16                   2012 and 2013, did you understand that Mr. Jin  
17                   and Mr. Tam were of interest to law enforcement?

18                   A                No, I don't think I could say that. What I was  
19                                saying in that paragraph is that through  
20                                associations with buy-ins, actions and  
21                                transactions related to what Mr. Paul Jin was  
22                                doing, initially I thought we had two competing  
23                                groups and then I started to see a lot of  
24                                crossover over the time. Eventually -- and I  
25                                think I state it in there in the paragraph of my

1 affidavit that eventually I came to the absolute  
2 conclusion that he was in fact believed to be  
3 Paul Jin's boss.

4 That was the statement that I got from -- or  
5 the information I got from the corporal in the  
6 RCMP. That wasn't until sometime later where we  
7 actually got the confirmation of that. That was  
8 a few years later.

9 In terms of what we were actually looking  
10 at at the time, this was just based on my  
11 observations kind of working up to, we think  
12 there's another group; maybe there isn't; now  
13 there's a bunch of connections to Paul Jin. So  
14 I couldn't say that he was under -- that Kwok  
15 Tam was under police investigation at that time  
16 because at that time I -- in 2012 I had not  
17 absolutely definitively connected him to Jin's  
18 organization.

19 Q Sir, IPOC identified to BCLC in 2012 that Paul  
20 Jin was under investigation for money laundering  
21 and proceeds of crime. I took you to that.  
22 Correct?

23 A Yes.

24 Q And at this point in time, you were in  
25 communication with law enforcement; correct?

1           A     I'm in communication with what? I'm missing  
2                   something here.

3           Q     Well, you state in this paragraph that you had  
4                   discussions with RCMP in or around 2012 and  
5                   2013; correct?

6           A     The discussions I had were not in 2012. They  
7                   verified that information. That's what I'm  
8                   trying to get across here. The information  
9                   where I actually confirmed the hierarchy of --  
10                  where Kwok Tam was in the grand scheme of things  
11                  was much later from a corporal in the RCMP. Up  
12                  until that point it was my belief that his  
13                  involvement was initially on his own, and then  
14                  as we got more information and more intelligence  
15                  and started connecting the dots that he was more  
16                  likely working with Jin's group but with  
17                  selective people.

18          Q     In 2012 and 2013 when you were looking into Kwok  
19                  Chung Tam and Paul Jin on your own, did you  
20                  discuss that with other investigators at BCLC?

21          A     Yes. We had other -- at our meetings we had  
22                  discussions about all the files that were going  
23                  on an ongoing basis, and the name Kwok Tam did  
24                  come up, I'm sure, on a number of occasions that  
25                  we had those conversations because he was

1 showing up on some files.

2 Q You agree that it would be a serious failure to  
3 pass on important information if it was not  
4 communicated to you that one of your fellow  
5 investigators had learned from the RCMP that  
6 Paul Jin was under investigation for money  
7 laundering and proceeds of crime at that time?

8 A You're suggesting that it would be a failure of  
9 an investigator to not report that and not share  
10 it?

11 Q Yes.

12 A I would say that would -- yeah, that would not  
13 be a good thing if they weren't sharing  
14 information. I don't believe this to be the  
15 case, but I don't think that would be obviously  
16 a good thing for an investigation. And  
17 certainly from the investigators' point of view  
18 at BCLC we -- what we do is share the  
19 information literally on -- sometimes on a daily  
20 basis about files that were going on, but  
21 certainly weekly basis and monthly with our  
22 meetings, and that was a normal practice.

23 Q And more than likely if you were looking into  
24 Paul Jin and it had been recorded in iTrak that  
25 that communication had been made from the RCMP,

1 more than likely you would have been aware of  
2 that; correct?

3 A I would -- I probably was made aware of it at  
4 the time. That's very possible. I don't -- I  
5 can't say a hundred percent. I don't recall  
6 that happening, but yes, it's very possible.

7 Q Now, in 2013 Mr. Desmarais took over for  
8 Mr. Towns as Vice President of Corporate  
9 Security and Compliance; correct?

10 A Correct.

11 Q And Michael Graydon was eventually replaced by  
12 Jim Lightbody as president and CEO of BCLC?

13 A Correct. At the end of 2013.

14 Q And at paragraph 74 of your affidavit you  
15 identify these as pivotal moments in the AML  
16 approach at BCLC, correct?

17 A That's correct.

18 Q In October 2013 the BC Lotto Corporation AML  
19 Unit was created, and you were promoted to AML  
20 specialist; correct?

21 A That is correct.

22 Q Could you describe what that role entailed,  
23 please.

24 A Essentially they were creating a new unit, which  
25 is the AML Unit. It was headed by John

1                   Karlovec, so he was put into the manager's role  
2                   of the AML Unit. And then my position was that  
3                   of an AML specialist, which is basically to  
4                   assist him with the creation of the unit and the  
5                   roll out of the unit.

6                   So my job function was essentially to report  
7                   to John, and then we started from ground up. We  
8                   built the AML Unit by manual, by processes and  
9                   worked our way out and obviously collecting  
10                  information from investigators and anything that  
11                  we could come up with to focus on AML-related  
12                  information and investigations, and that was our  
13                  initial first year, and AML training.

14                 Q    If you turn back to exhibit 5, please. And I'm  
15                    looking at page 50. I had earlier been asking  
16                    you about a player called Mr. Shi, and you'll  
17                    agree with me there were further incidents where  
18                    Mr. Jin was indirectly involved in buy-ins for  
19                    Mr. Shi in 2013; correct?

20                 A    Yes, it would appear so.

21                 Q    And that includes on September 10th, 2013;  
22                    correct?

23                 A    Yes.

24                 Q    And also November 5th, 2013; correct?

25                 A    Yes, that's correct.

1 Q And December 8th, 2013; correct?

2 A That is correct, yep.

3 Q And no conditions were placed on Mr. Shi in  
4 2013; is that correct?

5 A That is correct.

6 Q And over the page on page 51 there were further  
7 incidents where Mr. Jin was indirectly involved  
8 in buy-ins for Mr. Shi in 2014; correct? I'm  
9 looking at May 23rd, 2014.

10 A Yes, I see that one.

11 Q Okay. If you turn to exhibit 38, please. And  
12 I'm looking at page 369, which you'll recognize  
13 as -- if you look in the middle, it's an email  
14 from you to Trevor Emmerson of CFSEU dated  
15 December 2nd, 2014. Do you see that?

16 A Yes.

17 Q The subject line is "Paul JIN"; correct?

18 A Yep. Yep.

19 Q Ask you say you attach a spreadsheet that Jerome  
20 did for Jin over the past six months. And who  
21 is Jerome?

22 A Jerome Wakeland was an investigators for BCLC.  
23 I think he was with us for about a year  
24 stationed out at River Rock. And then left to  
25 the Securities Commission.



1 Q And if you turn to page 371, this is the table  
2 that is referred to in that email; is that  
3 correct?

4 A Yes.

5 Q And this table is entitled "All Incidents With  
6 Suspected Involvement of Paul Jin"; correct?

7 A That's correct, yep.

8 Q If you look in -- I'm looking at the third  
9 column of this table where the date is set out.  
10 If you look at the date for the 23rd of May  
11 2014, this entry provides a bit more information  
12 about the May 23rd buy-in for Mr. Shi; correct?

13 A What's the date that you've got on that  
14 document, please?

15 Q I'm at page 371 of the affidavit in the  
16 exhibits.

17 A Okay.

18 Q I'm looking at the entry in this table for the  
19 23rd of May --

20 A May 23rd, okay, for "Guo Tai Shi." Yep.

21 Q Okay. This is just providing a bit more  
22 information about that transaction; correct?

23 A Yes. Correct.

24 Q It occurred at the River Rock; correct?

25 A Yes, that's correct.

1 Q And it sets out the amount 246,605; correct?

2 A That is correct.

3 Q And in the middle column what's noted is a  
4 particular vehicle that was involved in the cash  
5 delivery, and that was a white Toyota Sienna;  
6 correct?

7 A That is correct, yeah.

8 Q And we understand that -- from the fact that  
9 there is an X in the "vehicle suspected" column  
10 that this vehicle was suspected to be associated  
11 to Mr. Jin? Correct?

12 A That is correct, yes.

13 Q At this time did investigators understand that  
14 the same vehicles were making the cash  
15 deliveries on behalf of Mr. Jin but sometimes  
16 with different drivers?

17 A Yeah, that was widely known. And that was a lot  
18 of the information that we were trying to track  
19 and collate and put together, which vehicles  
20 were being used and who was driving the vehicle  
21 at the time.

22 Q Okay. In the column that's to the furthest on  
23 the right, it's called "aftermath" and it  
24 says -- it's noted that the vehicle lessee was  
25 Chadwick Bellwood?

1 A Correct. Yeah.

2 Q Did you understand at this time that  
3 Mr. Bellwood was an associate of Mr. Jin's?

4 A We believed him to be associated to Mr. Jin,  
5 yes, as what we'd refer to as a runner and  
6 probably bodyguard type activities. That's what  
7 we believed at the time with him.

8 Q He was -- you believed he was working for  
9 Mr. Jin?

10 A Yes.

11 Q And you say you thought he was a bodyguard. Did  
12 you think that there was a risk of violence  
13 around Mr. Jin?

14 A No. It was just from his background, a very big  
15 guy and some of his training that he was into  
16 led us to believe that -- and he was the seen  
17 often with -- just accompanying him, so it  
18 appeared that that was the case, but we had no  
19 information to confirm that.

20 Q Was Mr. --

21 A But he clearly was delivering -- at times  
22 delivering cash using his vehicle.

23 Q Okay. Was Mr. Bellwood also subject to a  
24 province-wide barring at this time, May 2014?

25 A I'm not able to confirm that without looking

1                   into a file for him, but he would likely be  
2                   somebody that we would have banned. I would say  
3                   it's highly likely he was banned. He would be  
4                   one of our targets that we would be banning.

5           Q        Okay. In paragraph 39 of your affidavit, which  
6                   is at page 9.

7           A        All right.

8           Q        You set out there that it wasn't until 2014 that  
9                   the AML Unit began compiling a list of patrons  
10                   known to be receiving cash deliveries from  
11                   Mr. Jin, his known associates or persons driving  
12                   his car; is that correct?

13          A        Yeah. I mean, when I put this in it started in  
14                   2014 and on behalf of the AML Unit, that was  
15                   kind of -- more of our really central focus.  
16                   That same kind of work was being done prior to  
17                   2014. Like, I was doing some of this work and  
18                   as were some of the other investigators where we  
19                   were trying to compile information specific to  
20                   Jin, his vehicles, known associates and then  
21                   other vehicles that were tied in to those known  
22                   associates. So we're just, again, trying to  
23                   acquire all that information and pull it  
24                   together.

25                   But in -- obviously in the AML -- from the

1 AML perspective that became one of our central  
2 core focuses when we opened the unit due to his  
3 activities because we were in discussions from  
4 the very early days trying to get assistance,  
5 police assistance in getting an action on  
6 Mr. Jin's group. So ...

7 Q Is it your evidence today, then, that you  
8 started to compile a list of patrons known to be  
9 receiving cash deliveries from Jin, his known  
10 associates or a person driving his vehicle  
11 before 2014?

12 A Well, I would say we -- I started, as I stated  
13 earlier in my affidavit, in 2011, '12, '13, I  
14 was looking at this information quite closely  
15 and trying to bring it together and identify  
16 associates and vehicles and people related to  
17 Jin. So that was a continuing process. There  
18 wasn't any definitive start/stop point.

19 When the AML Unit started up, and besides  
20 myself and John as the manager, we had two  
21 analysts. We were then central focused in terms  
22 of okay, let's go at Paul Jin and that becomes,  
23 like, the first project that we're going to  
24 target. So starting in there we started to do a  
25 lot more work in trying to get direct links and

1                   ties to Jin with the intention of building this  
2                   information as a package that we could present  
3                   to police along with the other material they  
4                   were already getting to try and convince them to  
5                   come assist us in taking an enforcement action  
6                   against Jin's group because up until that point  
7                   we had absolutely nothing that I could see in  
8                   response from police that we were taking an  
9                   action on him. So that was our point.

10                Q     Okay. I'm interested to know when you started  
11                   to compile a list of patrons known to be  
12                   receiving cash from him and his associates as  
13                   opposed to a list of his associates. When did  
14                   the focus turn to patrons in particular?

15                A     Well, I think that was -- I don't know that I  
16                   could split hairs and say patrons versus  
17                   associates. When we were collecting information  
18                   in the early days and when I was looking at it  
19                   in 2011, 2012, the value of the information I'm  
20                   looking at included patrons. It wasn't specific  
21                   to, but if I saw he was consistently delivering  
22                   to three separate patrons all the time, every  
23                   time they came in he was involved in that, that  
24                   would be important information for me because if  
25                   I am able to engage police assistance or pass

1 information to police, it gives them a viable  
2 target for surveillance purposes where they  
3 would start.

4 So it's not something that we'd just, like,  
5 flip the switch and start looking at patrons as  
6 well. But in terms of the profile, when we were  
7 trying to take actions on Mr. -- on Paul Jin, at  
8 one point part of our process, part of our  
9 theory was when we started seeing other people  
10 showing up with his vehicle making deliveries,  
11 we believe are making deliveries on behalf of  
12 him, that we should ban those people and that  
13 might help. And we quickly found that didn't  
14 help because they were just replaced and they  
15 weren't coming into the casinos. So we had to  
16 find another kind of tactic to use. So --

17 Q You'll agree with me that you didn't -- BCLC did  
18 not place conditions on players until 2015 for  
19 association with Paul Jin; is that correct?

20 A That's correct, yep.

21 Q So even though you had been looking at them  
22 dating back to 2011, 2012, no action was taken  
23 to curtail their association with Paul Jin; is  
24 that correct?

25 A No direct actions were taken in terms of a

1                   sanction against the patrons in most cases, no.

2           Q       Why not?

3           A       Again, it wasn't -- we didn't have a policy in  
4                   place that an allowed us to take enforcement  
5                   action like that at the time. We were  
6                   suspicious of the cash. We weren't -- we didn't  
7                   know that there was criminality associated to  
8                   the cash, but we were suspicious of it. We  
9                   didn't know where Paul Jin was getting his funds  
10                  from. We believed it was underground banking,  
11                  but we didn't know that for a fact. So it would  
12                  be difficult for us to take an enforcement  
13                  action on the players.

14                         The majority of the players we were dealing  
15                         with were very wealthy businessmen that we had  
16                         sourced out their income. We knew they were  
17                         wealthy; they knew we had no adverse media,  
18                         criminal records, backgrounds, associations. It  
19                         was where they were getting their cash from that  
20                         was the concern. So we had a bit of an issue in  
21                         terms of how we could take an approach and ban  
22                         those people or take an action against those  
23                         people as the players without some kind of  
24                         evidence, evidence-based criteria that says this  
25                         is proceeds of crime that you're getting.



1                   It's suspicious where they're getting their  
2                   money, and we don't even know in every instance  
3                   where they were getting their money, if it was  
4                   from Paul Jin and other sources, but we didn't  
5                   have the evidence to suggest it was anything  
6                   more than that at that point in time. And we  
7                   have to be able to defend our actions that we  
8                   take against players, and that was not a common  
9                   policy that allowed us to do that at that time.

10            Q     What level of proof was required at that time  
11                when you did know that Mr. Jin was under  
12                investigation for money laundering and proceeds  
13                of crime by the police?

14            A     Well, again, I'm -- if you -- if you look at it  
15                from the way that you've phrased it -- and  
16                sorry, I can't answer this question easily --  
17                you phrased it as as a result of a request that  
18                went to another investigator saying he's under  
19                investigation and they're collecting  
20                information. It doesn't tell me long-term that  
21                they've got an active investigation going,  
22                they're doing anything, and I saw everything  
23                that pointed to the contrary that anything was  
24                happening.

25                        So although they may have served the notice,



1 information out to multiple agencies, including  
2 Proceeds of Crime and FINTRAC and GPEB and law  
3 enforcement, but we were not getting any  
4 activity in terms of enforcement, and  
5 enforcement directed at the people that are --  
6 we've identified as primary targets and subjects  
7 are coming in and conducting their business on  
8 the casino properties with casino patrons.

9 So our initial contact with CFSEU was we  
10 identified them as a very logical group, police  
11 agency, that may be able to provide assistance  
12 to target Jin's group. So it was based on a  
13 large province-wide organization, RCMP. They've  
14 got tactical, they've got surveillance  
15 abilities, investigative and project driven.

16 So that fit all the criteria that I thought  
17 we were looking for, so that was kind of our  
18 first port of call was to CFSEU to try and  
19 engage them to come help us, to come investigate  
20 and deal with this because we were at a loss to  
21 deal with it -- effectively deal with it. And  
22 as you can see, over those years the numbers  
23 were rising constantly. We weren't able to  
24 control it without enforcement.

25 Q On May 6th, 2014, did you meet again with CFSEU

1 to look at targeting?

2 A I met on several occasions through 2014 because  
3 we originally met with them to pitch the  
4 project. Then I met with them shortly  
5 thereafter to give them a small version of a  
6 breakdown of some information for target  
7 information, and then we had -- I had  
8 conversations. We had intelligence back and  
9 forth in June, July. Given more information for  
10 a potential project, if they were able to take  
11 it on and do it. So it was more of that  
12 prompting, here we are; here's more information,  
13 keep padding it.

14 We didn't hear anything back from that  
15 point. I went back and made a phone call again  
16 in August and again it was kind of a  
17 rattle-the-chain moment just trying to get some  
18 ideas if they were actually going to engage and  
19 do a project. I was informed at that time that  
20 they were tied up with other projects; they  
21 couldn't.

22 Then we went back in October. And then I  
23 went back in November for another meeting in  
24 Surrey and with the same thing, that we hadn't  
25 heard from them, what was their status and



1                   engage in activities that preclude BCLC  
2                   from continuing a business relationship  
3                   with that patron."

4                   Correct?

5           A        Correct.

6           Q        Then it sets out the specific criteria for an  
7                   extreme risk barring; correct?

8           A        Yes.

9           Q        And it provides that:

10                   "The AML Unit actively monitors daily  
11                   media incidents and updated Law  
12                   Enforcement bulletins to identify  
13                   potential persons of interest or safety  
14                   concerns and conduct reviews as  
15                   necessary."

16                   And was that part of your daily tasks at this  
17                   time?

18           A        Well, at the beginning, this was the -- this was  
19                   the start of the Extreme Risk Program, so we put  
20                   this together, a proposal was put together and  
21                   approved to be put into place. And the main  
22                   thrust of this was on the "extreme risk"  
23                   category, which was the public safety concerns  
24                   for having criminals, violent criminals and  
25                   known vendors, gang members, in our sites. So

1           that was -- that was our main initiative on  
2           there. So it was something that -- I put this  
3           report together and started the program, and  
4           then we spent the first probably couple months  
5           focused on just all the people that we had  
6           collected information on and were aware were in  
7           our system and processed bans on those people.

8           Q     BCLC was provided with direct contact at CFSEU  
9           who you could contact if you had any pertinent  
10          information related to any of their targets;  
11          correct?

12          A     Yeah. So that was -- that was a spin-off of  
13          this process. So once we got the extreme risk  
14          up and running, we were also in talks with  
15          CFSEU. And as a result of that, we were advised  
16          of the list -- the PTEP list that they have and  
17          what they use it for and what it contains. And  
18          as a result of obviously the fact that we have  
19          this program in place now, we thought that that  
20          would be a really good fit for us. So we  
21          basically asked to share a copy of that PTEP  
22          list.

23                 So it wasn't a case of we were going back  
24          and forth asking them. We asked them for a copy  
25          of the entire list. It's over a thousand

1                   people.  And it's what they describe as their  
2                   worst of the worst in BC, career active  
3                   criminals.  And then we cross-match that with  
4                   our iTrak directory to identify players that we  
5                   maybe didn't even know were in our system, they  
6                   were on their list.  And that was part of this  
7                   public safety ban and added it to the program  
8                   for five-year bans based on their criminality  
9                   and associations.

10                Q    What kind of information is on that list that  
11                    came to you from law enforcement, just the  
12                    person's name or other personal information?

13                A    Yes.  It's going to be -- I'm going to say  
14                    tombstone data of the individual, the gang  
15                    connections identified as to what gang.  There  
16                    wasn't any investigational information provided  
17                    to us, so we didn't have information provided  
18                    that would show that they were currently under  
19                    investigation by a specific unit or area or what  
20                    the charges were.  So it was just people that  
21                    are on their list and it was made quite clear  
22                    that if you're on the list, you're on the list  
23                    for a reason, and it's a fairly serious risk,  
24                    and that was their main target group.

25                Q    If you turn to exhibit 25, please.  This is an



1 email from Kurt Bulow of CFSEU to John Karlovcec  
2 dated June 17th, 2014. And I see that you are  
3 not copied on this email, but I take it if  
4 you've attached it to your affidavit you have  
5 some familiarity with its contents. Correct?

6 A Yes.

7 Q In the second to last paragraph Officer Bulow  
8 offers that:

9 "Dependent upon operational need, either  
10 Cst. Emmerson or myself will be available  
11 to attend your monthly Law Enforcement  
12 agency briefing."

13 Correct?

14 A Yes.

15 Q Did that occur at that time?

16 A I don't believe that they attended at any point  
17 in time. To my recollection they did not.

18 Q Do you know why that was?

19 A I do not.

20 Q Okay. You're aware --

21 A It's in June -- this is dated June 17th, 2014.

22 Q Yeah.

23 A And we were in contact with them directly in  
24 June and July and in August. So I'm not sure if  
25 it was as a result of -- I mean, we're obviously

1                   in contact through that period. I don't know  
2                   that maybe there was a requirement to have them  
3                   come in and attend, but I don't recall that  
4                   actually happening.

5           Q        Okay. CFSEU made four teams available to attend  
6                   a site orientation at the River Rock Casino in  
7                   or around June 2014; correct?

8           A        That's correct, yep.

9           Q        And was River Rock the focus of particular  
10                   concern at this time?

11          A        Yeah. I would say everything centre focused on  
12                   River Rock, everything we were doing. That was  
13                   kind of the centre of the universe for all the  
14                   problems that we were getting with Jin.

15          Q        Was that because Mr. Jin was primarily operating  
16                   out of River Rock?

17          A        The majority of his activities, yes. I mean, we  
18                   had -- the players that he normally routinely  
19                   delivered to did play at other casinos and would  
20                   attend, and he would go to or his associates  
21                   would go to those casinos for deliveries, but by  
22                   and large the majority of the activity was  
23                   happening at River Rock.

24          Q        Had River Rock seen a larger volume of cash  
25                   transactions than other casinos in the Lower

1 Mainland at that time as well?

2 A Yeah. No, absolutely. And all the way through.  
3 I mean, we always through our analytics group  
4 and from the AML side, we keep pretty --  
5 track -- good track on levels of service coming  
6 from all five of the majors. We can see all the  
7 different reports that are coming out of that,  
8 and we could see all the time in almost every  
9 graph or time slot that we did that it was a  
10 very distinct difference between the level that  
11 River Rock was reporting on, getting STRs on,  
12 cash volume on, LCT reporting, as opposed to the  
13 other four majors.

14 They were all clustered down at the bottom,  
15 and they were all kind of made -- you know,  
16 fairly mid-range, but they were nowhere near the  
17 level that River Rock was playing at. And that  
18 was consistent year to year to year. That  
19 wasn't as a result of blips. So that was --  
20 yeah, there was -- the majority of the stuff  
21 that was happening, that was where it was going.

22 Q Okay. And ultimately you compiled a target  
23 booklet of BCLC's top 10 casino cash  
24 facilitators; is that correct?

25 A Yes, I did.

1           Q     And those -- those cash facilitators, that  
2                   target booklet, if you will, is set out at  
3                   exhibits 28 to 37 of your affidavit; right?

4           A     That's correct, yes.

5           Q     And those individuals, they are Mr. Jin and his  
6                   associates; correct?

7           A     Yes, it is. By and large his associates,  
8                   runners and people that came to our attention  
9                   more often than not that may or may not be part  
10                  of his organization. We believed they were at  
11                  the time.

12          Q     I had a look at those, and I did not see Kwok  
13                  Chung Tam, but was he one of those targets?

14          A     He was not one of the targets that we put out in  
15                  the top 10. We did it based on our intelligence  
16                  at the time, and what -- the amount that we were  
17                  seeing the activity in the sites, Mr. Kwok Tam  
18                  kept it fairly low profile. We did not see him  
19                  very often. He really was not one to hang  
20                  around the casinos. He didn't show up very  
21                  often.

22                         But when he did some in, he was arranging  
23                         cash and depositing cash for very high-level  
24                         VIPs, but they were also shared by Jin, so that  
25                         was the anomaly for us. He's delivering to the

1 same person that Jin sometimes delivers to, and  
2 that was kind of what we were trying to figure  
3 out in the growth period. But we didn't see  
4 Kwok Tam around.

5 And I don't think -- when we gave them a top  
6 10, it was the people they were most likely  
7 going to see in the activity at the time  
8 associated to Paul Jin and Paul Jin himself,  
9 so -- but he was definitely -- he was  
10 definitely -- in the early part he was  
11 definitely -- one of the players that we brought  
12 to their attention as closely associated and a  
13 person of interest in the project was Kwok Tam.

14 Q Okay. So in determining who was going to be on  
15 that top 10 list, did it have to do with  
16 frequency of visits at the casino or volume of  
17 cash or -- how did you make that determination  
18 who were the top 10?

19 A I did it in consultation with the rest of the --  
20 a couple of the investigators and John. We  
21 basically looked at Paul Jin as the primary, and  
22 then we looked at anybody else that we  
23 identified as a very close associate in terms of  
24 working for him, so that would be the most  
25 active ones that are doing deliveries on his



1 assistance from law enforcement on the  
2 issues identified in the reports."

3 And I'm going to suggest that the statement is  
4 incomplete given all of the interaction I've  
5 just gone through that BCLC had in collaboration  
6 with CFSEU in 2014. Is that fair?

7 A I'm going to say that that would be a fair  
8 statement based on my observations from 2011  
9 into 2014. I did not see any reaction from --  
10 or feedback from law enforcement. So I'm  
11 looking -- and I specifically -- I think I  
12 pointed out in here FINTRAC and GPEB, and we  
13 weren't receiving any assistance from law  
14 enforcement.

15 The interactions that we had with CFSEU  
16 started in February of 2014, and then those  
17 interactions were us basically going to them  
18 asking for help and trying to pitch our project.  
19 That continued all the way through. So we were  
20 having the interactions. They weren't  
21 interactions in terms of reactive to our  
22 problem: come help us do our project and target  
23 Jin. It was us trying to engage them to target  
24 Jin. So --

25 Q They did provide you with that list of

1 information that I referred to earlier; correct?

2 A Yes, they did. But that is absolutely nothing  
3 to do with the Paul Jin side of the story. That  
4 was -- that was PTEP list, worst of the worst  
5 criminals, that were in iTrak and possibly in  
6 our casinos that we wanted to ban. That wasn't  
7 anything to do with money laundering or cash  
8 facilitation or Paul Jin's group. That was a  
9 totally side table project that we were working  
10 with that on. So just so you can -- you know  
11 there's two different pieces to the puzzle here.

12 Q The four teams from CFSEU that visited the River  
13 Rock that -- it's your evidence that also had  
14 nothing to do with Paul Jin and the cash  
15 facilitation issue?

16 A When we brought people in to go through our  
17 casinos and do tours through CFSEU, that was us  
18 reaching out to -- one, to bring them in and  
19 show them the environment and that was part of  
20 that pitch, the pitch for the project. We  
21 wanted to come in and show them what they had  
22 access to, what we would provide, how we can  
23 provide it, what the abilities are of the  
24 surveillance operators and how we would be able  
25 to assist them if they took a project on, going



1                   into a casino under surveillance circumstances.  
2                   Where they've got a foot out tracking somebody,  
3                   walking, following somebody in as a suspect, how  
4                   they could actually maintain visual site on them  
5                   using the casino facility. So that's what those  
6                   were focused on. It was kind of acclimatization  
7                   of the environment.

8           Q       Okay. Kesi Wei was the first patron placed on  
9                   sourced-cash conditions; correct?

10          A       That's correct yes.

11          Q       And if you'd turn to exhibit 6, please. And --

12          A       Yes.

13          Q       At the bottom here, this is an email from  
14                   Mr. Desmarais to Jim Lightbody and others dated  
15                   November 26, 2014; correct?

16          A       Yes.

17          Q       And you're not copied on this email, but I take  
18                   it -- it's attached to your affidavit, so you're  
19                   familiar with the contents; is that right?

20          A       Yes, I am.

21          Q       The subject line is "Kesi Wei," and  
22                   Mr. Desmarais says:

23                                "This VVIP tried to come into the --"

24                   Well, "RR." And I take it that's River Rock;  
25                   right?

1           A     Yes.

2           Q           "... tried to come into the [River Rock]  
3                       with \$500K after being spoken to twice  
4                       about using cash originating from our  
5                       person of interest."

6                       Stopping there. Do you understand the term  
7                       "person of interest" to refer to Mr. Jin?

8           A     Yes.

9           Q     And so I take it that in 2014 Mr. Wei was a  
10                   patron known to be receiving cash deliveries  
11                   from Mr. Jin, his known associates or persons  
12                   driving his vehicles; correct?

13          A     That's correct, yes.

14          Q     And the email goes on to say that the River Rock  
15                   declined to accept the cash. And then skipping  
16                   to the next sentence, it says:

17                   "All LMD Casinos have been advised not to  
18                   accept cash from this person and he will  
19                   be banned from cash play at our Casinos  
20                   until interviewed by BCLC investigators."

21                   Correct?

22          A     That is correct, yes.

23          Q     In your affidavit you say he was placed on  
24                   sourced-cash conditions. Is that what "banned  
25                   from cash play" means?

1           A     Yes.  Yeah.  And this incident that's being  
2                           referred to, I'm aware of this incident, that  
3                           came at that time where we were having fairly  
4                           high-level discussions with the management of  
5                           BCLC, AML and River Rock because of Mr. Wei.  He  
6                           was flagged, he was a problem and we were  
7                           collectively trying to come up with a battle  
8                           plan.  And after we had had conversations of  
9                           what we were going to do and how we were going  
10                          to do it and that allowed River Rock to approach  
11                          and make that sure he understood, he then came  
12                          back with another 500,000 in cash, which is  
13                          basically saying yeah, whatever; I don't care  
14                          about your rules.

15                         And that's what triggered this response.  
16                         This is why an email was forwarded.  Because it  
17                         was significant in the fact that we've done  
18                         everything we can possibly do to educate and  
19                         make him do what he should be doing and stop  
20                         using cash delivery, and he was refusing.  So we  
21                         then placed him on sourced-cash conditions and  
22                         that absolutely took out -- Mr. Jin right out of  
23                         play absolutely, unequivocally from that point  
24                         forward for him.

25           Q     Okay.  Turn to exhibit 77, please.

1 MR. STEPHENS: I think that might be in volume 2,  
2 Mr. Tottenham.

3 THE COMMISSIONER: I'm sorry, was that exhibit 77?

4 MS. LATIMER: Yes, 77.

5 THE WITNESS: Yes, I have that document.

6 MS. LATIMER:

7 Q Okay. In your affidavit you describe exhibit 77  
8 as:

9 "A rolling document I prepared including  
10 emails, information regarding large cash  
11 buy-ins and other documents related to AML  
12 from 2014-2015."

13 So can you first just explain, when did you  
14 create this document that's found at 77?

15 A I'm going to -- I can't give you an exact date,  
16 but it's going to be in and around probably  
17 November of 2014, around the same time this was  
18 happening with Mr. Kesi Wei. It was kind of the  
19 trigger that caused me to start this document  
20 and was documenting all the things that were  
21 going on with Kesi Wei between us and River  
22 Rock, and then it just kind of morphed into a  
23 bigger document as I continued forward. So that  
24 was kind of the trigger and the period.

25 Q What was the purpose of the document when you



1                   suspicious activities that were going on at this  
2                   time; is that fair?

3           A     Yes.  And I've tried to keep it chronological,  
4                   but it is, it's a grab bag of anything and  
5                   everything.  It's anything that kind of fit in  
6                   our hemisphere of what we were looking at for  
7                   the large cash buy-ins, subjects, those kind of  
8                   things, any interactions that we had.  And I --  
9                   most of this, you'll see, is cut and paste.  
10                  It's -- I pulled pieces out of files that were  
11                  relevant and dropped them into here and tried to  
12                  keep them in line so that we could monitor the  
13                  transactions and activities.  And it's -- yes,  
14                  it's [indiscernible] horrible.

15          Q     Okay.  I'm going to use this document to talk  
16                  about a different player, Bin Sung Cao.  And so  
17                  I ask you to turn, please, to page 712 of this  
18                  document.

19          A     Yeah, I've got it.

20          Q     And you see I'm looking at the last email on the  
21                  bottom.  There's a red heading.  It's an email  
22                  from Ross Alderson to Pat dated September 29th,  
23                  2014.  Do you see that?

24          A     Yes, I do.

25          Q     And I take it -- he says "Hi Pat."  I take it

1                   this is Patrick Ennis that he's communicating  
2                   with. Is that correct?

3           A        Yes, that would be Pat Ennis.

4           Q        And the subject is "Bin Sung Cao"; correct?

5           A        Yes.

6           Q        And if you turn to page 713, it appears there  
7                   are a number of emails that come before this one  
8                   in chronology; is that fair?

9           A        Yes, that's correct.

10          Q        And if you look at the bottom of the page, this  
11                   is an email from Jerome, and I take it that's  
12                   Jerome Wakeland. Right?

13          A        That would be Jerome Wakeland, yes.

14          Q        And it's to Ross Alderson. And he says he  
15                   interviewed Lisa Gao regarding her involvement  
16                   in the incident and let her know that conditions  
17                   have been placed on this player.

18                    "She will be speaking with him shortly to  
19                    arrange an information --"

20                   Sorry.

21                   "... to arrange an interview."

22                   He goes on to say:

23                    "The full interview summary should be  
24                    ready tomorrow."

25                   But:

1 "One piece of information she provided was  
2 concerning.

3 - [the player] called Lisa and said he  
4 was on his way to the casino with a  
5 bunch of money and he would need help  
6 to carry it in.

7 - [She] was ... off-site at the time of  
8 the incident, she received a call from  
9 [a patron] and her information is  
10 second hand.

11 - [She] contacted security and guest  
12 services to meet with [the patron] and  
13 escort the money into the casino."

14 And I've read that correctly?

15 A Yep, I would say so.

16 Q And why was that information concerning at the  
17 time?

18 A I don't know in the context of why -- I mean,  
19 these emails are going back and forth as  
20 information pieces, and maybe it's -- I'm  
21 assuming it's based on -- it's a person of  
22 interest that we have that's getting cash  
23 deliveries.

24 Q Lisa Gao was a VIP guest services employee;  
25 correct?



1           A     Yeah. She was guest services. That was a  
2                    common occurrence with Lisa Gao and other people  
3                    like that in her employ that they would make  
4                    arrangements when the guests were coming in.  
5                    They would make arrangements to meet them or  
6                    even go pick them up, take the cash in, drop it  
7                    at the cash cage, arrange meals. Do all that  
8                    kind of stuff. That was their function, so  
9                    that's part of her role.

10          Q     Is it a concern here that casino staff are being  
11                    asked to be involved in a cash facilitation  
12                    transaction?

13          A     It's always a concern when we have that kind of  
14                    activity, and I think ultimately the employee  
15                    that you're talking about was deregistered for  
16                    that exact reason as a result of a file that  
17                    happened that we saw it involving a player that  
18                    came in and did precisely a \$200,000 cash buy-in  
19                    that flagged us. And we subsequently looked  
20                    into it, and very quickly realized that there  
21                    was a problem with it in terms of her  
22                    participation. There was an investigation by  
23                    GPEB and she ultimately lost her GPEB licence  
24                    and her job over that.

25                    So yes, it's always a concern to us. It's

1                   always been on our radar of employees,  
2                   especially VIP employees that have too tight of  
3                   a relationship with staff, so we need to -- we  
4                   normally would monitor those activities. And  
5                   again, I can't say that that was the context,  
6                   but I suspect that that played a part in it.

7           Q        Okay. In the email that comes just on top of  
8                   this one, Mr. Wakeland emails Bruno and says:

9                               "Conditions have been added to Bin Shun  
10                              Cao's profile."

11                   Correct?

12           A        Yes.

13           Q        We now see two spellings of this player's name,  
14                   but I take it they both refer to the same  
15                   player; is that correct?

16           A        I think so, yes.

17           Q        And Mr. Wakeland goes on to describe Mr. Cao's  
18                   usual play; correct?

19           A        Yes.

20           Q        And if you go to the top of this page,  
21                   Mr. Alderson asks that the same conditions be  
22                   placed on his slot play; correct?

23           A        So you're referring to -- you're on page 712,  
24                   are you?

25           Q        I'm on 713 at the top. Mr. Alderson says:

1 "Bruno: Yes please. Same conditions."

2 And if you look down, I think he's answering a  
3 question that's asked in this email from Jerome.

4 Have we --

5 MR. STEPHENS: Sorry, Ms. Latimer. I'm just  
6 orienting -- he's not with you just for a  
7 second. So he's just catching up.

8 THE WITNESS: There we go. Yeah, okay. Go ahead.

9 Based on what he says, we review the conditions.

10 MS. LATIMER:

11 Q Do you see the question in the middle of the  
12 page at the bottom of the email from Jerome it  
13 says:

14 "Have we talked to the site about  
15 preventing a patron with conditions from  
16 playing at the slot machines on the main  
17 floor."

18 A Yes.

19 Q And Mr. Alderson says:

20 "Yes ... Same conditions."

21 So he's asking that the same conditions be  
22 placed on his slot play; correct?

23 A I would think so, yes. That's the way I would  
24 interpret that.

25 Q Okay. And then he says:

1                    "We need to ask him directly what was in  
2                    the blue bag and where the chips came  
3                    from."

4                    Correct?

5                    A     That's correct, yep.

6                    Q     Was the concern here that this patron was  
7                    accessing chips from a cash facilitator?

8                    A     Was that the concern?    Sorry?    Yes.

9                    Q     Yeah.

10                   A     I would say so, yes.

11                   Q     Okay.    Because this was an issue at the time  
12                   that cash facilitators were providing not only  
13                   cash but also casino chips as a stored value  
14                   instrument; correct?

15                   A     Yes, that's correct.    We were -- that's a  
16                   practice we were seeing commonly -- more  
17                   commonly than we had previous.

18                   Q     Okay.    And if you go back now to page 712, and  
19                   the email I started with at the bottom.  
20                   Mr. Alderson -- I'm looking at the second  
21                   paragraph --

22                   A     Yep.

23                   Q     -- of the email.    Mr. Alderson says:

24                   "You are likely aware of an incident  
25                   involving Cao and a person of interest

1                                   yesterday. With the increased scrutiny  
2                                   from GPEB in AML related issues BCLC are  
3                                   taking the steps of speaking to the staff  
4                                   involved to ensure their actions are  
5                                   documented correctly."

6                                   And so were you aware at this time in 2014 that  
7                                   GPEB was applying increased scrutiny in  
8                                   AML-related issues?

9                   A     Well, I think it would be fair to say that they  
10                   had -- they were taking an interest in what  
11                   was -- the files that were going on and we were  
12                   having those discussions all the time when they  
13                   were inquiring about these kind of files and --  
14                   yes, I would say, absolutely.

15                  Q     And that increased scrutiny had the effect of  
16                   focusing BCLC's attention on compliance;  
17                   correct?

18                  A     Yeah. I think that was probably the gist of it.  
19                   It was -- a lot of it came in the form of  
20                   questions in terms of directing us to take more  
21                   action or wanting us to take more action or  
22                   asking why we weren't taking more action.

23                  Q     Okay. And Mr. Alderson goes on to say:

24                                   "I understand after the meeting Cao took a  
25                                   blue bag to a hotel room in the West Tower

1                   and I would appreciate if you could  
2                   confirm if the room was comped to Cao or  
3                   any other patron and if BCLC has any  
4                   financial involvement in the comp.

5                   We would also like to speak to  
6                   Mr. Cao to discuss the incident and at  
7                   this time he is prohibited from buying in  
8                   with un-sourced chips and cash. His iTrak  
9                   profile will be updated to reflect.

10                  I greatly appreciate your  
11                  assistance."

12                  And I've read that correctly; right?

13           A       Yes, that's correct. Yeah.

14           Q       Do you recall this issue with Mr. Cao bringing a  
15                  blue bag to a hotel room?

16           A       I don't recall it independently, but I have  
17                  reviewed this -- part of this file as a result  
18                  of dealing with a whole bunch of these files  
19                  over the last two or three weeks. And I'm aware  
20                  of that issue, and I confirm that that was in  
21                  fact a concern and what prompted some of the  
22                  activity and obviously the ban. And it's  
23                  consistent with some of the things that we were  
24                  seeing at River Rock at the time.

25           Q       Was the concern here that a cash facilitator

1                    might be operating out of that hotel room?

2            A        Yeah. Absolutely. We were looking at that in  
3                    other files where we were seeing, again,  
4                    commonalities.

5            Q        Okay. If you'd turn to exhibit 106, please.

6            A        Okay.

7            Q        I'm at page 897.

8            A        Yes.

9            Q        I'll just -- without reading it to you, I'm  
10                   asking you if you were aware in October 2014 of  
11                   an incident where the same patron arrived at the  
12                   River Rock with -- sorry, I didn't mean to say  
13                   "the same patron."

14                            But were you aware in October 2014 of an  
15                            incident where a patron arrived at the River  
16                            Rock with two other Asian males and carried in a  
17                            large gym bag with \$469,960 in \$20 bills?

18            A        Yes.

19            Q        And the patron played one hand and got up and  
20                   took his chips to the cash cage to cash out;  
21                   correct?

22            A        That is correct, yep.

23            Q        But he was advised that he was going to be given  
24                   his small bills back, and so he opted not to  
25                   cash out and he left the casino and was seen

1                   going to a hotel room on the 11th floor of the  
2                   hotel; correct?

3           A       That's correct, yes.

4           Q       And you say here in this email at the bottom,  
5                   which is an email from you to John Karlovcec and  
6                   others -- it's about five lines from the bottom.

7           You say:

8                   "Clearly that room on the 11th floor is  
9                   being used as a supply point for this  
10                   group to cycle small bills and stockpile  
11                   chips for use with VIP clients."

12           Correct?

13          A       That's correct, yes.

14          Q       And what group are you referring to there?

15          A       Again, I'm going back to Jin's group as a whole.  
16                   Pretty well -- the majority of the stuff that we  
17                   were seeing all through this time, the common  
18                   denominator was always Paul Jin or a subset of  
19                   his group. It was all tied to him. Until we  
20                   clarified Kwok Tam Lee [sic], I didn't see any  
21                   other amount of cash coming in in huge volumes  
22                   associated to other people that weren't tied to  
23                   Paul Jin. So any time we reference that, we are  
24                   referencing Jin's group.

25                   And we were seeing, again, commonality in



1 files now where we were starting to see rooms  
2 on -- in the hotel being used as congregation  
3 points and people going up and down, meeting  
4 people that are on ban lists who would go in  
5 prior to them and then leave, and then the  
6 person would come in and then come back out and  
7 go down to the floor.

8 So our concern was they were trying to set  
9 up inside the rooms to basically allow for an  
10 easier transition for cash facilitation in both  
11 cash and chips and we were seeing the chips  
12 coming in as well at that time.

13 Q Okay. And you requested an action be taken to  
14 investigate this issue; correct?

15 A That's correct, yep.

16 Q And BCLC investigators subsequently spoke to  
17 this patron; correct?

18 A Yes.

19 Q And do you recall that Patrick Ennis of the  
20 River Rock then requested a meeting with BCLC to  
21 discuss the approach to VIP patrons in this kind  
22 of situation?

23 A Yes.

24 Q And what was the result of that conversation?

25 A I wasn't part of the conversation,

1                   unfortunately, so I don't think I could give you  
2                   very much comment on it other than I know they  
3                   were not happy with the way he was approached,  
4                   and again, similar to the complaints or concerns  
5                   we had heard, that they didn't like the idea of  
6                   somebody being pulled off the floor. It was  
7                   embarrassing, they would potentially leave and  
8                   not come back and they'd lose them as a  
9                   customer, and they wanted to have a more  
10                  discreet way of getting the information that we  
11                  were looking for. So that was their intention.

12                                And I think that's ultimately what led into  
13                                that -- part of that program that we put  
14                                together where you see the initial stages of  
15                                contact are through the service provider, VIP  
16                                staff, in a kind of priority and priority 2,  
17                                which is a soft approach, education and then  
18                                enforcement, and then ramped up to interview.

19                  Q        Okay. So again it was a concern being expressed  
20                                by the service providers about offending VIP  
21                                patrons; correct?

22                  A        Yes.

23                  Q        And the concern was that they might lose the  
24                                customer; correct?

25                  A        That's what I took it as, yes, I believed.

1 Q And that could negatively impact their revenue;  
2 correct?

3 A I would assume so, yes.

4 Q And BCLC in response to that chose a different  
5 course of action, which was to have the service  
6 provider management interview the patron rather  
7 than the BCLC investigator; correct?

8 A Yes.

9 Q So I'm going to take you back to the body of  
10 your affidavit at paragraph 78. And I'm on the  
11 fourth line of this paragraph. You say:

12 "I believe that, following the arrival of  
13 [Mr.] Desmarais --"

14 That was in 2013; correct?

15 A Yep.

16 Q "I believe that, following the arrival of  
17 Desmarais and the development of the  
18 AML Unit, investigators were no longer  
19 worried about upsetting VIP patrons and  
20 Service Providers."

21 I'd suggest to you that a more complete  
22 statement would include that BCLC did continue  
23 to adjust its behaviour in order to avoid  
24 upsetting VIP patrons and service providers. Is  
25 that fair?

1           A     No, I think it would be fair to say that we  
2                    recognized that they run a business, and we  
3                    wanted to try and work with the service  
4                    providers to deal with the issues that we were  
5                    dealing with. I think it was -- I think it was  
6                    reasonable that if their concern is we're  
7                    offending players and we're causing them grief,  
8                    that they should be allowed to deal with them.  
9                    Because quite often we found when we wanted  
10                   something done in the early days, if we went to  
11                   the service provider and asked them to do an  
12                   approach as we did with the source of funds  
13                   programs that we did in source of wealth with  
14                   housewives and students, we asked them to do  
15                   that intelligence gathering at the front end  
16                   because we felt it would be more effective and  
17                   we would have better results having them  
18                   approached by somebody that they have a  
19                   relationship with. And that -- we found that to  
20                   be really, really effective in those cases.

21                                So I don't think this was too far off the  
22                                same thing. When I'm talking about a transition  
23                                when Brad Desmarais came in, it was a transition  
24                                and it was -- it's baby steps. It's a slow  
25                                transition. You don't go from 1 to 80; you

1 start and we work our way up. And we were  
2 working up with relationships, we were working  
3 up with relationships with the service providers  
4 and how we were going to apply the programs that  
5 we're putting in for banning and sanctions.

6 So it was kind of a gradual thing that we  
7 were working up. They knew very quickly, the  
8 service providers -- and I'm going to suggest  
9 that when I wrote this piece here, when we  
10 weren't worried about them being upset, we gave  
11 them an opportunity in that preamble that we've  
12 just referred to to go in and speak to the  
13 patron and make it happen. However, they were  
14 told flat out, if you don't make it happen, we  
15 will take the next step and we will be doing an  
16 interview, potentially banning or sourced-cash  
17 conditions.

18 And that was part of our development. That  
19 was us saying we're going to take it over from  
20 there and they were not allowed -- they asked,  
21 but they were not allowed to come into the  
22 interview. So I think it's kind of that  
23 transition where you just kept -- you keep on  
24 stepping up and up and up and that's part of  
25 that process you're referring to. So I don't

1 think it was a definitive shift that contradicts  
2 our -- my earlier statement. I think it's --  
3 just resembles the progression that we're making  
4 and how we were approaching it.

5 Q You do not mean to suggest in your affidavit  
6 that it was night and day between Terry Towns  
7 and Brad Desmarais in terms of their approach to  
8 whether BCLC investigators could approach VIP  
9 patrons; correct?

10 A I'm going to suggest that for the first three  
11 years that I was there, 2011, '12 and '13, it  
12 was very clear -- a clear message that we got as  
13 investigators were -- our job function was  
14 observe and report. We didn't have authority to  
15 do criminal investigations or do any other work  
16 over and above that, and that was the direction  
17 that we were given, and that included not to  
18 approach patrons and talk to them.

19 So I'm going to say based on that, my  
20 perception at the time -- I can tell you my  
21 perception at the time was if I can't approach a  
22 VIP patron on the stand -- or on the floor and  
23 have a discussion with them, then putting cash  
24 restrictions or banning them or taking other  
25 action is probably off the table very quickly.

1                   However, when Brad Desmarais came in there was a  
2                   shift.

3                   And I'm not saying it was an overnight  
4                   light-bulb moment, but there was a very  
5                   different shift in terms of how he assessed what  
6                   was going on, the activities and how we were  
7                   going to approach it. And I -- to me that was a  
8                   huge turn, that was a 180 pivot and allowed us  
9                   the ability to start going off in more  
10                  directions and taking more proactive and  
11                  progressive work that we were doing in about  
12                  three different areas and become more aggressive  
13                  in terms of how we went after the information.

14                  I mean, at the end of the day our mandate  
15                  is still and was still to observe and report.  
16                  And I think we were probably pushing the  
17                  boundaries on that a number of times in terms of  
18                  how we were doing that and working. I don't  
19                  think part of observe and report includes  
20                  proactively going out and trying to talk police  
21                  to come in and do an investigation at our sites.  
22                  That's what we were doing.

23                  Q     Okay.

24                  THE COMMISSIONER: Ms. Latimer, I'm just going to  
25                  interrupt for a moment. Is this an appropriate





1                   pursuant to a motion BCLC brought for a  
2                   confidentiality order, and those interviews are  
3                   now attached to one of those affidavits.

4                   And in your ruling you gave liberty for BCLC  
5                   to apply for further prospective measures over  
6                   some of it if they were tendered. And my  
7                   instructions are BCLC will be applying -- and we  
8                   will be doing this very soon -- for protective  
9                   measures over at least one of the attached  
10                  interviews, and I just wanted to note that for  
11                  you now. We will be doing that expeditiously,  
12                  but I just wanted you to be aware of my  
13                  instructions in that regard.

14                  THE COMMISSIONER: All right. So you're seeking a  
15                  direction that it not be posted until such time  
16                  that you've had an opportunity to bring that  
17                  application. Is that essentially correct?

18                  MR. STEPHENS: That's correct. That's correct,  
19                  Mr. Commissioner. And if we -- if I could ask  
20                  that for both of the affidavits, please, simply  
21                  because there is an interview, at least one, in  
22                  affidavit number 1 as well as a great number in  
23                  affidavit number 2.

24                  THE COMMISSIONER: All right. Ms. Latimer, do you  
25                  take any position on that? Or Mr. McGowan?

1 MS. LATIMER: No.

2 THE COMMISSIONER: All right. Thank you. I'll make  
3 that direction.

4 **EXAMINATION BY MS. LATIMER:**

5 Q Now, Mr. Tottenham, if you could turn, please,  
6 to exhibit 7. I'm going to have some questions  
7 about that.

8 A Okay.

9 Q I'm at page 60 of this exhibit -- or sorry,  
10 page 61.

11 A 61. Okay.

12 Q And this is an email at the top of the page from  
13 you to Brad Desmarais copying John Karlovcec  
14 concerning Mr. Cao; correct?

15 A That's correct, yes.

16 Q And it's dated December 26, 2014. And in your  
17 email you ask for "a priority dive on this guy,"  
18 and you say you've added him to the HRP list;  
19 correct?

20 A That's correct, yes.

21 Q And is that -- what does that stand for?

22 A The deep dive is basically we do an open source  
23 report. Basically build a dossier through our  
24 analytics side of the AML. So we would be going  
25 in and looking at anything and everything we can

1 find in open source data and any in tools that  
2 we have to extract data on him, his company,  
3 anything like that, and then do what's called a  
4 dive. We drill into it.

5 And depending on the level of the dive, in  
6 some cases -- and obviously these ones are the  
7 ones that we -- when we do a deep dive we're  
8 looking into ownership houses, businesses,  
9 partners, people on boards of directors right  
10 down as far as we can go looking for any ties to  
11 criminality or organized crime. So that's one  
12 half of it. That's the deep dive. And that's a  
13 standard thing that we do in almost every  
14 instance.

15 And then the other part of that -- just  
16 look at the --

17 Q I'm at page 62 of this exhibit.

18 A Yeah. So that's part of that source of wealth  
19 is that's literally how we confirm some of that  
20 information, so we're going to go through and  
21 use those tactics to try and get that  
22 information. And then anything else that we're  
23 taking on in terms of any -- I think it was  
24 the -- the first reference was to action that we  
25 were taking against him in terms of just --

1                   yeah, just in the file information, the file  
2                   investigation.

3                   So we're looking at it kind of from two  
4                   different sides in the early stages to try and  
5                   determine what happened. And we're looking at  
6                   the background of who is this guy, get more  
7                   information and tie that together.

8           Q       When you say you've added him to the HRP list,  
9                   does that stand for high-risk patrons?

10          A       High-risk patron, yes.

11          Q       All right.

12          A       That's a designation pursuant to the act for  
13                   high-risk patrons for what requires enhanced due  
14                   diligence under legislative requirements, the  
15                   act. There's criteria that places them onto the  
16                   high-risk patron list, but we also have the  
17                   ability to insert somebody on based on our  
18                   observations, concerns.

19                   So in that regard I noted at the time that  
20                   he wasn't listed as a high-risk player, so  
21                   rather than wait until he has either, you know,  
22                   two transactions, two STR transactions or any of  
23                   the above, I wanted to get him flagged right  
24                   away because that flags him on watch, so it puts  
25                   him on watch on our system. It flags him as

1 high risk and it allows us to now start building  
2 out as a high-risk player enhanced due diligence  
3 that we have to do and maintain for FINTRAC  
4 reporting and overwatch.

5 Q Okay. You sent out some details of his history  
6 of play. And then in the third paragraph on  
7 page 62 you say:

8 "The anomaly from his play started on  
9 December 23rd, 2014 ..."

10 And you describe what you know about that at the  
11 time. And that is that he arrived with a  
12 female. And I guess the female was elsewhere  
13 referred to LNU. Is that "last name unknown"?

14 A Yes.

15 Q Okay. And the female brought in \$250,000 in 20s  
16 for table play; correct?

17 A Yes, that's correct.

18 Q And then he came back the next day with the same  
19 female and had \$250,000 in cash, and the female  
20 followed shortly after with another \$200,000  
21 that she gave him; correct?

22 A That's correct, yes.

23 Q Now, if we go back to page 61, you recognize  
24 this as an email in the middle from you. It's  
25 dated December 30th, 2014, to Mr. Desmarais and

1 copying Mr. Karlovcec; correct?

2 A Yes, that's correct.

3 Q And you're providing an update here on this  
4 player's activity and that you learned that the  
5 River Rock had not reported two of his cash  
6 buy-ins for \$250,000 on each occasion and one  
7 reason is because the first one was in  
8 \$100 bills; correct?

9 A That's correct, yep.

10 Q Did you understand in or around this time that  
11 the River Rock was not reporting transactions as  
12 suspicious when they were made up of \$100 bills?

13 A We came to understand that that was happening.  
14 Not at -- we didn't know it at this time, but it  
15 came to our attention in around that time as a  
16 result of an investigation we were doing on  
17 similar files like this where we found large  
18 cash buy-ins that were receipted by LCT through  
19 to FINTRAC, properly receipted to FINTRAC but  
20 had no corresponding UFT file to show that it  
21 was flagged for review by us and clearly, based  
22 on the amount of the buy-ins, would have  
23 automatically or should have automatically  
24 triggered UFT file creation for us to review.

25 So as a result of those, we then became

1           aware and took an initiative to look and yes,  
2           discovered that that in fact appeared to be a  
3           practice that was happening, and ultimately at  
4           the end of our search at least the period of a  
5           year and a half where we're seeing some  
6           incidents like this happening depending on who  
7           was working.

8           Q     And was that inconsistent with FINTRAC  
9           requirements?

10          A     Yes, it was.

11          Q     Did you know that GPEB had flagged this concern  
12          back in 2012?

13          A     That they had flagged specifically this  
14          incident?

15          Q     Not this incident, but the concern that River  
16          Rock was not reporting transactions conducted in  
17          \$100 bills?

18          A     I was not aware. I'm not aware of any report or  
19          anything that came out of GPEB that I can recall  
20          off the top of my head. I'm not aware of that.  
21          I can tell you that if -- any time we come  
22          across information like this, I mean, we have a  
23          very, very focused program in terms of  
24          compliance with FINTRAC reporting and anything  
25          that has to do with the act, we would absolutely

1                   have gone after this, which we did. We found  
2                   this by -- pretty well by fluke initially. And  
3                   then the next day by digging into it and looking  
4                   for more, found more, and then basically created  
5                   an investigation and advised FINTRAC and did a  
6                   notification to FINTRAC that -- what we'd found  
7                   and went through that entire process of finding,  
8                   fixing, resolving all the way through and  
9                   retraining.

10                                 So it's something that would be very  
11                   concerning for us, and I can tell you if we knew  
12                   about it, that there was something going on, we  
13                   absolutely would've acted on it. And this was  
14                   the first I had heard was happening once we  
15                   started digging into it.

16                   Q       Okay. I'm back at your email, and I'm maybe  
17                   about six lines from the bottom of your email,  
18                   and you've -- what you've done is describe  
19                   additional transactions from this player between  
20                   December 24th and 27th. And then you say:

21                                 "It his total buy-in's during these 6 days  
22                                 is at 1.4 million, much of which is in  
23                                 small bills."

24                   And that's consistent with your recollection of  
25                   this incident that you're describing?



1 A Yes.

2 Q Okay. If you go back to page 60. This is an  
3 email from Mr. Karlovcec to Mr. Desmarais and  
4 copying you, and it's dated December 31, 2014,  
5 and it's about the same patron. Are you with  
6 me?

7 A Yes.

8 Q And Mr. Karlovcec reports on another large cash  
9 buy-in using small denominations; correct?

10 A That's correct, yes.

11 Q And then about five paragraphs down he says this  
12 is starting to be very similar to the Kesi Wei  
13 situation; correct?

14 A That's correct, yes.

15 Q And was the suspicious at this time that this  
16 player was also receiving cash deliveries from  
17 Jin or his associates or persons driving his  
18 vehicles?

19 A And I can't say absolutely from reading what  
20 I've got in front of me here that it was tied  
21 directly to Jin, but I can say that he was  
22 clearly receiving cash transactions brought to  
23 him, deliveries, and going through volume of  
24 cash. They would be consistent with what we  
25 would expect, and there was no other group that

1 I am aware of that was able to provide this kind  
2 of -- this level of cash. So I would say it's  
3 probably a likely assumption that it is.

4 Q Okay. And he goes on to say he's going to speak  
5 with River Rock management to speak to the  
6 player, much like we did the Kesi Wei to  
7 determine source of funds and encourage the use  
8 of his PGF account; correct?

9 A That's correct, yes.

10 Q And so this is what we were talking about  
11 before, the first step here, and you say it was  
12 a progression. And the first step is that the  
13 service provider management would speak to the  
14 VIP player; right?

15 A Yes.

16 Q And only if that didn't resolve it would BCLC  
17 investigators step in; correct?

18 A That's correct.

19 Q And in the next paragraph he says:

20 "I recognize that we do not want to  
21 jeopardize revenue however if the dialogue  
22 does not garner the intended results we  
23 may need to have our investigators have a  
24 chat with him and/or look at imposing  
25 additional restrictions relative to his

1 use of cash to play."

2 Correct?

3 A Yes.

4 Q So at this time in December 2014 I'm going to  
5 suggest that BCLC had a shared interest in not  
6 jeopardizing revenue. Is that fair?

7 A I -- you know, I can't speak to -- in what  
8 context that John -- it's his email -- in what  
9 context he was using that phrase. I've used  
10 that phrase before too.

11 However, from my perspective, any time I've  
12 used that, we have always -- I have always  
13 approached it as the revenue of service  
14 provider. That is our main interest when we're  
15 looking at that. So we're always thinking in  
16 terms of, this guy that we're dealing with, with  
17 Mr. Cao, if we'd taken action on it -- if we  
18 allow the service provider to deal with him  
19 directly and resolve it, that's a win/win for  
20 everybody because then we've resolved the  
21 problem. But ultimately if we have to take an  
22 action on them and we ban him or we do  
23 sourced-cash conditions, it's going to impact  
24 the service provider in terms of revenue.

25 I mean, in the larger picture, yes, it will

1                   impact obviously revenue from BCLC, but I can  
2                   tell you absolutely and unequivocally from the  
3                   time I started in 2014 that was never given one  
4                   interest of -- from our unit and from the way  
5                   that we approached our issues for revenue,  
6                   losses or projections, that was not something  
7                   that we dealt with or worried about. Our focus  
8                   was how to deal with the patrons.

9                   And in this case he had a PGF account and he  
10                  was using this PGF account, and then he's got  
11                  this anomaly where all of a sudden he starts  
12                  playing at a much higher level with cash, and  
13                  they're cash deliveries. So to me that's a  
14                  deviation. It's a FINTRAC indicator, but it's a  
15                  deviation from behaviour. And that is a guy  
16                  that is probably, if we approach it the right  
17                  way, through the service providers, is likely  
18                  going to be resolved by them saying, if you  
19                  don't stop this, you will get sourced-cash  
20                  conditioned or you'll get banned and allow them  
21                  to get him back to using PGF and financial  
22                  institutions and bank drafts.

23                  And then us saying at the back end, here's  
24                  your opportunity; you either fix it or we'll fix  
25                  it; when we fix it, it's going to be

1 sourced-cash conditions and banned or worse. So  
2 I mean, that's the only way I can -- sorry, it's  
3 a lengthy answer, but that's kind of how we  
4 approached it and that's how we dealt with this,  
5 and that's what I would have been doing, and I  
6 suggest that's what John was implying in what we  
7 were doing. Our intention was you can deal with  
8 this and get it back into his PGF, but if you  
9 don't, game on.

10 Q Okay. What happened to Kesi Wei when he went on  
11 sourced-cash conditions? What happened to his  
12 play?

13 A Kesi dropped off the map a bit. He did continue  
14 play. I mean, he had a fair amount of play.  
15 He's -- to my recollection he's -- he's never  
16 stopped playing up until -- unless he got a ban,  
17 which he did get a ban at one point. But he  
18 wasn't able to play at the levels of play that  
19 he was playing at before. We did have a number  
20 of files.

21 I mean, he was under our radar heavily, so  
22 when he did come back and was playing -- he had  
23 a period that he didn't play at all. When he  
24 did come back and started playing, he tried a  
25 couple of things in terms of directing others,

1                   having others buy in for him and then he would  
2                   stand and direct play from the side of the  
3                   table. So there was a number of issues that we  
4                   had to deal with him. So he was still trying to  
5                   come back in, but he wasn't playing anywhere  
6                   near the same level.

7           Q       And was Mr. Cao put on cash conditions?

8           A       Jia Gao?

9           Q       Yeah. No, sorry.

10          A       Oh, sorry. Mr. Cao?

11          Q       Yes.

12          A       I don't know if it addresses it in this report.  
13                   I'm going to say yes, he was. At one point I'm  
14                   aware that he was on conditions. What is the  
15                   date of this one? I'll go back and see the date  
16                   here. December -- yeah, I'm not sure of his  
17                   status at that time, but I know there was a file  
18                   that I recently reviewed in 2015 and confirmed  
19                   that Mr. Cao was put on sourced-cash conditions.  
20                   And I think it was in relation to the build out  
21                   of our sourced-cash -- source of funds program  
22                   and our sourced-cash conditions program, which  
23                   rolled out in April of 2015, and they went into  
24                   play around July. And then we had our first --  
25                   we had Kesi prior to that, but then we had Jia

1 Gao, and then we had a whole flurry of players  
2 that were put on on September 11th in 2015. And  
3 I believe in the top probably 30 or 40 entries  
4 of people that we'd placed on -- they were all  
5 our highest rollers that we put on sourced-cash  
6 conditions that he was one of them. And his  
7 date that he went on, I'm thinking it's late  
8 September 2015. I'd be able to check that if  
9 you want it.

10 Q Do you recall what happened to Mr. Cao's play  
11 when he went on sourced-cash conditions?

12 A On this -- for -- specific to this?

13 Q Yeah. Did it dip, or was it the same, or did he  
14 use his PGF account?

15 A Again, I haven't had the opportunity to go in  
16 and look at a full picture. I could find that  
17 out very easily. But my recollection from what  
18 I have seen is that he did revert back to using  
19 his PGF, but I can tell you once we got to this  
20 stage here, and when we refer to him as, this is  
21 becoming a Kesi Wei, I mean, he was obviously --  
22 at the front end he was our kind of worst-case  
23 scenario that we had to deal with and our  
24 biggest problem. So a lot of reference goes  
25 back to another Kesi Wei moment.

1                   I would suggest that pretty well  
2                   everybody that we -- if we said that they were  
3                   one of these people that is at that same level,  
4                   that we would have dealt with them accordingly  
5                   in the same manner that we dealt with Kesi,  
6                   which would have been all the way going through  
7                   to sourced-cash conditions, heavy monitoring and  
8                   potentially a ban if they refused to cooperate.

9           Q        Okay.  And BCLC met with FSOC in February 2015;  
10                   correct?

11           A        That's correct, yes.

12           Q        And then at paragraph 125 of your affidavit you  
13                   say that by April 2015 FSOC communicated that  
14                   they "had observed Jin meeting with suspected  
15                   high-level members of criminal organizations";  
16                   is that right?

17           A        Sorry, I'm just catching up there.  This  
18                   binder's, like, 5 inches thick.

19           Q        Paragraph 125 is where I was looking.

20           MR. STEPHENS:  Page 25, Mr. Tottenham.

21           THE WITNESS:  I'm getting close.

22           MR. STEPHENS:  Closing in.

23           THE WITNESS:  There we go.  Sorry.  Okay.  Go ahead.

24           MS. LATIMER:

25           Q        Well, I'm about -- I'm on the second line.  You



1 say:

2 "After three weeks of surveillance in or  
3 about April, 2015, I understood from  
4 discussions with certain FSOC members that  
5 FSOC had observed Jin meeting with  
6 suspected high-level members of criminal  
7 organizations."

8 And my understanding is that the E-Pirate  
9 investigation commenced from there. That was  
10 your understanding at that time, correct?

11 A That is correct, yes.

12 Q Now, after Kesi Wei, the next target that BCLC  
13 focused on was Jia Gao; correct?

14 A That's correct, yes.

15 Q He was -- in terms of -- you say he was the  
16 biggest -- might have been the biggest patron in  
17 the province at that time; right?

18 A Consistently, yes.

19 Q And the AML Unit suspected he was receiving  
20 cash, at least in part, from Mr. Jin or his  
21 associates?

22 A That is correct, yes.

23 Q And if we go back to exhibit 38, please.

24 A Okay.

25 Q I'm at page 372. And if you look in the third

1 column of this table, I'm looking at the date  
2 6 October 2014. And are you with me?

3 A Yep.

4 Q And this shows that Mr. Gao had a buy-in for  
5 over \$300,000 and that the vehicle delivering  
6 the cash was associated to Mr. Jin and it was  
7 suspected that Mr. Jin was in fact the driver;  
8 correct?

9 A That's correct, yes.

10 Q And then if you go back to exhibit 5.

11 A Okay. I bookmarked it.

12 Q Sorry to flip around.

13 A Okay. Go ahead.

14 Q I'm on page 53. And if you look at the column  
15 on the left, the date I'm looking at is the 8th  
16 of April 2015. And this shows another buy-in on  
17 this date for Mr. Gao that Mr. Jin was  
18 indirectly involved in; correct?

19 A That's correct, yes.

20 Q And those were just the buy-ins that related  
21 indirectly to Mr. Jin, but Mr. Gao also had a  
22 large number of suspicious transactions that may  
23 or may not have been directly -- or may or may  
24 not have been associated to Mr. Jin; is that  
25 fair?

1           A     Yeah, that's fair to conclude.  Yes.

2           Q     And some of those were -- involved other known  
3                 cash facilitators; right?

4           A     Yes.

5           Q     And was that common at the time that VIP players  
6                 might associate with more than one cash  
7                 facilitator?

8           A     Well, I think -- the commonality, I think,  
9                 though, is between our observations and then the  
10                things that we were doing with our analytics  
11                group of AML on Bal Bamra's side, we were able  
12                to take a lot of this information and tie it all  
13                together.  So when we do a link chart, we can  
14                see the vehicles and people all associated, and  
15                in that kind of an application it makes it very,  
16                very clear where the definitive links are.

17                     And we did that for Paul Jin, and it was  
18                     very easy to see where the links are.  So we  
19                     could see that there was some kind of link into  
20                     almost all these players that we were dealing  
21                     with.  What we didn't see was we didn't see one  
22                     incident where somebody outside of that circle  
23                     was making the high-level cash deliveries with a  
24                     totally different subset of people and no  
25                     commingling between the Jin group, which would

1           indicate that there's at least two groups  
2           working.

3                        So all the way through -- from literally  
4           when we first started and all the way through,  
5           after we confirmed Kwok Tam's -- his designation  
6           in that group, it was clear to us that there was  
7           only one major organization working. And when  
8           I'm saying that, I'm saying "major" as in the  
9           high volume. There was probably a lot of other  
10          small subgroups that had nothing to do with Jin,  
11          working in the low range, in 10-, 15-,  
12          20 thousand kind of loan shark activities on the  
13          floor, but this was something that was very,  
14          very specific, and I think that's fair for me to  
15          say it was all interconnected with Jin.

16          Q        Okay. Could you turn, please, to exhibit 77,  
17                    and I'm looking at page 626.

18          MR. STEPHENS: 676?

19          MS. LATIMER: 626, please.

20          MR. STEPHENS: Oh, sorry. 626. Thank you.

21          THE WITNESS: Okay.

22          MS. LATIMER:

23          Q        I'm looking at the very bottom of the page.

24                    There's the date February 2nd, 2015.

25          A        Yep.

1           Q     Jia Gao is noted, and there's a request to have  
2                   staff approach him.  And I take it this is you  
3                   writing, you say:

4                   "Writer was reviewing files and noted  
5                   several large cash buy-ins from Jia  
6                   Gao ... totalling in excess of 1.3 million  
7                   in small bills and utilizing a known cash  
8                   facilitator for cash deliveries."

9           Q     Correct?

10          A     That's correct, yep.

11          Q     And then if you go to the next page, you -- in  
12                   the second entry here you arranged for  
13                   investigators to "contact Villa management and  
14                   have Gao approached and spoken to"; correct?

15          A     That's correct, yes.

16          Q     And that's that same approach where you go to  
17                   the service provider to deal with the patron  
18                   first; right?

19          A     Yes.

20          Q     Okay.  And the summary of information received  
21                   below is that Mr. Gao had over -- I am looking  
22                   at where there's a redaction there, it basically  
23                   says his total suspicious buy-ins were over  
24                   \$1.1 million over two gaming days, and that  
25                   included over \$880,000 in \$20 bills; correct?

1           A     That's correct, yes.

2           Q     And then if you go to page 634.

3           A     Okay.

4           Q     On February 16th you sent a request to Grand  
5                   Villa management to have Mr. Gao spoken to about  
6                   the buy-ins in small bills and about not using  
7                   his PGF account; correct?

8           A     Yep.

9           Q     And the next day, on February 17th, he had been  
10                  spoken to by Villa staff and his account  
11                  information was updated. And it says here that  
12                  Gao understands he must use his PGF account and  
13                  not be passing large amounts of chips freely  
14                  while on the gaming property; correct?

15          A     Correct.

16          Q     But when it says he must be using his PGF  
17                  account, he's not on cash conditions at this  
18                  time, is he?

19          A     No, he's not.

20          Q     So it's -- when it says he must use his PGF  
21                  account, is that -- what does that mean?

22          A     I think it said:

23                         "... but understands he must be using his  
24                         PGF account and not be passing large  
25                         amounts of chips freely."

1                   So the definitive part of that is he must be  
2                   using it; it's not he was misusing it. It is he  
3                   must stop using the cash and use his PGF, which  
4                   requires bank drafts.

5           Q        Okay. So was that a condition placed on his  
6                   play at this time?

7           A        So for Mr. Jia Gao, again, because of his -- he  
8                   was the number one, pretty well the top dog in  
9                   the province at that point in time, there was a  
10                  lot of -- I'm going to call it background  
11                  meetings and discussions on how we're going to  
12                  deal with it with the service provider. We  
13                  wanted to make sure we did it absolutely  
14                  properly, but it had to be done quickly.

15                         So yes, we did proceed and he ended up going  
16                         -- in April he ended up going onto sourced-cash  
17                         conditions. Based on the fact that he was  
18                         gaming at a huge level, we knew that was going  
19                         to have a significant impact with the service  
20                         provider and there was going to be a problem  
21                         when that happened that we needed to control.  
22                         So that was part of the discussions as we were  
23                         going through this. And as we were seeing this  
24                         kind of activity, we reached out to them, as we  
25                         did in this file, to give them an opportunity to

1           reign him in and get him on track, knowing that  
2           if he refuses the fallout will be he'll have the  
3           sourced-cash conditions.

4           So that's how we proceeded with it and  
5           that's kind of how we went ahead with the  
6           actions that we took and subsequently placed him  
7           on sourced-cash conditions just after this  
8           period.

9           Q       Okay. I'm at page 639 of this exhibit. And  
10           here it says on March 24th, 2015, it's reported  
11           that the -- so I'm looking down at the bottom.  
12           It's reported that the previous day, March 23rd,  
13           Mr. Gao was involved in a similar incident. It  
14           involves him "conducting a large cash buy-in for  
15           approximately \$290,000 in small bills and upon  
16           review it was learned that this cash was  
17           delivered to the casino and passed off to Gao."

18                     And it says that:

19                     "The subject delivering the cash was not  
20                     100% identified but it is believed to  
21                     be --"

22           And there's a SID number there. And is it fair  
23           to say because there's a SID number that the  
24           subject who delivered the cash was known to  
25           BCLC?



1           A     Yeah.  I think when they put the SID number in  
2                   they -- it was probably a vehicle that was  
3                   similar in vehicle style of a vehicle that was  
4                   used commonly by Jin's group.  But it does go on  
5                   to say:

6                   "A plate was not obtained as they stayed  
7                   off camera in the parking lot."

8           A     So I'm sure they recognized the vehicle and they  
9                   tried to get as best shot as they could from a  
10                  distance, and they believe it is somebody  
11                  that -- and that's who they've quoted in the SID  
12                  number.

13          Q     Okay.

14          A     But not confirmed a hundred percent.

15          Q     Okay.  And then if you look over the page.  And  
16                  I'm at the second line in the top paragraph  
17                  there.  You say:

18                  "I am satisfied that he was advised about  
19                  the chip/cash passing issue and the need  
20                  to utilize his PGF account but not so  
21                  confident they clearly outlined our  
22                  concern with him using cash  
23                  facilitators ...  Notwithstanding Gao's  
24                  extreme wealth and the obvious  
25                  sensitivities when dealing with him, we

1 cannot ignore AML risks and allow him to  
2 bend to rules. We have completed a deep  
3 dive on Gao and can confirm his source of  
4 wealth and lack of any adverse media but I  
5 believe we are obligated to re-address  
6 this issue at this point.

7 My suggestion at this point is that  
8 BCLC investigators or you (preferably)  
9 contact the [General Manager] Randy Sears  
10 and explain this situation and direct him  
11 to re-approach Gao and have another  
12 conversation with him specifically on the  
13 cash facilitation issue. He needs to be  
14 advised that if he continues to have cash  
15 delivered to the casino in this manner, we  
16 will be applying sanctions on his gaming  
17 status which could impact his ability to  
18 gamble in BC."

19 And you set out that it needs to be documented  
20 and so on.

21 And when you say in this email that there  
22 are obvious sensitivities, is that -- are you  
23 referring to the volume of play and the impact  
24 on revenue that dealing with this patron may  
25 result in?

1           A     Yeah. I'm referring to -- again going back to  
2                   the service providers in terms of this is their  
3                   biggest client. This is -- this could likely  
4                   have an impact on their business, so that we  
5                   need to show that we've done everything possible  
6                   to correct the behaviour because in this sense  
7                   that's what we had agreed to in our process was  
8                   to use whatever resources we could to work with  
9                   the patron and the service provider in the first  
10                  instance, and then if they failed to abide by  
11                  that, then accelerate up as needed. So that's  
12                  what I'm referring to when I'm talking about --  
13                  in there. It's -- I know it's a sensitive  
14                  matter.

15                         And certainly when conversation about  
16                         possibly putting Jia Gao came up, and we were  
17                         talking about putting him on sourced-cash  
18                         conditions because that -- you've got to  
19                         remember, only Kesi Wei had been on sourced-cash  
20                         conditions at this point, so this is a new thing  
21                         coming out. It got a lot of attention. It got  
22                         a lot head snap on this one because they are  
23                         looking at the biggest player in the province  
24                         who potentially may not be able to play in BC  
25                         anymore. And that's what they were seeing, so

1                   yes, it was huge.

2                   Q     And when you say "we cannot ignore AML risks and  
3                   allow him to bend the rules," up to this point  
4                   in March had Mr. Gao basically been allowed to  
5                   bend the rules, the anti-money laundering rules?

6                   A     No.  What I'm referring to in there is that  
7                   we've -- the service provider has spoken with  
8                   him and told him what the rules are and what he  
9                   has to abide by, and if he doesn't, what's going  
10                  to happen.  That was part of our initial  
11                  agreement with him.

12                                I was confident that Randy had that  
13                                conversation with him.  I wasn't so confident  
14                                that Jia Gao took it seriously or cared enough  
15                                that he was going to follow.  And similar to  
16                                what we saw with Kesi Wei, he did come back once  
17                                we put sourced-cash conditions on and then he  
18                                started going off on all these tangents of using  
19                                directed play, having people buy in for him, all  
20                                these games that he was playing.  So we just had  
21                                to keep on escalating to the point of outright  
22                                banning.

23                                We were kind of on the same track with Jia  
24                                Gao now saying, if we have this discussion -- or  
25                                they have this discussion and it's ignored, then

1                   we have a discussion and we put on sourced-cash  
2                   conditions. If they're not taken seriously, our  
3                   escalation is to ban. So there's no halfway  
4                   point once we go.

5                   So it's not a case that he was never allowed  
6                   to bend the rules. I mean, I think it was  
7                   pretty clear by the actions that we took day to  
8                   day in how we approached big names, big talent,  
9                   cash, was very, very clear that we weren't  
10                  prepared to bend the rules. I think the Drake  
11                  incident at Parq is a perfect example. We  
12                  didn't bend the rules. We wouldn't for Jia Gao,  
13                  but he had to understand that we were serious  
14                  and he was about to get banned, and that's what  
15                  that paragraph actually says, that one line.  
16                  Basically it says the next action taken will be  
17                  conditions, will be taken by us.

18                  So we've put him on notice at that point to  
19                  say -- and we did. If you look at when he was  
20                  banned, his ban date follows shortly after this.  
21                  He came back, had more tomfoolery and we banned  
22                  him.

23                  Q    Okay. If you look at the next entry on the  
24                  page. It's March 26th. Brandon writes in the  
25                  middle of the page -- he's talking about --

1 talking to Bill Lang, Executive Director, VIP,  
2 Gateway Casinos. He says at the end of the  
3 first paragraph:

4 "... let Bill know that Mr. Gao's activity  
5 in this incident is not acceptable and  
6 that Mr. Gao needs to be educated to avoid  
7 repeating this type of activity."

8 And then he says -- oh, sorry. Can you go to  
9 page 641. And I'm at the middle of the page.  
10 There's a heading there, "Jia Gao Update From  
11 Brandon: March 26, 2015."

12 A Oh, right. Okay. Yes.

13 Q And then the sort of -- there's a bunch of  
14 bullet points in that entry. And just above  
15 that it says -- Brandon writes:

16 "Discussed was the following in relation  
17 to Gao."

18 A Yep.

19 Q "- Cash drop offs at the site are not  
20 encouraged as they present a safety  
21 and security risk for him and other  
22 patrons/staff.

23 - That Gao is encouraged to utilize his  
24 PGF Account (bank drafts) whenever  
25 possible as he has been doing so often

1 in recent months."

2 There's a redaction. And then it says:

3 "- That further activity by Gao such as  
4 this may result in further interviews  
5 conducted by BCLC investigators."

6 And he says:

7 "Bill seemed to be receptive to the idea  
8 and agrees that the idea of having cash  
9 facilitators on site does not look good,  
10 and is not good for business."

11 And I've read that correctly?

12 A Yes.

13 Q Is the fact that cash dropoffs were not  
14 encouraged something that was being communicated  
15 to VIP patrons?

16 A I'm going to suggest that this, I think, came  
17 from one of our investigators and was sent to  
18 his boss. The phrases that are being used here  
19 are not something that I would normally see, and  
20 they're certainly not something I would use. So  
21 I don't know that I can speak to this and what  
22 was said and why it was said.

23 I mean, I'm reading it as you are and I  
24 haven't probably seen this for five years. But  
25 this is not the kind of terminology and phrasing

1                   that I would normally use or we would use when  
2                   we're doing it. I don't think it would send an  
3                   appropriate message. However, that's what was  
4                   done at the time, but we did carry it through as  
5                   we said that we were going to and put him on  
6                   restrictions and sourced-cash conditions.

7                   Q     You agree that that language that's used in this  
8                   communication seems like a pretty light touch as  
9                   a way of expressing a prohibition on cash  
10                  facilitation at a casino; correct?

11                 A     Yes. And in this case because it came -- it  
12                  basically came chronologically after we had  
13                  already dealt with him on a couple of instances.  
14                  We're at the point now of last chance cleanup or  
15                  tomorrow you're gone, type of thing. So that's  
16                  from Bill Lang. I don't know how that  
17                  conversation went or if it happened, but yes,  
18                  that's not to me what I would have -- the  
19                  terminology that we would have used when we were  
20                  doing it.

21                 Q     The idea that cash facilitators on site doesn't  
22                  look good or is not good for business, that's --  
23                  that wasn't BCLC's concern at that time;  
24                  correct?

25                 A     Our concern -- in terms of cash dropoffs at the



1 site, there's two things there. One is they  
2 weren't encouraged; they were prohibited. I  
3 mean, we -- that was the subject of many of our  
4 programs and the focus of a lot of our work and  
5 energy was to identify those cash dropoffs.  
6 That being said, we came across incidents where  
7 somebody had a cash dropoff and it turned out  
8 that a father called his son and brought money  
9 down that he had in his vault at home.

10 So it's not in every instance it's a  
11 nefarious, suspicious event, but it certainly  
12 looks it on the front end. The majority of them  
13 are, though. The majority of them are  
14 suspicious dropoffs and that's how we treat  
15 them.

16 In terms of the second half of that,  
17 they're talking about a security risk for him  
18 and other patrons and staff. That has always  
19 been kind of a background part of this argument.  
20 We've always raised a point from early in the --  
21 in I guess my days back at Starlight as an  
22 investigator is that we needed to explore cash  
23 alternatives to stop people from coming in with  
24 cash.

25 And part of that concern wasn't just the

1           source of funds; it was the fact that we're  
2           having people coming in with \$200,000 in cash  
3           and walking off the street or their car with  
4           that amount of cash and then possibly leaving at  
5           3 o'clock in the morning by themselves with a  
6           half a million dollars in cash because that's  
7           how you get paid out, in cash. And we didn't  
8           have any other ways to handle it at the time in  
9           the early days.

10                    So that's been a consistent theme. It  
11           hasn't been the centre part of our focus, I can  
12           tell you that much, simply because of the issues  
13           that we've got in what we were trying to deal  
14           with for Jin's group and the cash coming in.  
15           But that's always been part of the equation. So  
16           when you see that, it's -- it doesn't -- it's  
17           not a surprise that I see something like that in  
18           there. It makes sense. But it's clearly --  
19           from with what we're looking at right now in  
20           this instance for Jia Gao, that's clearly not  
21           our concern.

22           Q        Okay. And when he says "further activity by Gao  
23           such as this may result in further interviews,"  
24           at this point in time, given the number of cash  
25           facilitation incidents that occurred, would --



1 Q Okay. I'm at page 642. Here there's the  
2 heading "April 1, 2015" sort of near the top.  
3 "Jia Gao Follow Up to Bruno - New Incident."  
4 This is an email from you to Bruno; correct?

5 A Yep.

6 Q You write and report that Gao has chosen to move  
7 to another venue as his last seven large cash  
8 transaction reports have popped up at -- one at  
9 Edgewater and six at River Rock; correct?

10 A M'mm-hmm.

11 Q And I take it that this is exactly what the  
12 service provider would have been concerned about  
13 at this time, that focused AML attention might  
14 cause a customer to move to the competition;  
15 correct?

16 A Yes.

17 Q And you say:

18 "Last night ... Gao received his 300K cash  
19 buy-in from ... one of the vehicles ...  
20 flagged to Guang Zhou, who is [prohibited]  
21 for 5 yrs for loan-sharking activities and  
22 is an active cash facilitator."

23 And I've read that correctly?

24 A Yes.

25 Q Does that active cash facilitator -- was he also



1 instance is appropriate."

2 But if that's not effective, you go on to say:

3 "BCLC interviews without [River Rock]

4 staff on hand to deal with him --"

5 Is sort of what comes next.

6 And you agree there that you're recognizing

7 this ongoing sensitivity in interviewing this

8 VIP patron because of the significant impact

9 that doing that is going to have on revenue;

10 correct?

11 A Yes.

12 Q So when you say in your affidavit that

13 investigators were no longer worried about

14 upsetting patrons and service providers after

15 Mr. Desmarais arrived in 2013, you agree that

16 this statement is at least incomplete because at

17 this time BCLC was still taking steps to

18 minimize upsetting VIP patrons even when they

19 had known associations to cash facilitators who

20 were associated to Paul Jin, who was known to be

21 associated with organized crime; correct?

22 A Well, I would say that, again, in this instance,

23 if you look at the timeline in this, we were in

24 the process of almost building out and

25 completing our sourced-cash conditions program.

1                   We were still in that same period that we were  
2                   talking about earlier, so it's essentially the  
3                   same scenario that we were talking about  
4                   earlier, in that we wanted the service provider  
5                   to be able to deal with it in the first instance  
6                   and effectively manage it and then we would move  
7                   in.

8                   The two different functions, one of these  
9                   incidents, I believe, happens at Villa and  
10                  involves Brandon and Randy Sears, and that was  
11                  kind of a one off for them because he doesn't  
12                  often play at Villa, so for him to show up over  
13                  there, it presents kind of whole new challenges  
14                  for obviously the Villa staff. Then he's gone  
15                  back to River Rock, and now we've got the same  
16                  sensitivities and issues that we were talking  
17                  about before at River Rock.

18                  So we wanted to give them an opportunity.  
19                  And we see he's again not complying, but he's  
20                  moved back to River Rock. So number one, he  
21                  can't change casinos to avoid detection; and  
22                  number two, the action is coming very, very  
23                  quickly if he doesn't correct his behaviour.  
24                  And he got sourced-cash conditions within, I  
25                  think, two weeks of this happening, this initial

1 request to River Rock to go in and deal with it.

2 So, again, I'm going back to the same --  
3 the same thoughts that I expressed earlier in  
4 that we were working our best for these -- for  
5 patrons like this to try and work with  
6 management and have that relationship to deal  
7 with the problem effectively and return him to  
8 proper playing his PGF, which ultimately we did.  
9 However, it was not something that we gave a lot  
10 of leeway to in terms of we had -- they had a  
11 chance to get in and take action; if they  
12 weren't able to do it, then we stepped up and we  
13 took over and effectively put them on  
14 sourced-cash conditions.

15 That was a huge, huge play at that point in  
16 time. And if you look at the grand scheme of  
17 things of where we were trying to build to, that  
18 was a major, major victory for us to be able to  
19 go through and put Jia Gao on sourced-cash  
20 conditions.

21 Q Okay. I'm at page 645. And near the bottom of  
22 this page on April 13th you say that Mr. Gao --  
23 so:

24 "Jia Gao file from last night, we should  
25 chat later today about Jia Gao's buy-in



1                   after he lost his cash at the [River Rock]  
2                   tables. On a positive note --"

3                   The positive note is redacted.

4                   "On a negative note he had 500K in  
5                   un-sourced cello-wrapped 5K chips  
6                   delivered by Qi Li ... who, according to  
7                   our records, is a dealer at the Edgewater  
8                   Casino. This will be interesting!"

9                   And you agree that this volume of unsourced  
10                  cello-wrapped \$5,000 chips is suspicious;  
11                  correct?

12                 A     Absolutely.

13                 Q     And did you have suspicion about this Edgewater  
14                  dealer?

15                 A     We had -- I'm going by memory right now. I  
16                  believe we had an inquiry about him at one point  
17                  in time, but I don't know how much intelligence  
18                  we had on him at that point in time to be able  
19                  to speak to it at this point about his  
20                  involvement in cash deliveries or chip  
21                  deliveries or anything like that.

22                 Q     Because the suspicion with this volume of  
23                  unsourced cello-wrapped \$5,000 chips is that  
24                  it's cash facilitation; correct?

25                 A     Yep, absolutely.

1 Q And would that have been reported to GPEB?

2 A Oh, absolutely.

3 Q The involvement of the Edgewater dealer?

4 A Yeah -- no, this entire file would have been  
5 flagged for UFT by us, it would have an 86 to  
6 GPEB, and we would have had discussions probably  
7 with GPEB on this because with that amount of  
8 5 K chips at play, we were also dealing with  
9 concerns that Paul Jin not only had cash that he  
10 was using, but he had chips that he was using as  
11 a commodity to lend out back and forth,  
12 basically to make the player anonymous going in  
13 and out of the casinos. And we were starting to  
14 see a huge incline in 5 K chips being -- missing  
15 from stock, basically. Not accounted for.

16 So where we normally would see a fluctuation  
17 of 1.5 to 2 million overall of 5 K chips, all of  
18 that sudden that number started to ramp up and  
19 now literally within a year we're looking at 7  
20 to \$8 million worth of River Rock chips are out  
21 there with patrons, supposedly. So it was very  
22 concerning to us, because that presents a number  
23 of problems and challenges for us. So this kind  
24 of incident would have been absolutely  
25 investigated fully and --

1 Q Would this --

2 A Followed up by GPEB.

3 Q To the best of your recollection was Mr. Li  
4 subject to any disciplinary or regulatory action  
5 as a result of this?

6 A I don't have any information. We report the  
7 information, give it to GPEB and they conduct  
8 their investigation. We don't normally get  
9 reports back -- responsive reports back of  
10 results.

11 Q Okay.

12 A Yeah, it's hard to say.

13 Q I'm on page 646. And this is where you've been  
14 leading to at the top here. It's April 14th,  
15 2015. Bruno writes:

16 "As a result of recent activity by  
17 [Mr.] Gao ... the following sanctions are  
18 imposed on him:

- 19 1. No play/chip-in with un-sourced chips.  
20 2. No play/buy-in with un-sourced cash."

21 Correct?

22 A Yep.

23 Q And then halfway down the page, a question is  
24 raised about what happens with the chips Mr. Gao  
25 has access to. It's 1.5 million in chips on him

1                   and 1 million in the abandoned chip account.

2           A        Yep.

3           Q        And what's the abandoned chip account?

4           A        The abandoned chip account is something we ran  
5                   into quite often with these players at the high  
6                   level. And it's essentially -- I want to call  
7                   them -- where they've walked away from the  
8                   table. They've got -- they could be playing for  
9                   hours into the night and at 1 o'clock in the  
10                  morning they've got three quarters of a million  
11                  dollars in chips sitting at the table, and they  
12                  decide, I'm done; I don't want to play anymore.  
13                  They just say, I'm going to come back tomorrow,  
14                  and they literally walk away from the table.

15                         They don't count them; they don't secure  
16                         them; they don't do anything with the chips.  
17                         They just walk away. And then generally the  
18                         service provider will keep some of these there  
19                         for a bit in case he comes back, and then when  
20                         they realized he's not coming back from sure,  
21                         they will then process it -- as per policy have  
22                         security move it to the vault, and they process  
23                         it into a holding account. And then when he  
24                         comes back in the next day, he will come in to  
25                         the cage and say, I left my chips here; I want

1                   them back, and they bring them back out to the  
2                   table and he continues to the play. So it's an  
3                   abandoned chip file is what we refer to it, and  
4                   it's -- for quite some time we had a lot of that  
5                   happening.

6                   The chip issue -- on that side, the missing  
7                   chip issue, when we're either -- referring to  
8                   1.5 million in chips, that's what he advised us.  
9                   When we put him on sourced-cash conditions, we  
10                  explained to him at the time that that  
11                  includes -- the chip conditions include you  
12                  cannot bring in chips unless we can source it.  
13                  So it takes away the ability, rather than cash,  
14                  to use Jin's chips and come in and play the  
15                  casino even though you're either banned or  
16                  sanctioned. So they would have to be able to go  
17                  back and show that you had taken the chips out  
18                  at one point in time.

19                  When we found out he had 1.5 million, that  
20                  was a concern and it caused us to have a do a  
21                  lot of background and work with River Rock, and  
22                  that's where it's referencing Rishi. We have to  
23                  be able to ensure they can account for  
24                  1.5 million chips where he has walked away with  
25                  them. So he has -- a partial chunk of these

1 chips are he's walked away from the table and  
2 left it in the casino. The other is chips  
3 supposedly he's left with, and he did do that  
4 routinely. So we had to be able to confirm  
5 that, otherwise it was going to be problematic  
6 in allowing him to bring that back.

7 So being on chip -- sourced-cash conditions,  
8 you're allowed to use cash if you can source it,  
9 and you're allowed to use chips if you can  
10 source it. But without that he would have been  
11 unable to do that, so that was the issue there.

12 Q At the bottom of the page and over to the next  
13 page it says that Mr. Gao --

14 "It's been determined by [River Rock] that  
15 Mr. Gao has 1.4 million in winnings that  
16 he may still be in possession of in chips,  
17 in addition to the 1 million that he is  
18 currently playing with."

19 And they ask that he be contacted to advise him  
20 that if he still has the 1.4 million in chips,  
21 he's to bring them back, and a deadline is set  
22 and that those will be processed; correct?

23 A That's correct, yes.

24 Q And then after these conditions were imposed,  
25 Mr. Gao continued to play contrary to the

1 conditions that were imposed on him; correct?

2 A Again, in order to be accurate I would have to  
3 be able to look at his track record and his  
4 table record to see when that may have occurred  
5 and when it didn't occur. I know he came in --  
6 he came back in a number of times after he had  
7 the sourced-cash conditions on, and I don't know  
8 if those are incidents where he was not paying  
9 attention and -- or not providing the proper  
10 receipting or they weren't able to provide the  
11 proper tracking.

12 Q Well, if we look --

13 A I do know he went back and subsequently started  
14 using his PGF account after this, which required  
15 then bank drafts.

16 Q So if we look at the entry for April 24th at the  
17 bottom of this page, "Update From Ross  
18 Alderson," and he sets out that certain  
19 conditions were imposed on Mr. Gao, and he sets  
20 out what those are. And then in the third  
21 paragraph from the bottom, it says:

22 "There has been recent continued activity  
23 by Mr. Gao contrary to these conditions,  
24 BCLC asks that the following reiteration  
25 and clarification of these conditions be

1 immediately communicated to all BC Casino  
2 front line staff who have direct contact  
3 with Mr. Gao."

4 Correct?

5 Q And the first condition relates to the unsourced  
6 cash and chips; right?

7 A Yes.

8 Q And then if you go over the page, it's --  
9 there's a second condition under the heading  
10 "Bank Drafts," and that requires that those come  
11 from an accredited financial institution and  
12 that Mr. Gao be able to show it is from his own  
13 bank account and payable to the casino and that  
14 he may not deposit -- basically third-party bank  
15 drafts; correct?

16 A That's correct, yes.

17 Q And was the concern here that the bank drafts  
18 that Mr. Gao might access might also be from  
19 cash facilitators?

20 A No. No, we just -- we wanted to ensure this was  
21 covered off in every which way that when he came  
22 back in, he was using tracked chips, sourced  
23 cash, and if he was using the -- his bank draft,  
24 because we're -- obviously we know we're going  
25 to be dealing in fairly large numbers that we



1                   wanted to make sure that he was using it from  
2                   his account.

3                   We had all our information -- a lot of  
4                   information in terms of his source of wealth, so  
5                   we were very comfortable in terms of his source  
6                   of wealth and his ability to play at this level.  
7                   So that wasn't at issue. And we were also aware  
8                   that he had multiple accounts at that time. So  
9                   we knew he had the ability to use his PGF  
10                  account with bank drafts.

11                Q    Okay. So you weren't worried that bank drafts  
12                   were able to be used from some institutions in  
13                   an anonymized way?

14                A    No.

15                Q    They might be, you know, by a third party on his  
16                   behalf?

17                A    No. We weren't worried -- we weren't concerned  
18                   that was going to be an outcome. We don't allow  
19                   third-party transactions at BCLC. However, we  
20                   have a very strict monitoring program, a regimen  
21                   built up over bank drafts and how we monitor  
22                   them day to day and monthly and their usage, so  
23                   I'm -- I was confident that we were okay in that  
24                   regard. So there was no concern that he was  
25                   going to start trying to do cash facilitating

1 through the use of a bank draft into a PGF  
2 account and that was going to become the next  
3 issue. That wasn't part of it.

4 Q At the bottom of page 648 is an email from  
5 Mr. Beeksma and the subject is "Gao latest."  
6 And if you go over the page, Mr. Beeksma reports  
7 that Mr. Gao -- and I'm sort of in the --  
8 starting on the second line, he says:

9 "Yesterday I received a phone call from  
10 Peter Demonte, (surveillance manager)  
11 advising that Gao came to [River Rock] and  
12 redeemed 200+ in chips (un-sourced). He  
13 took the cash and left the site. He  
14 returned later with a band [sic] draft in  
15 what I understand to be the same amount.  
16 The transaction was completed and Gao  
17 gambled with no further irregularities  
18 known at this time."

19 And I've read that correctly; right?

20 A Yep.

21 Q And then if you skip down to the -- not the next  
22 paragraph but the one after that. It begins  
23 "Peter called again today." Or -- well, he  
24 says -- I guess in the next paragraph he says:

25 "Peter called to give me a heads up as

1                   clearly Gao has found a work around. I  
2                   told him it's OK for now as the buy in  
3                   money was from a draft as directed and  
4                   we'd make further inquiries on Monday."

5                   And then the next paragraph:

6                   "Peter called again to advise he attempted  
7                   the same thing today with \$300K in  
8                   un-sourced chips. This time [River Rock]  
9                   made the decision to not allow the  
10                  transaction as they feel that he is  
11                  circumventing the sanctions we imposed.

12                  It's --"

13                  Well, he says "beloved" but I think he means  
14                  it's believed.

15                  "... he's taking the disbursed cash from  
16                  the casino, depositing it into his bank  
17                  and then taking out a draft to gamble  
18                  with. Peter does not believe these chips  
19                  are from past winnings."

20                  And so at this time you'll agree that it  
21                  appeared that Mr. Gao was able to circumvent the  
22                  conditions that were imposed on him and continue  
23                  to cash in unsourced chips, convert them to a  
24                  bank draft and continue playing with essentially  
25                  unsourced funds; correct?

1           A     I would say the -- from what I'm reading here,  
2                    you could look at that that that's a possible  
3                    scenario that could be happening.  In order to  
4                    cash in chips -- I just -- guess I'm just trying  
5                    to find the path here.  If you're bringing in --  
6                    if he's bringing in chips and cashing them and  
7                    taking the cash, the only way that those chips  
8                    should have been accepted is if they were  
9                    properly tracked.  And if we knew that he was  
10                   good for 1.5 million, one would think that we  
11                   would've been able to keep track of that, those  
12                   chips going back in, and they would know whether  
13                   or not they're sourced or unsourced.

14                            If they were not properly sourced, they  
15                            shouldn't be -- they wouldn't be accepting or  
16                            shouldn't have been accepting them.  But if he  
17                            was cashing the chips in to get cash and then  
18                            take the cash to the bank to get a bank draft, I  
19                            guess from our perspective I'm looking at this  
20                            as the due diligence is going to be on the  
21                            inbound funds at the bank, at BFI, they're going  
22                            to know where the cash came from.

23           Q     You have due diligence about the chips, though;  
24                    correct?

25           A     We've got -- the service provider and we have

1                   the due diligence on the chips. So they  
2                   shouldn't have been -- and I don't know, it's  
3                   hard to read because we're talking -- on one  
4                   article here they're talking about 1.5 million,  
5                   they're saying he has. And then another  
6                   paragraph it said, we actually think he's got  
7                   about 1.1 million, and then we're hearing bits  
8                   and pieces where he's bringing in 200,000 in  
9                   chips. So I don't know if it's part of that  
10                  1.5 million they're referring to. That is why I  
11                  don't want to speculate on that part of it.

12                  Q     When you --

13                  A     If it's --

14                  MR. STEPHENS: I think he was just finishing his  
15                  answer, Ms. Latimer.

16                  THE WITNESS: If he's already -- if he has not turned  
17                  in that 1.5 or that 1.1 million, and I think  
18                  that was the problem -- part of the problem with  
19                  Jia Gao, if my -- and I'm going by memory right  
20                  now. If we were asking him to bring all the  
21                  chips in so that we could basically liquidate  
22                  them and say okay, we're done; we know where you  
23                  stand; you're at ground zero from hereon in, but  
24                  I don't think that's what was done. I think  
25                  they were trying to make -- they were trying to



1           Q     Well, sir, you see in the email on page 649 that  
2                   I took you to already where it says:

3                   "Peter does not believe these chips are  
4                   from past winnings."

5           And indeed River Rock was confident enough that  
6           they were not from past winnings, that they  
7           refused his second attempt to buy in with  
8           \$300,000. So you'll agree that it appears that  
9           in this instance Mr. Gao is attempting to buy in  
10          with unsourced chips; correct?

11          A     Yes. In the -- on the second paragraph, the  
12                first one was the 200,000, and this is 300,000  
13                for Peter. Yes, I would agree that's what  
14                they're looking at.

15          Q     If you now turn to page 650. You see an entry  
16                here April 28th, "Jia Gao Update - Kris Gade":

17                   "Hi everyone. If and when Mr. Gao calls  
18                   Stone back, he can be told that he is  
19                   allowed to "buy-in" for the remaining  
20                   \$300K in outstanding [River Rock] chips  
21                   that he apparently is in possession of.  
22                   There is no need for him to exchange the  
23                   chips for cash and then go get a Bank  
24                   Draft."

25           He says:

1                    "He can play straight away with said  
2                    chips. This is a one (1) time occurrence  
3                    however, and the site is going to have to  
4                    accurately said chips to assure this \$300k  
5                    does not turn into a bottomless ordeal."

6                    A     Yes.

7                    Q     So you agree that on April 28th a decision was  
8                    made to allow Mr. Gao to continue to bend the  
9                    AML rules by buying in with unsourced chips,  
10                    even though he was on sourced-chip conditions;  
11                    correct?

12                    A     I think you're referring to 28th now, the second  
13                    part of that?

14                    Q     Yes.

15                    A     Yes.

16                    Q     And if you look at page 659. At the top this is  
17                    an email sent May 13th, 2015, from Mr. Beeksma,  
18                    and essentially he sets out that Mr. Gao  
19                    attempted to buy in at a casino with a bank  
20                    draft and it was refused because the bank draft  
21                    was made out to Mr. Gao and not to Great  
22                    Canadian; correct?

23                    A     Yes.

24                    Q     And if you turn to page 717.

25                    A     Sorry, 717?



1 Q Yes.

2 A Okay.

3 Q Here is an October 2nd, 2015 update file on Jia  
4 Gao -- or Jia Gao, and it's an email from  
5 Brandon to Bruno; correct? Do you see that?

6 A Yep.

7 Q And here Brandon says he got a call from Villa  
8 saying Gao had come in with \$25,000 in unsourced  
9 chips, and they denied his play but cashed him  
10 out. So, again, do you agree that cashing out  
11 \$25,000 in unsourced chips is an example of  
12 bending the AML rules for Mr. Gao?

13 A I would say if that's what happened in this  
14 instance, it was an error in judgment that was  
15 made, absolutely. If they didn't have tracking  
16 on his chips, they would absolutely deny his  
17 play. Back in the day we didn't have -- the  
18 rules that we have currently in play which would  
19 allow for seizure of the chips, but they should  
20 not have been cashed out, absolutely.

21 Q And despite his continued contravention of the  
22 conditions that he had been placed under,  
23 Mr. Gao was not barred from play; correct?

24 A No, he was not banned at this point.

25 Q If you go to paragraph 83 of your affidavit.

1 MR. STEPHENS: Para 83 is I think what Ms. Latimer  
2 referred to. Page 17.

3 THE WITNESS: Okay.

4 MS. LATIMER:

5 Q And you describe here how after he was placed on  
6 sourced-cash conditions there was a dip in  
7 Mr. Gao's play, but then his buying levels went  
8 back up to a comparable level and you say he was  
9 depositing bank drafts into his PGF account;  
10 correct?

11 A Yes.

12 Q And I'm going to suggest to you that the  
13 chronology we just looked at puts into question  
14 the legitimacy of the source of funds for at  
15 least some of those bank drafts. Do you agree  
16 with that?

17 A Well, let's break them down into two pieces.  
18 The first one that we're talking about was where  
19 he'd buy if in for \$200,000 in chips and was  
20 allowed because it was sourced and then he had  
21 tried to do another 300,000, and it was denied  
22 by Peter. And then subsequently the next day he  
23 returned and he was allowed to buy in, and that  
24 was per Kris Gade, which to me indicates that  
25 calls were made to say, what's going on; I've

1                   tried to cash my chips in. Kris Gade is the  
2                   manager in the investigations side. I'm making  
3                   an assumption here, but I'm sure he would have  
4                   been -- looked into it, would've looked at the  
5                   tracking, and the fact that they allowed him to  
6                   cash it in and put it into his account would  
7                   tell me that they weren't confident they could  
8                   find enough evidence to show that it wasn't his  
9                   chips in their tracking system, which would not  
10                  surprise me.

11                         So from that perspective I think they  
12                   revisited it and looked at it and couldn't say  
13                   absolutely that it wasn't unsourced, that they  
14                   were possibly or likely his from his previous --  
15                   that he had said he had. Therefore they allowed  
16                   it and then wanted to make sure he had very  
17                   strict conditions in terms of what he was doing  
18                   moving forward. So from that on I don't -- I  
19                   mean, that's from my perspective what I'm --  
20                   just what I'm reading here.

21                         On the other one, if he attempted to cash  
22                   in and everything that we're seeing in there,  
23                   that is one incident. What I'm referring to in  
24                   my affidavit is I did a review in preparation  
25                   for this, and in that review I went back and I

1            looked at Jia Gao in totality before I put the  
2            notes into my affidavit.

3            And in totality from the time that we got  
4            him onto sourced-cash conditions to the time he  
5            ultimately got banned way down the road, there  
6            was a very large period of play that I looked  
7            at, and I looked at it fairly closely, that  
8            showed a slight dip in his play -- and he was  
9            still playing at a fairly high level, but a  
10           slight dip in his play immediately after the  
11           sourced-cash conditions. And then I saw  
12           activity in his PGF and then an immediate return  
13           up to a very high level of play that mirrored  
14           fairly close to what he was doing with the cash.  
15           And that went on for a period of a year and some  
16           time.

17           Now, during the course of that there was --  
18           so there's a lot of files through there.  
19           There's a lot of activity, hundreds of thousands  
20           to 600,000 transactions, a lot of -- almost all  
21           of it was PGF activity and bank drafts in very  
22           high volume. So I'm looking at this, saying,  
23           from my perspective, he's playing by the rules;  
24           he's done what he's supposed to be doing. Now,  
25           by virtue of picking out one incident for

1                   \$30,000 somewhere where he's been rejected in  
2                   that one, one year and a half period, I would  
3                   not say that that is supportive of somebody  
4                   who's ignoring.

5                   I mean, clearly in every other instance that  
6                   I've found -- and there was a lot of them -- he  
7                   was playing by the rules and doing what he was.  
8                   So from my perspective we were getting the  
9                   appropriate response. Does that mean that he  
10                  never made a mistake or tried something goofy  
11                  when he was chasing at the end of a night of  
12                  gambling? It's possible. Kesi Wei did the same  
13                  thing. Kesi Wei had multiples, and that's what  
14                  we had to deal with him.

15                  So I don't know that I would classify him  
16                  the way you've put it to me. I wouldn't say  
17                  that it was problematic. I would say he had a  
18                  very lengthy history after that of good  
19                  behaviour that fell within the rules and very  
20                  few incidents that I could find where I could  
21                  see that would indicate otherwise.

22                  Q    You say his high level of play continued to June  
23                        2016 when it stopped suddenly, and he didn't  
24                        return to BCLC casinos; correct?

25                  A    That's correct.

1           Q     You say you can't confirm the reason for his  
2                   stop in play; correct?

3           A     That's correct.

4           Q     But you do open source research on many BCLC  
5                   patrons, and my question is did you see it  
6                   reported in the media that Mr. Gao had borrowed  
7                   tens of millions of dollars from private lenders  
8                   and ended up losing all of his British Columbia  
9                   real estate and money to those lenders?

10          A     I can't say -- off the top of my head I can't  
11                   say that I referenced it. I can pretty well say  
12                   with 99 percent certainty we had that in our  
13                   file. From my perspective back in the time that  
14                   we were dealing with him, when he dropped off  
15                   the radar and all of a sudden stopped playing,  
16                   the information I was hearing back was that he  
17                   had money problems, serious money issues and  
18                   that's why his play stopped.

19                   And in fact we had one player that told us  
20                   through interview that he was on the verge of  
21                   bankruptcy because he had lost so much money in  
22                   the casinos that it was crippling him and his  
23                   business. All hearsay, all third party, but it  
24                   explained the sudden dropoff because to me that  
25                   was really strange behaviour.

1                   As a result of that and then going further  
2                   on down the road, I know that he -- we did ban  
3                   him. We banned him based on open-source  
4                   information, and he had no activity between the  
5                   time he disappeared and the time we banned him.  
6                   All of a sudden the ban came on. So I'm going  
7                   to suggest that that ban that we put on him was  
8                   probably a result -- it was an AML ban, so it's  
9                   going to be AML D-risk ban, which means he's a  
10                  risk that we're not prepared to continue and we  
11                  terminated his relationship. And he didn't have  
12                  any play prior to that in the time that he  
13                  disappeared.

14                  So I'm going to say one works with the other  
15                  and makes sense.

16                  Q     Did you hear that those private lenders that he  
17                  lost all his money and property to had been  
18                  arrested in 2016 and found to have money covered  
19                  in traces of illicit drugs, including fentanyl?

20                  A     Again, I recalled reading the article. I don't  
21                  have further details other than what we saw in  
22                  the article.

23                  Q     It was in April 2015 that you learned that FSOCs  
24                  E-Pirate investigation was underway; correct?

25                  A     That's correct, yep.

1 Q And also in that month that Ross Alderson became  
2 the Director of AML and investigations; correct?

3 A That's correct, yes.

4 Q I'll ask you to turn to exhibit 118, please.  
5 And I'm at page 957.

6 A 957?

7 Q Yes.

8 A Okay.

9 Q And you recognize this as an email that has been  
10 forwarded to you in March 2018, but the original  
11 email was sent May 14th, 2015; correct?

12 A Yes, I do.

13 Q And this is an email from Ross Alderson to AML,  
14 Kris Gade and Bruno Gatto and the subject is  
15 "VVIP players and sanctions"; correct?

16 A Yes.

17 Q And Mr. Alderson says:

18 "I have no concerns about requesting  
19 further employment clarification and  
20 noting it on a player's iTrak profile, nor  
21 having the Investigations Management and  
22 AML Specialist jointly discussing whether  
23 a player should be interviewed, so  
24 Investigators can then be provided with  
25 that instruction.





1                   Being mindful that email is not always the  
2                   best method of communication in these  
3                   sensitive matters lest it be  
4                   misinterpreted."

5                   Did you understand that BCLC staff should try to  
6                   avoid communicating about issues like these over  
7                   emails at this time?

8           A       Well, I would say that's what that is implying  
9                   in that sentence. I don't know how else you  
10                  could take it. That is not a practice that's  
11                  something I'm aware of and it's not something  
12                  that we do.

13          Q       Do you understand that concern to stem from  
14                   information that may be disclosed through  
15                   freedom of information requests?

16          A       I think --

17          MR. STEPHENS: I object Mr. Commissioner. Mr. --  
18                   this is Mr. Alderson's email that the witness is  
19                   being asked about. His evidence was just to the  
20                   effect that this was not the practice. So --  
21                   and now my friend Ms. Latimer is asking him for  
22                   the reason for the practice that Mr. Tottenham  
23                   has just said he doesn't think exists. I  
24                   respectfully object to that question.

25          THE COMMISSIONER: Ms. Latimer?

1 MS. LATIMER: Well, he said he took the email in the  
2 same way that I suggested that it should be  
3 taken, and I was asking him if he understood  
4 what the point of it was. But I'm happy to move  
5 on.

6 THE COMMISSIONER: Thank you.

7 MS. LATIMER:

8 Q And also in May 2015 you spoke to Glenn Atkins  
9 of FSOC, and you were advised by FSOC that  
10 E-Pirate may not continue to be resourced;  
11 correct?

12 A Yes, I was contacted by him at that time.

13 Q BCLC was asked to put together a presentation on  
14 the social and economic impacts of money  
15 laundering to support that project; correct?

16 A That's correct, yes.

17 Q And how did that request make you feel?

18 A Concerning and frustrated.

19 Q Why was it frustrating?

20 A We had just initiated -- they had initiated  
21 their project and we were -- E-Pirate, we were  
22 advised it was up and running and we were  
23 hearing some very, very positive things, as we  
24 expected. And it was playing out the way we  
25 expected it would once we got law enforcement

1 engaged, which is really good, and they were  
2 accelerating very quickly.

3 Then all of a sudden, literally two months  
4 after this thing is off and running -- and this  
5 is something we've been waiting for forever to  
6 happen -- we get a phone call that says they're  
7 going to pull the funding and the project is  
8 going to stop. And it was put to me that we  
9 have to be able to explain to our bosses why we  
10 should be continuing this venture, this project  
11 because it's very costly and almost put it to --  
12 I mean, one of the quotes was, is it a big deal  
13 that there's criminal money running through  
14 casinos?

15 So we got very, very short notice. It was,  
16 like, literally a 24- or 48-hour turnaround to  
17 get a presentation built, which we did. And we  
18 used our analytics people to assist in putting  
19 it all together. And we did -- it was 12-,  
20 13-page PowerPoint that covered all the aspects  
21 that they indicated needed to be covered, which  
22 is how it impacted the economy to -- you name  
23 it, economic sanctions.

24 And we offered to attend and present it as  
25 they were told they had to present it to their

1                   senior leadership in two days. I think we got  
2                   the call on Tuesday and by Thursday that was  
3                   their meeting date. So we had a very short  
4                   turnaround to produce this. They said that we  
5                   would not be able to attend and be part of the  
6                   presentation but appreciated that we could do  
7                   this and put it together and give it to them,  
8                   which we did.

9                   It then went to their bosses. They had  
10                  obviously their meeting on the Thursday and we  
11                  subsequently learned after the fact that their  
12                  bosses had made a decision that changed their  
13                  mind; they're not going to defund it; they're  
14                  going to put more resources into it and it's  
15                  going to continue.

16                 So I guess the frustrating part on that is  
17                 that it took us forever to try and get  
18                 engagement, police engagement to go after Jin's  
19                 group. We finally get there and get two months  
20                 into it and things are going great, and then all  
21                 of a sudden we get put on pause. So that was  
22                 concerning. Obviously the fact that they picked  
23                 it back up and they realized the value of it and  
24                 picked it back up and where it obviously took  
25                 off to after that was good. Very, very

1 positive. But -- yeah.

2 Q Okay. I'm turning to exhibit 43, please. And  
3 I'll just say in your affidavit you identified  
4 this as a chronology that you prepared, but I'm  
5 going to suggest that it appears it was prepared  
6 by Mr. Alderson. If you look at page 407.

7 A What page -- sorry, what page are you referring  
8 to in there?

9 MR. STEPHENS: I think she's in exhibit 43, tab 43 --

10 THE WITNESS: Oh, tab 43.

11 MR. STEPHENS: -- Mr. Tottenham.

12 THE WITNESS: Sorry. I thought you were talking  
13 about on the affidavit 43. Okay.

14 MS. LATIMER:

15 Q If you look at page 407, do you agree that --  
16 did you prepare this chronology or was this  
17 prepared by Mr. Alderson?

18 A Yeah, that was -- this is a document by Ross  
19 Alderson. And I think that shows on page 407.

20 Q Okay. And so do you know where the information  
21 in the chronology came from?

22 A I do not. Other than I'm looking at the  
23 notations that are in here. A lot of the  
24 notations are similar pieces to other  
25 chronologies that we have had and that we had

1                   done for the AML Unit where we've documented  
2                   certain pieces and done timelines. So I'm  
3                   seeing some of them are very, very similar. And  
4                   you'll see -- I think you will see them  
5                   repeated. It's almost the same wording on other  
6                   copies.

7                   The ones where it's cut and pasted, like on  
8                   this one, page 403, that looks like it was cut  
9                   and pasted from another report, I'm going to  
10                  call it.

11                 Q     Okay. If you turn to page 405 at the top.

12                 A     Yep.

13                 Q     It indicates that on July 22nd, 2015:

14                         "BCLC Director met with FSOC Inspector  
15                         Calvin Chrustie to discuss new information  
16                         regarding the Jin file."

17                   Were you present at that meeting?

18                 A     I was not.

19                 Q     How did you come to learn of it?

20                 A     The specific date or this information -- this is  
21                   something that -- information that I've gotten  
22                   and just become familiar with it through the  
23                   course of preparing for this inquiry.

24                 Q     Okay.

25                 A     In terms of the actual meeting itself, I was

1           aware of the meeting that he had with Calvin  
2           Chrustie simply by conversations that I had with  
3           him after the fact where he indicated he had  
4           gone and met with him. And I think that's --

5           Q     Did Mr. Alderson share with the AML Unit at the  
6           time that the investigation had uncovered that  
7           Jin was likely linked to transnational drug  
8           trafficking and suspected to be linked to  
9           terrorist financing?

10          A     Yes, he did.

11          Q     And did he share that Officer Chrustie had  
12          stated that some of the proceeds were directly  
13          related to casino activity, and specifically the  
14          River Rock?

15          A     Yes. That's correct.

16          Q     And Alderson was advised that there was a cash  
17          house code named Silver in Richmond believed to  
18          be the illegal bank that was used for criminal  
19          activity, including drug proceeds, which were  
20          used to fund gamblers at the River Rock;  
21          correct?

22          A     That's correct, yes.

23          Q     And this information was reported to  
24          Mr. Alderson and he shared it with the AML Unit;  
25          right?



1 A Absolutely.

2 Q And it was also reported to the GPEB's executive  
3 director compliance and to the BCLC executive?

4 A That's correct, yes.

5 Q And on July 27th there was a conference call  
6 between BCLC, the RCMP and GPEB to further  
7 discuss this information; right? Is that  
8 correct?

9 A I'll agree with you, yeah. I --

10 Q Were you on -- were you the call?

11 A I'm not sure if I can confirm by that  
12 information if I was on that call or not.

13 Q Is that because you don't remember?

14 A Yeah. Top of my head, that date and that time I  
15 don't remember.

16 Q Okay. You don't remember what issues were  
17 discussed after learning this information?

18 A I know what issues were discussed and certainly  
19 in terms of how it affected us through  
20 subsequent conversations with Ross and with Brad  
21 in our group, so absolutely I was aware of the  
22 content of the information that he got from FSOC  
23 in that meeting and potentially what it meant  
24 and potentially what we were going to do with it  
25 and respond to it.

1                   I just can't say a hundred percent that I  
2                   was on that phone call. It may have been a  
3                   Director- or VP-level phone call that we were  
4                   not involved with.

5           Q        Okay.

6           A        I'm not able to say otherwise.

7           Q        One thing that happened in response to that  
8                   information was that 10 players believed to have  
9                   recently received cash from Jin were placed on  
10                  conditions; correct?

11          A        That's correct, yes.

12          Q        And I take it -- is that the list that's  
13                   appended at exhibit 45?

14          A        That's correct.

15          Q        And exhibit 45, this is an email from Ross  
16                   Alderson, and you're copied on this email. And  
17                   the list of recipients for this email is long,  
18                   but if you look at it -- I'm at page 418.

19          A        Yep.

20          Q        You agree that it includes individuals at  
21                   Gateway Casinos; correct?

22          A        Yes.

23          Q        And also Great Canadian Gaming; correct?

24          A        Yes.

25          Q        And Paragon?

1 A Yes.

2 Q And then also some specific casinos, including  
3 Starlight, the River Rock and Edgewater;  
4 correct?

5 A Yes.

6 THE COMMISSIONER: I'm sorry. I'm going to interrupt  
7 for a moment, if I may, Ms. Latimer. What --  
8 where are you looking at? I'm not sure --

9 MS. LATIMER: I'm at exhibit 45, and it's page 418.

10 THE COMMISSIONER: Okay. All right. Thank you.

11 MS. LATIMER:

12 Q And I'm just at the top. And, Mr. Tottenham, I  
13 had asked you about the service providers who  
14 were copied, which you confirmed. And I'm now  
15 asking you that as well it appears that there  
16 are individuals from specific casinos copied,  
17 and those casinos include the Starlight, the  
18 River Rock and the Edgewater. Do you agree?

19 A Yes, that's correct. This is a group mail that  
20 we often use that has key people within key  
21 organizations from the service provider, so we  
22 have multiple people that are listed that show  
23 up from River Rock, from Parq, from Edgewater.  
24 So there are -- when we want to send a message  
25 out all the -- kind of the top executive, this

1                   is what we do, and send it out to ensure it gets  
2                   spread across and not just one delegate at River  
3                   Rock.

4           Q       This email, was it sent to this collection of  
5                   service providers and casinos because these are  
6                   the locations that these 10 patrons attended?

7           A       Yes, pretty much. I mean, obviously the  
8                   majority with River Rock, but we've had  
9                   incidents that we've seen kind of from all the  
10                  sites, so there was no site that wasn't kind of  
11                  touched by this.

12          Q       From these three sites anyway; correct?

13          A       Yep.

14          Q       Okay. And the conditions are set out in the  
15                  email, and those included a prohibition on those  
16                  players buying in with unsourced chips or cash;  
17                  correct?

18          A       That's correct, yes.

19          Q       And also a requirement that any bank drafts  
20                  deposited into the PGF account be from an  
21                  accredited financial institution; correct?

22          A       That's correct, yes.

23          Q       And that the player be able to show that the  
24                  bank draft is derived from their own bank  
25                  account and made payable to the casino; right?

1           A     Correct.

2           Q     Were those conditions placed on the use of bank  
3                 drafts? Did that stem from an understanding  
4                 that bank drafts might be vulnerable to abuse by  
5                 Mr. Jin and his associates?

6           A     I can't tell you. I wasn't the author of the  
7                 document, so I can't -- it's hard to say what  
8                 the context was that he put that specific piece  
9                 in there.

10          Q     Was that a topic of discussion, that bank drafts  
11                 might be vulnerable by abuse by Mr. Jin and his  
12                 associates?

13          A     We've had actually quite a lot of conversation,  
14                 not only in this area, but obviously it ties  
15                 into other things, including Project Athena,  
16                 into the relevance of having a bank draft made  
17                 out to the player or to the casino and the  
18                 impact. We've had those -- a lot of discussions  
19                 around that because from our perspective, having  
20                 it made out to the player means that if he's  
21                 taking it out and he's having a bank draft made  
22                 out to himself and then comes in and cashing it  
23                 in, he is the only person that can use that bank  
24                 account and that -- or sorry, that bank cheque.

25                         So if he shows up at Gateway with a cheque

1                   from him as the sender and the payee is himself,  
2                   he is the only person that's going to be -- we  
3                   don't allow third-party transactions, so he's  
4                   the only person that can transact that at the  
5                   casino. If it's made out payable to the casino,  
6                   the holder of it is payable, and therefore it  
7                   falls back on who the sender is to determine  
8                   ownership of funds and third-party liability,  
9                   which to me makes it more easily abused within  
10                  the environment of the casino.

11                   So we've had many of those discussions, and  
12                   we've had some players that we've actually put  
13                   specific conditions on in terms of bank drafts,  
14                   but by and large it's bank drafts from your own  
15                   account is the normal wording that we use.

16                  Q     Okay. And the list of casino patrons is found  
17                   at page 419.1, and one of these patrons in about  
18                   the middle of the list is Mr. Guo Tai Shi;  
19                   correct?

20                  A     Which page are we referring to, sorry?

21                  Q     419.1. And the -- about the one, two, three,  
22                   four, five -- sixth line down.

23                  A     Yes. Guo Tai Shi.

24                  Q     And that is the same patron that we had earlier  
25                   discussed who was observed on October 25th,

1                   2012, receiving a large bag of cash from Mr. Jin  
2                   at the Starlight containing the 150,000 in 20s,  
3                   50s and 100s; correct?

4           A        That's correct, yes.

5           Q        Was this the first instance when Mr. Shi is  
6                   having conditions imposed against him?

7           A        Yes, it is, I believe.

8           Q        And if we return to exhibit 5, please.

9           A        Okay.

10          Q        And at page 49. I'm going to suggest to you  
11                   that most of the names on this list of  
12                   10 players that are believed to have recently  
13                   received cash from Mr. Jin are also found on  
14                   this list of incidents from 2012, 2013 and 2014  
15                   and '15. Do you agree with that?

16          A        Yes, I would agree generally that that is what  
17                   the appearance, yes.

18          Q        And --

19          A        Hard to say, exactly.

20          Q        Okay. And I'm --

21          A        [Indiscernible.]

22          Q        I'm looking at exhibit 41.

23          MS. LATIMER: Mr. Commissioner, I see that -- I see  
24                   that I'm out of time for the day.

25          THE COMMISSIONER: Do you want to carry on a bit or

1                   are you -- would you prefer to adjourn now?

2           MS. LATIMER: I'm happy to carry on, if it's  
3                   comfortable for others.

4           THE COMMISSIONER: I think I should sort of put it  
5                   out there. Does anyone -- is anyone facing a  
6                   difficulty if we carry on for another 15 to  
7                   20 minutes, something like that?

8           THE WITNESS: There's not, Mr. Commissioner. I'm  
9                   fine with whatever is required.

10          THE COMMISSIONER: Thank you, Mr. Tottenham.

11                   All right. If you can carry on for a bit,  
12                   Ms. Latimer. I'm not sure of our time  
13                   constraints hereafter, but we'll carry on for a  
14                   bit at this point.

15          MS. LATIMER:

16          Q     I'm turning to exhibit 41.

17          A     Okay.

18          Q     Mr. Tottenham, this is a draft chronology  
19                   detailing BCLC's interactions with FSOC; is that  
20                   correct?

21          A     That is correct, yes.

22          Q     And at the bottom of page 394 it's set out that  
23                   in August 2015 BCLC had planned to do a chip  
24                   swap at the River Rock because of a large amount  
25                   of \$5,000 chips that were out of the system.



1                   And we talked -- we talked about that already;  
2                   correct?

3           A       Yes, that's correct.

4           Q       And the belief at that time was that that was  
5                   related to Mr. Jin's operation; correct?

6           A       That's correct, yes.

7           Q       At the second line on the next page, it says:

8                   "The swap was set to happen on Sept 8th,  
9                   2015 however, the day prior to the  
10                   swap-out, BCLC was contacted by FSOC and  
11                   asked to suspend the operation due to  
12                   concerns it may inhibit a police  
13                   investigation."

14                   Was that -- did you participate in that phone  
15                   call?

16          A       I did not. But I'm aware of it.

17          Q       You're aware of it. And the police  
18                   investigation that was -- thought it might be  
19                   inhibited was E-Pirate; correct?

20          A       I believe so, yes. That was my understanding.

21          Q       Okay. And then at paragraph 87 of your  
22                   affidavit. This is on page 18.

23          A       Okay.

24          Q       You say that from July to September the AML Unit  
25                   received names of individuals from FSOC that

1                   were apparently known to be receiving cash from  
2                   Mr. Jin; is that correct?

3           A        That's correct.

4           Q        And I apologize for jumping around a bit, but  
5                   now if you turn to exhibit 8.

6           A        Yes.

7           Q        This is an email from Mr. Alderson, and it's  
8                   copying you and others, and it's dated  
9                   September 11th; correct?

10          A        That is correct, yes.

11          Q        And it says:

12                         "BCLC Request For Assistance - Casino  
13                         Patrons Resent."

14                   And the email is to a large number of recipients  
15                   but you agree that in general it's that same  
16                   group of recipients that I've already described  
17                   which is Starlight, River Rock, Edgewater,  
18                   Gateway, Great Canadian and Paragon; correct?

19          A        That's correct, yes. It appears to be.

20          Q        And, again, this email is sent to that  
21                   collection of recipients because those are the  
22                   locations that the players in question frequent;  
23                   is that correct?

24          A        Yes. I would say it's to cover the bases of all  
25                   the major casinos that are impacted by what --



1 decision made lightly."

2 And then apologizing for not being able to  
3 convey the news in person, but wanting to ensure  
4 that everybody gets it at the same time.

5 And Mr. Alderson says the conditions on a  
6 small number of casino players "may have a  
7 significant impact on your business." Is that  
8 because the list of players here, though small,  
9 is a list of VIP players who play at a high  
10 level?

11 A Yes.

12 Q And is the ongoing concern that AML measures may  
13 impact revenue one that is still held by service  
14 providers at this time?

15 A Sorry, could you repeat that question. I just  
16 want to make sure I have it phrased right.

17 Q Do you understand at this time that service  
18 providers were concerned that anti-money  
19 laundering measures might impact their revenue?

20 A Again this is a document that was drafted by  
21 Ross, and what I think he was trying to convey,  
22 and certainly from -- again, what I would agree  
23 with is that what we were about to do by putting  
24 these players on sourced-cash condition was a  
25 watershed moment. It was huge. It was going to

1                   have a huge impact across the industry, and it  
2                   led to a number of other similar style source of  
3                   funds moments.

4                   So I think they wanted -- and that's why he  
5                   refers to this. He wanted to -- he would rather  
6                   do this by phone, in person, because this is the  
7                   kind of thing if you were doing a one-on-one  
8                   with a casino service provider on any player  
9                   that it only impacts theirs. But this was going  
10                  to have such a dynamic impact across the board  
11                  that he wanted to send it out at the same time  
12                  so they all got it at the same time and could  
13                  digest it because this was, like I said, the  
14                  start, a huge switch point here.

15                  So I don't know if that answers your  
16                  question.

17                  Q     I think so. And I wanted to ask you about that  
18                  because you say in your affidavit that the move  
19                  to impose sourced-cash conditions affected all  
20                  casinos across the province, and I was going to  
21                  suggest to you that it must have had the  
22                  greatest impact on casinos in the Lower  
23                  Mainland; is that correct?

24                  A     Yes, absolutely. And that was -- our main focus  
25                  was the Lower Mainland, as we call them the big

1                   five. And in fact Hard Rock, it's almost hard  
2                   to put them in the same category because they  
3                   didn't have this kind of problem, but they had  
4                   some.

5           Q       Right. In fact Hard Rock isn't copied on this  
6                   communication. It's only Starlight, River Rock  
7                   and Edgewater. Isn't that right?

8           A       Yeah, but they are copied by way of Great  
9                   Canadian. They're owned by Great Canadian. So  
10                  we don't have to send out to every single  
11                  casino. Ownership would look after, you know,  
12                  downstreaming it to their individual locations.

13          Q       Right. But you --

14          A       To Gateway.

15          Q       But it was copied to both Gateway and Starlight,  
16                  for example, even though they're both Gateway?

17          A       Yep. And it's just depends on the person that  
18                  they're -- I think they're probably sending it  
19                  to because if we have somebody that's working at  
20                  Gateway head office or somebody that's working  
21                  specifically at Starlight that has a significant  
22                  role, they would send it to that person. So  
23                  it's -- there isn't -- in this -- there's  
24                  nothing in here that's specific to people; it's  
25                  just to get the message out to as many of the

1                   important people, hey, there's a train coming,  
2                   and this is it; you need to step up and take  
3                   notice and we want to let you know as soon as  
4                   possible. That's kind of what this is conveying  
5                   right here.

6           Q       What was the reaction of service providers when  
7                   the source of cash conditions were imposed?

8           A       I'm going to say for most of them they were  
9                   involved in most of this process up to this  
10                  point. You know, by the time this was happening  
11                  we're into summer of 2015, and we're peaking at  
12                  the volumes in STRs. I think a lot of the  
13                  people that were in the knew -- in the know knew  
14                  this was coming. We had given them enough  
15                  warning that this is where we're leading to and  
16                  building to, and they knew all the programs that  
17                  we have been building up to that point. Some of  
18                  them we had already started putting out.

19                         So I think there was an anticipation that  
20                         this was happening. We got a lot of cooperation  
21                         through this period, so clearly this was a  
22                         different environment than if we had to try to  
23                         do something like this, say, back in 2012, but  
24                         it was -- it impacted the companies and they  
25                         knew that there was going to be an impact felt

1                   when we did this.

2                   And we had those discussions with them after  
3                   the fact and tried to work with them and work  
4                   with providing cash-alternative programs and  
5                   development of cash-alternative programs, so not  
6                   just to restrict them from using cash but to  
7                   give them something else to go to that they  
8                   could utilize. So, I mean, that was all part of  
9                   the plan.

10                  But -- and overall, yes, it was a bit of a  
11                  shock wave going through because this was  
12                  followed -- this group of 10 was followed by  
13                  another 35 literally a month later and by the  
14                  end of that fiscal, which was only, you know,  
15                  four months, three months -- four months away,  
16                  that list was pushing triple digits. So I mean,  
17                  it's -- it was significant. And they're all big  
18                  players. They're not ...

19                  Q    Did it have -- did it have a negative effect on  
20                      the volume of cash in casinos? By that I mean  
21                      did the volume of cash decrease?

22                  A    Oh, absolutely. Yes. And that was part of our  
23                      job in the AML. We had analytics. We did a ton  
24                      of analytics to see what it was doing to --  
25                      overall to the level play, where -- if the play



1 shifted, if movement shifted to other casinos,  
2 other levels of play, were they trying to block  
3 down and buy in at lower levels because that was  
4 obviously a concern of ours.

5 Q Did it have a negative effect on revenue for the  
6 casinos?

7 A It had -- did it have negative impact on revenue  
8 for BCLC?

9 Q For the casinos.

10 A Yes, absolutely, I would think so. I know  
11 they -- we heard over time, we got numerous  
12 reports in terms of what their losses were as a  
13 result of that. I know at one point I was told  
14 in one year BCLC lost 55 million in the first  
15 year as a result of this activity. And yeah, it  
16 was -- we knew that was going to happen. It was  
17 part of the plan. There was nothing you could  
18 do about it. We were going in to deal with  
19 this, and as a result of it building, obviously  
20 the more people that go on sourced-cash  
21 conditions, the higher -- the harder that impact  
22 is going to be.

23 And we very quickly got into triple-digit  
24 players on sourced-cash conditions and to the  
25 point -- like, current day we're 642. And

1                   that's not just random; that's all high players.  
2                   That's all significant players to the top. So  
3                   that's an impact.

4           Q       Okay. I'm at exhibit 9. This is an email from  
5                   Tom Caverly copying you, and it's dated  
6                   September 15th, 2015, and the subject is  
7                   "Priority One Interview Project"; correct?

8           A       Yes.

9           Q       And if you turn to page 74, what this describes  
10                   is the operational plan for priority 1  
11                   interviews; is that right?

12          A       Yes.

13          Q       And what it sets out here is that a review STRs  
14                   filed between June 1 and July 23rd, 2015, found  
15                   that:

16                   "- 162 (67%) of the STRs originated at  
17                   the River Rock Casino ...  
18                   - 145 mention "vehicle" in the narrative  
19                   and were reviewed to determine if a  
20                   vehicle delivered cash or if Paul King  
21                   Jin was involved.  
22                   - 41 of the 145 (28%) of the STRs from  
23                   [River Rock] had cash deliveries  
24                   (nearly \$7M) and 13 out of the 145  
25                   (95) mention some association to Paul

1 King Jin."

2 Is that correct?

3 A Yes. I mean, I didn't do the calculations, but  
4 I'm confident that those numbers are pretty  
5 accurate and they reflect numbers that we've  
6 used in other reports with the similar reasons  
7 and numbers.

8 Q Okay. And it goes on to say that:

9 "As a result of the information noted  
10 above coupled with recent intelligence we  
11 have received from authorities --"

12 And I take it -- is that the information we've  
13 discussed that was received by FSOC?

14 A That's correct, yes.

15 Q It goes on to say:

16 "We [request] that Investigators ...  
17 conduct interviews with 36 players with  
18 the intention to obtain information  
19 surrounding the origin of the funds as  
20 well as educate the players as per BCLC  
21 Patron Education Protocol - April 16,  
22 2015."

23 Correct?

24 A That's correct, yes.

25 Q What is that education protocol?

1           A     I think this kind of crosses over to what we  
2                    were discussing before where we've now taken the  
3                    people that we've got directly tied to Paul Jin  
4                    and we're taking an immediate action on them  
5                    because we've got that information.

6                    Now we've got a second subset of the people  
7                    that we suspect are tied to sourcing their cash  
8                    through Paul Jin's organization. We may not  
9                    have direct linkage to them, but we have strong  
10                   connections to them. So we targeted that group  
11                   of people to basically say, you're next. And we  
12                   flip it back to the service provider to say,  
13                   here's a whole bunch of people we want to  
14                   interview, you need to interview, and we're  
15                   going to accelerate up through because we have  
16                   reason to believe that they may or may not -- we  
17                   may not be able to prove it absolutely. But as  
18                   we come through, if we determine that there is  
19                   any links, that they're going to be on  
20                   sourced-cash conditions at all -- as well.

21                   So it was basically the shot across the bow,  
22                   basically. Here's all the players; have a  
23                   discussion with them as a priority 1; we're  
24                   allowing you to talk to your customers and do  
25                   that work in the front end. If they failed to

1                   respond to that and we see the continued action,  
2                   then we are going to take it up the next level,  
3                   which is we do the interviews, we put them on  
4                   sourced-cash conditions and/or a ban.

5                   So that's effectively what we did, and then  
6                   we worked through that phase of the source list,  
7                   which ramped it up again pretty fast.

8           Q        Okay.

9           A        We did put a deadline on it, I believe, at the  
10           time.

11          Q        Okay.  If you look at the scope of the  
12           investigation, it's limited to players known to  
13           have had cash dropoffs linked to Paul King Jin,  
14           and that was the priority 1; correct?

15          A        Yep.

16          Q        And in April 2016 you were promoted to Manager  
17           of AML Programs; is that right?

18          A        I was, yes.

19          Q        And what was the difference in that new role?

20          A        It wasn't -- I don't think it changed anything.  
21           Essentially I was taking over John Karlovcec's  
22           job.  John was retiring.  I took over the  
23           AML Unit.  Was able to, again, grow the unit,  
24           and we started to get more -- obviously we were  
25           getting more resources and we were getting a big

1                   commitment from BCLC for funding needs. We  
2                   started increasing the staff for the unit, and  
3                   we increased the staff on the analytics side.  
4                   And as Bal Bamra came on board in -- I think it  
5                   was May of 2015, she had joined into the AML  
6                   unit. We basically formed this into one unit  
7                   with the programs side and analytics side, and  
8                   then started building that out. And then that  
9                   was, again, building steps, building blocks.

10                   So my actual job function I don't think  
11                   probably changed a lot when I got promoted in  
12                   that we were still actively doing all the things  
13                   we were doing, but it was now just the ability  
14                   to grow our programs and grow the unit.

15                   Q    Okay. It was in 2016 that the AML Unit  
16                   implemented a process to require service  
17                   provider surveillance staff to review video  
18                   surveillance prior to the acceptance of  
19                   suspicious cash buy-ins in small denominations;  
20                   correct?

21                   A    Correct, yes.

22                   Q    Why did that not happened until 2016 given that  
23                   BCLC had been alerted that, for example, Mr. Jin  
24                   was under investigation for money laundering in  
25                   2012 and FSOC's investigation in 2015?

1           A     I'm going to say probably the biggest part of  
2                   that was it's very difficult and it's a lot of  
3                   work, especially with a place the size of River  
4                   Rock, to be able to live monitor that size of a  
5                   casino and the activity. To be able to go back  
6                   and do reviews with as busy as they are is --  
7                   it's a huge task.

8                   When we were looking at the activities that  
9                   were coming in prior to targeting or getting the  
10                  information on Jin that confirmed his  
11                  criminality side through FSOC, everything that  
12                  we were working on up until then was based on  
13                  assumptions and suspicious activity. We hadn't  
14                  at that point been able to confirm that at any  
15                  level other than through law enforcement.

16                 So once that happened and we kind of rolled  
17                 into the end of 2015 and early '16, we were  
18                 taking -- we were trying to build out obviously  
19                 more programs and more things that we were doing  
20                 with the players in terms of how we could look  
21                 at them and how we could monitor the activities  
22                 of Paul Jin's group. And this was one of the  
23                 things that I think, as we were building  
24                 acceptance with the service providers' full  
25                 cooperation, which we were getting, that this

1                   was a prime opportunity for us to now that we're  
2                   going after the players and were placing banned  
3                   conditions, we need to be able to enforce that.  
4                   And the only way to do that was to start looking  
5                   at the cash delivery side and where this cash is  
6                   still coming in.

7                   So we came up with a plan, and at the  
8                   beginning it was just here's an idea, we threw  
9                   it out and see if it sticks. It did. We put it  
10                  into play and we tried it. It went about two or  
11                  three months and then we ran into a couple of  
12                  problems in terms of us getting reports back  
13                  where they would identify, they would refuse the  
14                  transaction, the player would then leave with  
15                  the cash and simply drive to another casino,  
16                  head down the road half an hour later. We've  
17                  got them buying in down at that casino. Same --  
18                  different circumstances. You don't have the  
19                  suspicious behaviour because you don't have the  
20                  cash dropoff now; you've just got them walking  
21                  in with cash, a known player, and they're buying  
22                  in. So it wasn't solving that part of the issue  
23                  because it was allowing that, so then we brought  
24                  out this version of it.

25                  So this version basically put it on paper:



1                   here's the process and alerting part of it. And  
2                   it basically directed them to go back as -- any  
3                   time they could and reverse back the footage  
4                   while the buying is happening to try and  
5                   identify where the funds came from because if  
6                   they came from anywhere other than the player in  
7                   other suspicious circumstances, then they  
8                   were -- that's the time that they're able to  
9                   stop the transaction, refuse the cash.

10            Q     In your affidavit 2, you attach as exhibit  
11                summaries of some 190 interviews of patrons  
12                dated between 2015 and 2020; correct?

13            A     That's correct, yes.

14            Q     And were these patrons selected to be  
15                interviewed because they had known or suspected  
16                associations with Mr. Jin, his vehicles or his  
17                associates?

18            A     Yes, that was absolutely part of the criteria  
19                that we were looking at. And it's -- and it  
20                wasn't -- it wasn't restricted to Jin and his  
21                group, but certainly that was part of the focus.  
22                It was looking at players with suspicious  
23                transactions, STR accounts, and bringing them  
24                in, flagging them in to have -- and to conduct  
25                an interview and then they make a determination

1 as to what their status should be and if it  
2 should be escalated or if they should maybe be  
3 sanctioned or banned dependent on the results of  
4 the interview.

5 So that was another progressive step of  
6 going out. So we've gone from in 2011/12 to get  
7 told not to talk to customers to now we're  
8 putting them on the system and requiring them to  
9 come in for an interview. And if they don't  
10 come in for an interview, which they're not  
11 obligated to, we take their ability to come into  
12 the casino and gamble anywhere in BC away from  
13 them.

14 So it was -- that was the pretext of it and  
15 it centred on yes, mostly Paul Jin groups  
16 because that's kind of our target group, and it  
17 fanned out from there

18 Q Are service providers present at those  
19 interviews?

20 A They are not.

21 Q Why not?

22 A Because we chose not to allow them. We didn't  
23 want it to be part of the process and as you  
24 know -- we talked about this earlier -- when  
25 they went through that process 1, process 2, we

1                   gave them the opportunity to interview the  
2                   patron, talk and have those discussions and  
3                   explain to them what happened; what they should  
4                   be doing; what they shouldn't be doing. At the  
5                   end of the day if that didn't work, then it came  
6                   to us doing the interview and then make a  
7                   determination where it's going to go.

8                   And we made it very clear at the front end  
9                   that if you're not able to handle it at your  
10                  end, then we will handle it. But we can't allow  
11                  them to then come in and sit in the interview  
12                  and be an influence in how the interview goes  
13                  and what is said and what is done, the actions  
14                  that are taken. We have to keep this  
15                  independent, and that's what we those to do, and  
16                  we started it from the beginning and we've never  
17                  wavered from it. It still continues to this  
18                  date.

19                Q    Predominantly you are not present at the  
20                    interviews; is that correct?

21                A    I am not. We've got people within the AML Unit  
22                    who have a history -- a lengthy history in work  
23                    in interviewing. Police officers, retired  
24                    police officers. And as a result of their  
25                    experience and translation, we have four people

1                   largely that are used for almost all of our  
2                   interviews right now. A combination of those.  
3                   There's always two people in an interview.

4           Q       And the interviews aren't recorded but the  
5                   summaries are sent to you for your review; is  
6                   that correct?

7           A       Yes, they're not videotaped or recorded, and I  
8                   review every interview and approve it in terms  
9                   of recommendations because that's part of what  
10                  comes in the report.

11          Q       Are the summaries also provided to law  
12                   enforcement?

13          A       No. We've kept them very confidential from the  
14                   very beginning, and they have remained as such  
15                   because there is a lot of personal information  
16                   in there. We also -- there's a lot of  
17                   information that we need to be sensitive to in  
18                   terms of it may put somebody in danger if it was  
19                   released, and we have some incidents like that  
20                   in interviews where they very clearly state that  
21                   they would be in danger if anyone knew that they  
22                   were talking to us.

23                   So for that reason, we've kept the entire  
24                   interviews in a separate drive, a shared drive,  
25                   for our unit only so you cannot access it, and

1                   then select people, so like our lawyer, our CEO.  
2                   Other than that, it's -- we're very tightly  
3                   controlled.

4                   If there's information that is discovered in  
5                   that process that we have to address, we will  
6                   address it outside that report, but not by  
7                   providing a copy of that report -- of the  
8                   interview, sorry.

9           Q       Can you explain what you mean by that?

10          A       If there's information that comes up that's  
11                  relevant that -- you're asking about, do we send  
12                  it -- give it to law enforcement? If it would  
13                  have any relevance to law enforcement as  
14                  something that we think they should know, we  
15                  would package that by way of synopsis. We would  
16                  say, during the course of an interview we came  
17                  across this information; it's of concern to us;  
18                  it's of value to -- probably to you to know, and  
19                  we would give that information to them through  
20                  either GPEB, JIGIT or a combination of both or  
21                  CFSEU. We would give a copy of the interview.

22          Q       Okay. Are the summaries provided to GPEB?

23          A       When we send them out? We don't do summaries of  
24                  the -- each interview. Is that what you're  
25                  referring to?

1           Q     I'm just asking if GPEB can access the  
2                    summaries.

3           A     If we do a summary it's only because it's  
4                    specific -- so it's not very often we have that.  
5                    It's only if we have specific information that  
6                    we have to extract out of this. So yes, we  
7                    would give it to GPEB and share with GPEB. In  
8                    fact we meet weekly with them. So we would have  
9                    a conversation after an interview.

10                    So post-COVID, when we're back and we're  
11                    doing more interviews -- and we will be doing  
12                    more interviews -- if we come across something  
13                    that has any significance or relevance, it's  
14                    something that GPEB would be interested in, we  
15                    absolutely would share that information with  
16                    them for followup so that we could work together  
17                    to resolve whatever the issue is.

18                    Under normal circumstances we don't take --  
19                    we don't do a synopsis of each interview as we  
20                    do them and send them out to anybody. They're  
21                    held in our file and we respond and take an  
22                    action ourselves as to the content of the  
23                    interview and the player profile that we're  
24                    dealing with.

25           Q     Some of the information provided to you by these

1 patrons is true and accurate and some of it is  
2 not; is that fair?

3 A I would say that is very good claim, yes.

4 Q And the value of interviewing the patrons is not  
5 only that they give you true information but  
6 that they may give you implausible information  
7 that you can determine to be implausible when  
8 you compare it against their play; is that fair?

9 A That's correct, yes.

10 Q And in fact you describe in your affidavit that  
11 a lot of patrons told you that the money they  
12 had was coming from safes in their homes, and  
13 you determined that that was an implausible  
14 explanation for the volume of cash when compared  
15 against their play; correct?

16 A That's correct.

17 Q And you said you did that by beginning to build  
18 a catalogue, and I was wondering if you could  
19 tell us more about the cataloguing process that  
20 you described.

21 A That specific piece for the cataloguing of the  
22 information for the source of funds?

23 Q M'mm-hmm.

24 A That's what you're referring to? That was the  
25 middle of 2016, and what we did was we -- we had

1                   already gone through, as we talked about, this  
2                   list of 10, list of 36, a lot of people that  
3                   fell in under sourced-cash conditions. Then we  
4                   identified a group of people. They were coming  
5                   in on a fairly reasonable basis, like, two to  
6                   three times a week in some cases, at least two  
7                   or three times a week for most of them, bringing  
8                   in large cash buy-ins in small bills. But they  
9                   weren't connected anywhere in our framework to  
10                  Paul Jin.

11                         So they're outside -- they're getting their  
12                   cash from somewhere, but they're outside the  
13                   Paul Jin group. So what we would do then is put  
14                   this one page out with the service providers  
15                   that required them to provide source of funds.  
16                   So they have to provide the information of the  
17                   source of funds and where they got the cash  
18                   from. Then we looked at -- after a couple of  
19                   visits from them, we looked at is this  
20                   reasonable; is it something that would -- make  
21                   common sense and logic? And if it is, then we  
22                   can put notations in, but in almost every  
23                   instance it wasn't.

24                         And then we used that as a basis for making  
25                   the determination that because what they were



1 giving us was not a reasonable response and was  
2 not plausible, we placed them on sourced-cash  
3 conditions and came off that list, went on to  
4 another bigger list. And then we continually  
5 started to add more people on as we wanted to  
6 for the inquiry mode. So we're looking now and  
7 asking the question. Based on your response, if  
8 we're not satisfied with it, sourced-cash  
9 conditions. Done.

10 Because ultimately that's what we need to do  
11 in order to -- we removed the ability of Paul  
12 Jin's group to come on site and deliver cash  
13 because there's nobody that can buy in with cash  
14 because they're all on sourced-cash conditions.  
15 We've eliminated the problem by and large, and  
16 we've also got police working at their end from  
17 a criminal perspective. So I think at that  
18 point we were in high gear going well.

19 MS. LATIMER: Mr. Commissioner, I think --

20 THE COMMISSIONER: We were about to address the same  
21 issue, Ms. Latimer. Yes.

22 MS. LATIMER: I was just going to say I think I  
23 maybe need -- I don't know, but maybe  
24 30 minutes. So I'm in your hands what you'd  
25 like to do.

1 THE COMMISSIONER: All right. If we were not --

2 MR. MCGOWAN: I will say, Mr. Commissioner, that I

3 think for the witnesses we have tomorrow and

4 Friday, we have ample time. If you thought it

5 appropriate and the witness was available, we

6 could make some time available tomorrow morning

7 for Ms. Latimer to conclude her examination so

8 that at least that was out of the way.

9 THE COMMISSIONER: Yeah, I think it's been a fairly

10 lengthy examination thus far. If you're

11 available tomorrow, Mr. Tottenham, I think we'll

12 adjourn until tomorrow at 9:30. Is that -- are

13 you available then?

14 THE WITNESS: Yes, that's fine, Mr. Commissioner.

15 THE COMMISSIONER: All right. Thank you.

16 We will adjourn, then, until tomorrow at

17 9:30.

18 THE REGISTRAR: This hearing is adjourned until

19 9:30 a.m. on November 5th, 2020. Thank you.

20 (WITNESS STOOD DOWN)

21 (PROCEEDINGS ADJOURNED AT 2:06 P.M. TO NOVEMBER 5, 2020)

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