

**PROCEEDINGS AT HEARING
OF
SEPTEMBER 9, 2021**

COMMISSIONER AUSTIN F. CULLEN

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September 9, 2021

(Via videoconference)

(PROCEEDINGS COMMENCED AT 3:00 P.M.)

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

THE COMMISSIONER: Thank you, Madam Registrar.

Yes, Mr. McGowan.

MR. MCGOWAN: Yes, Mr. Commissioner, the witness we have today is Mr. Ross Alderson. Madam Registrar, if you could attend to swearing in the witness, please.

**ROSS ALDERSON, a witness
called for the
commission, affirmed.**

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

THE WITNESS: My full name is Ross Everett Alderson.

It's R-o-s-s, my surname is A-l-d-e-r-s-o-n.

THE REGISTRAR: Thank you.

EXAMINATION BY MR. MCGOWAN:

Q Mr. Alderson. Thanks for joining us today. I thought I might start, if it's okay with you, by spending a few minutes just going over your background. But before I do that, I just want to make sure you can hear me okay.

1 A I can hear you okay, Mr. McGowan.

2 Q Okay, great. I can hear you as well. If that
3 changes at any point, just raise a hand or let
4 us know and we'll sort out the technical issues.

5 A Will do.

6 Q Great. Prior to joining the British Columbia
7 Lottery Corporation you were a police officer in
8 Australia between the years of 2001 and 2008?

9 A Correct.

10 Q And in your --

11 MR. JAFFE: Excuse me.

12 THE COMMISSIONER: I'm going to -- I'm going to
13 interrupt.

14 IT SUPPORT: Mr. Commissioner, it looks like we have
15 some technical issues.

16 THE COMMISSIONER: Yes.

17 MR. MCGOWAN: Mr. Commissioner, I'm going to suggest
18 we stand down.

19 THE COMMISSIONER: I think we've got to. We'll take
20 five minutes.

21 THE REGISTRAR: The hearing is adjourned for five
22 minutes until 3:08 p.m. Thank you.

23 **(PROCEEDINGS ADJOURNED AT 3:03 P.M.)**

24 **(PROCEEDINGS RECONVENED AT 3:05 P.M.)**

25 THE REGISTRAR: Thank you for waiting. The hearing

1 is resumed, Mr. Commissioner.

2 THE COMMISSIONER: Thank you. Yes, Mr. McGowan.

3 **ROSS ALDERSON, a witness**
4 **for the commission,**
5 **recalled.**

6 **EXAMINATION BY MR. MCGOWAN (continuing):**

7 Q Yes, Mr. Alderson. Just before we broke to deal
8 with some technical issues, I was starting to
9 review with you just briefly some of your
10 background. You were a police officer in
11 Australia between the years of 2001 and 2008?

12 A Correct. I actually resigned in 2009.

13 Q And the focus of your work as a police officer
14 was at least in part lottery investigations in
15 Australia?

16 A As a police officer? No.

17 Q No. What was the focus of your work in
18 Australia as a police officer?

19 A I was posted to a number of different areas.
20 Primarily I came out of -- when I graduated from
21 the academy, it was general duties, so uniform
22 policing. That was in Melbourne. I worked as a
23 detective in Melbourne for virtual burglaries,
24 and I did a couple years general duties in the
25 country and I also worked in suburban criminal

1 investigation unit, so again as a mixture of the
2 two.

3 Q Okay. What year did you join the British
4 Columbia Lottery Corporation?

5 A I came to Canada in late 2008 and I joined in
6 2008. I think it was around November of that
7 year.

8 Q Okay. And you were initially hired with that
9 organization as a lottery investigator?

10 A That's correct.

11 Q And then you transitioned to a casino
12 investigator in approximately 2011?

13 A Correct.

14 Q And as a casino investigator you were stationed
15 primarily at River Rock but occasionally at Hard
16 Rock?

17 A Yes.

18 Q Okay. And in 2012 you left your position as a
19 casino investigator and were made the manager of
20 investigations for online gaming with the
21 British Columbia Lottery Corporation?

22 A Yes. For about the first nine months it was an
23 interim manager position because I was replacing
24 a manager who was on leave.

25 Q Okay. And then in 2015 you were appointed the

1 Director of Anti-Money Laundering and
2 Operational Analysis?

3 A Correct.

4 Q And then subsequently the next year you were
5 appointed the Director of Anti-Money Laundering
6 Investigations and Intelligence? I'm sorry, I
7 can't hear you.

8 A Correct.

9 Q And was that a promotion?

10 A Of sorts. I had more staff. The level -- the
11 director level was the same position. I think
12 there might have been a pay increase in the
13 position.

14 Q And that's the position that you held until your
15 departure from the organization in 2017?

16 A That's correct.

17 Q I'd like to ask you just a few questions about
18 your time as a casino investigator. In 2011 and
19 2012 as a casino investigator, what was the
20 primary focus of that role?

21 A Well, my understanding of the primary focus was
22 to deal with any sort of improper conduct in the
23 casinos, to investigate any conduct, to file
24 Suspicious Transaction Reports to the various
25 regulatory agencies and -- yeah, that's pretty

1 much it.

2 Q Okay. How much of your time would you
3 spend when you were stationed at the River Rock
4 actually at the casino?

5 A It was -- it was primarily a Monday-to-Friday
6 job, 9:00 to 5:00 or 8:00 to 4:00, so those were
7 the hours, so 40 hours a week, if not
8 [indiscernible].

9 Q And in typically sort of regular banking hours?

10 A Regular banking hours, correct.

11 Q Okay. Now, I understand you would be notified
12 from reports by the service providers about
13 large and suspicious transactions that took
14 place at the casino.

15 A Suspicious -- yes, Suspicious Transaction
16 Reports, generally. The large cash transactions
17 would normally be filed. Did many of those.

18 Q And as a casino investigator what did you do
19 when you received those reports from the service
20 providers?

21 A Typically, Mr. McGowan, we would get a report.
22 We would come in in the morning and we would go
23 into our database, and it was a program called
24 iTrak and it would be a list of suspicious
25 transactions. You'd know that because they were

1 filtered by topic, and you would print off a
2 report, look at the details and what was filled
3 out and there'd usually be a synopsis that was
4 there from the casino operator, and then you
5 would investigate circumstances in more detail,
6 and if and when warranted, then you would file a
7 Suspicious Transaction Report and that would
8 then be sent to FINTRAC. And in those times
9 they were also copied to the police and to the
10 provincial regulator at GPEB.

11 Q And what resources would you use to conduct your
12 further investigation?

13 A Whatever you had on hand. Primarily you would
14 be going up to the surveillance room of the
15 casino. During the first part of my tenure
16 there there was no ability to view video in the
17 investigators' office, so you would go to the --
18 at River Rock you would go to the River Rock's
19 surveillance office, usually make a time with
20 them and go up there and view footage of the
21 incident.

22 In relation to the suspicious transaction,
23 it may be the buy-in itself and the
24 circumstances leading up to the buy-in.
25 Subsequently you would deal with that, make

1 notes, put that into your report and file that
2 away. And if there were concerns about
3 individuals, you may do some open-source search
4 on the individuals with whatever resources you
5 had on hand.

6 Q Okay. You told us that in addition to filing
7 reports with FINTRAC you were also passing
8 information on to the police. I don't want you
9 to tell the Commissioner if you were actually
10 copying directly from the FINTRAC reports, but
11 were you giving details of each of the
12 suspicious transactions that you reported to a
13 police force?

14 A Yes. I don't recall if it's the exact details
15 on the section, what we call [indiscernible] --
16 sorry, the Suspicious Transaction Report, but
17 the copy that went to the police -- I'm going
18 off my memory here, but I believe it was a copy
19 of the iTrak report, which was almost identical
20 to the suspicious transaction.

21 Q Okay. And then who specifically were you giving
22 that to?

23 A At that time it was the Integrated Proceeds of
24 Crime squad of British Columbia.

25 Q And did you have a specific contact there?

1 A There were a number of contacts. I think it was
2 a generic email address that it went to, but
3 that varied from casino to casino. The casino
4 investigators had really good relationship
5 connections. Many of the investigators were
6 actually former police officers, so in River
7 Rock -- yeah, sorry, I can't recall.

8 Q That's fine. That's fine. As a casino
9 investigator in those years, 2011 and 2012, did
10 you have any role in investigating or dealing
11 with suspicious cash transactions or suspicious
12 cash buy-ins in real time, or was it almost
13 exclusively an after-the-fact analysis and
14 review?

15 A Yeah, almost exclusively, Mr. McGowan. From
16 time to time in real time, but many of the
17 transactions that took place took place
18 overnight.

19 Q Did you understand at the time you were filling
20 the role as a casino investigator that you had
21 as part of your role a mandate to investigate
22 money laundering within the casino?

23 A To be honest, it was a bit vague when I went in
24 there. I mean, I had gone through as a lottery
25 investigator and as an e-lottery investigator,

1 so online investigator. It was made quite clear
2 that you were to investigate wrongdoing or
3 suspicious circumstances which could potentially
4 impact the corporation. When I went to the
5 casino that was less sort of clear, and so I
6 knew that I had no police powers to investigate
7 money laundering, but my understanding was that
8 in suspicious circumstances we would investigate
9 that.

10 Q And the product of that investigation you've
11 told us was at least in part reports to the RCMP
12 and reports to FINTRAC. Was there any other
13 product of your investigation?

14 A Well, a copy of any Suspicious Transaction
15 Report went to the provincial regulator as well
16 there in GPEB.

17 Q Thank you. And I'm going to ask you a few
18 questions about the cash transactions that were
19 taking place during the time period you were a
20 casino investigator. During your time as a
21 casino investigator I wonder if you could just
22 share your observations regarding the
23 development of large cash transactions at the
24 River Rock Casino with the Commissioner.

25 A Well, I mean, I had obviously come from a

1 lottery side. I had no prior experience in
2 casinos before going into that casino
3 environment, other than the occasional time as a
4 patron. But I was surprised and quite taken
5 aback by the large cash transactions that were
6 coming in, regular buy-ins of six figures and up
7 of cash transactions. I found that to be a
8 little bit unusual or very unusual. And so that
9 was sort of my initial observations. And that
10 was consistent through my time as a casino
11 investigator.

12 Q Was there a typical or more common denomination
13 of bill that was used in these larger cash
14 buy-ins?

15 A Primarily in \$20 bills, particularly any buy-ins
16 sort of up to the \$100,000 mark. Mixed bills
17 occasionally, 5s and 10s, but primarily
18 \$20 bills. I mean, they were buy-ins up to half
19 a million dollars during my tenure there, and
20 some of those were in \$100 bills, but it was --
21 from my recollection primarily \$20 bills seemed
22 to be common.

23 Q And did you make any observation as to the
24 manner in which these large cash buy-ins were
25 more often packaged or bound?

1 attribute it [indiscernible] drop-offs and it
2 was similar vehicles that were involved in those
3 drop-offs. And in some cases individuals were
4 making phone calls, and it would be vehicles
5 that arrive in the middle of the night and a
6 drop-off would occur. In some cases individuals
7 would just walk into casinos with a big bag of
8 cash. There were -- the typical MO was like a
9 shopping bag, your standard shopping bag,
10 plastic shopping bag full of cash and they'd
11 come in. In some cases it would appear that
12 there were people staying within the River Rock
13 at the hotel. They would come from a hotel room
14 with cash. And so there were -- typically there
15 were a number of different ways that it was
16 coming in, but certainly there were some common
17 links with some individuals that appeared to be
18 delivering cash.

19 Q Okay. Did you in your own mind draw any
20 conclusion as to the likely source of the cash
21 being used for these large cash buy-ins based on
22 your observations during your reviews?

23 A Yes. My private feeling at the time was it was
24 likely criminal proceeds.

25 Q Okay. And did you share that conclusion,

1 personal conclusion with your superiors?

2 A I believe so. I certainly -- we discussed it
3 among the team at the River Rock, my colleagues,
4 fellow investigators, but, I mean, there were --
5 we had monthly meetings, investigator meetings.
6 There were other investigators as well that were
7 quite open on their feeling about it at the
8 time. So it was certainly not an area that was
9 kept quiet.

10 Q Did you raise these concerns at your monthly
11 meetings?

12 A Personally I'm not sure if I did. I don't
13 recall if I did or not.

14 Q If they weren't raised by you, were they raised
15 by others?

16 A Yes. I mean, Mike Hiller was a fellow
17 investigator, someone that was quite vocal about
18 his -- he came from a law enforcement
19 background, at a very high level, and he knew a
20 lot of these individuals that were coming into
21 the casinos, and he did voice his concerns when
22 I was there with him, so ...

23 Q And who were your managers at the time?

24 A My direct report was John Karlovcec. He was
25 Assistant Manager of Casino Investigations, I

1 believe. So he was my direct report. He
2 reported into a manager of investigations, and
3 that was Gordon Friesen. There was a director
4 at the time, Bryon Hodgkin, and he reported into
5 the Vice President of Corporate Security, and
6 that was Terry Towns.

7 Q Okay. And which of those individuals were
8 typically present at the weekly meetings?

9 A John Karlovcec and Gord Friesen would typically
10 be there every month. There might be an
11 appearance from Bryon Hodgkin if there was
12 something relevant to pass on to us, but
13 typically Terry Towns would not be there.

14 Q And what was the response of your superiors who
15 were present at these monthly meetings when
16 these concerns of this nature were raised?

17 A I really can't recall, Mr. McGowan.

18 Q I see. In your time as a casino investigator
19 did you ever direct that a transaction that you
20 felt was suspicious be refused?

21 A Yes.

22 Q How many times would you estimate in your time
23 at the River Rock?

24 A I'm not sure. I mean, I know for certain of
25 one. I think there were others. Typically it

1 wasn't done, and after one event, I was
2 admonished for it, so I stopped doing it.

3 Q Okay. I think we'll come to that. Is that the
4 admonishment that you anticipate you'll say
5 happened during a meeting with Mr. Towns?

6 A Correct.

7 Q Okay. We'll come to that in a moment.

8 In your time as a casino investigator did
9 you ever see a service provider refuse a
10 suspicious cash buy-in?

11 A Not during my time as a casino investigator. I
12 don't recall ever seeing a refusal, no.

13 Q Okay. In order to further investigate your
14 suspicions about the source of the cash during
15 your time as a casino investigator, did you ever
16 ask any of the patrons who were making these
17 large buy-ins where the cash came from?

18 A Yes, I did.

19 Q How many times did you do that?

20 A I think one or two occasions. Again, it wasn't
21 really, I think, the norm for the investigators
22 to do that. It was something I probably
23 initiated.

24 Q Okay. And what were told in response to those
25 questions you asked on one or two occasions?

1 A Well, I recall one significant event. That was
2 an individual who I believe was refining cash.
3 And I observed that in real time. I asked the
4 casino to suspend his play and so I could speak
5 to him, and it was -- I didn't hear a lot that
6 day. I did interview the individual a few days
7 later or a week later. And he told me that he
8 had received it at a drop-off in the Richmond
9 mall car park, that a car had pulled up and the
10 cash was pulled out of the trunk of a car and
11 given to him, car driven up and flickered the
12 lights. And if my recollection serves me right,
13 he initially reached out to this person via
14 WeChat or some other form. He was very vague on
15 the source of the funds and how he repaid the
16 funds.

17 I did take a record of the interview. I'm
18 not sure where that is now, and there was an
19 interpreter. Nicole Wu from BCLC was present
20 during the meeting, who helped interpret that
21 particular interview.

22 Q And you referred to this as an incident where
23 you felt somebody was refining. Is that the
24 practice sometimes referred to as colouring up?

25 A I think colouring up is more related to casino

1 chips themselves, from my memory. Refining
2 would be where you have a number of small bills
3 and they practised [indiscernible] change that
4 into larger bills so you're not -- if you can
5 imagine, Mr. McGowan, a \$100,000 in 20s is quite
6 a sizable package. If you can change that into
7 \$100 bills, it's a fifth of the size. It's a
8 lot easier to transport.

9 Q And then do I understand -- and maybe I'll just
10 see if I can refresh your memory so we can move
11 on. Do I understand that you intervened and
12 directed that the patron be paid back in 20s as
13 opposed to hundreds?

14 A Correct.

15 Q Okay. And what was the response, if any, from
16 the service provider to that interjection?

17 A Well, I had an argument with the general manager
18 of the River Rock Casino and the investigator at
19 the time. I called down to surveillance. In
20 this particular circumstance, Mr. McGowan, I was
21 actually investigating an incident from the
22 night before with this patron, where he had come
23 in with \$100,000 in 20s and received \$100,000 in
24 hundreds without putting any of his initial
25 buy-in at risk. He arrived the next day with

1 another \$100,000 in 20s and was doing the same
2 thing. And it was at that time and I was
3 alerted to that from a colleague. And at that
4 time I called surveillance and said not
5 [indiscernible] pay him back in 20s. Within
6 minutes the general manager of the River Rock
7 Casino, Rick Duff, came into the BCLC
8 investigator office. He was quite angry and
9 yelled at me that I had no authority to tell his
10 staff what to do and that he would pay -- that
11 he ran the casino and he would pay back the
12 player [indiscernible].

13 Q Was the player ultimately paid back in 20s or
14 hundreds?

15 A He was ultimately paid back in 20s, I believe.

16 Q And did you have any response from your
17 superiors to this intervention?

18 A Not at that time. Mr. Duff and I after our
19 robust discussion, we came to an agreement that
20 I would talk to this player and his play was
21 suspended on that day. I made arrangements to
22 speak to this player in the days after his play
23 was suspended and -- I think seven or 14 days,
24 and he wanted to buy again, so I think that was
25 pretty much [indiscernible] in the interview.

1 But straight after the event I did -- I've
2 had the opportunity in the last couple of weeks
3 to review my notes from the time, and I believe
4 I did bring this to the attention of my
5 superiors, John Karlovcec at the time, to tell
6 him what had occurred.

7 Q Okay. And was this interjection a topic that
8 was raised subsequently during a meeting with
9 one of your superiors?

10 A Yes, it was. Yes, it was an unprompted meeting,
11 so there was a scheduled monthly investigator
12 meeting at the BCLC office in Vancouver, and
13 during that meeting I was asked alongside by
14 colleague Stone Lee and Steven Beeksma to attend
15 the Vice President Terry Towns' office to
16 discuss certain events.

17 Q Okay. And what did Mr. Towns say to you during
18 that meeting?

19 A Well, he was -- he referred to that particular
20 file. He told me I wasn't a cop anymore, that I
21 wasn't with the feds. Mr. Towns seemed to be
22 under the impression I worked for the federal
23 police, but I didn't. But he told us that we're
24 not to investigate, that our job was the detect
25 and report only and that -- and then there was

1 some discussion around chip passing and in his
2 opinion that that was not suspicious, and there
3 was some debate about that and whether that
4 circumvented FINTRAC guidelines. My
5 recollection of the meeting was that he said
6 that he'd received a phone call from the casino.
7 Mr. Friesen admitted the same. He'd received a
8 phone call from the casino that they were upset
9 with what had occurred.

10 Q Was anything said to you during that meeting
11 regarding whether you ought to or ought not to
12 speak with patrons?

13 A I was told categorically not to speak to them.

14 Q Who told you that?

15 A Terry Towns.

16 Q Okay. Did he give you an indication as to why
17 he was giving you that direction?

18 A No. Just that was the direction that -- that
19 was -- I knew that it was not our job to
20 investigate money laundering, so it was to
21 basically observe what had occurred and to
22 report that to the agencies involved, GPEB and
23 FINTRAC.

24 Q And did you have a -- is that what you recall of
25 the meeting?

1 A Yes. And as I said, I've had an opportunity to
2 review my notes over the last couple weeks of
3 that meeting so I think, to be fair, that has
4 helped me with my memory.

5 Q Thank you. I've also had a look at your notes
6 and I gather that after the meeting with
7 Mr. Towns you had a further conversation with
8 Mr. Friesen.

9 A Correct.

10 Q Do you recall what Mr. Friesen told you about
11 his understanding as to why the direction had
12 been given?

13 A Only that it was from pressures, financial
14 pressure. I believe his comment was it's about
15 the revenue.

16 Q Okay. Did he explain what he meant by that?

17 A I think you would have to ask Mr. Friesen that.
18 But my understanding was that we were to observe
19 and report and I think "it's all about the
20 revenue" is pretty self-explanatory.

21 Q Okay. Did the direction you were given at that
22 meeting impact on the way you -- the manner in
23 which you carried out your duties for the
24 remainder of your time as a casino investigator?

25 A Yes. I mean, to be honest, at that time I

1 remember the three of us, Steve, Stone and
2 myself left that meeting very disappointed and
3 disillusioned. We -- I took detailed notes
4 right after that meeting. We also went -- I
5 don't think we went back to the River Rock that
6 afternoon. I think we went to the Shark Club,
7 actually, and had a couple of beers to sort of
8 debrief and we were so upset about what had just
9 occurred. Either it was Stone or Steve actually
10 printed out the *Three Monkeys* symbol: see no
11 evil, hear no evil, speak no evil. We had that
12 up at our office, in the investigators' office.
13 And, you know, it was around that time that I
14 started actively looking for other employment.

15 Q Are you -- is there anything else you remember
16 about that incident, or is that at least a fair
17 summary of what you remember?

18 A I think that's a fair summary.

19 Q Okay. I'd like to move on to an issue
20 respecting a \$50,000 threshold or at least the
21 perception of a \$50,000 reporting threshold at
22 the River Rock Casino. Do you remember this
23 issue?

24 A [Indiscernible].

25 Q And I gather this is a situation where you came

1 to understand that River Rock was not reporting
2 transactions in 20s under \$50,000 as suspicious.

3 Is that a fair summary of the issue?

4 A Yes. Other than I would say that any
5 transaction with any denomination [indiscernible].

6 Q Okay. And this is a practice that you
7 ultimately were involved in addressing as the
8 AML director in 2015 and onwards?

9 A Correct.

10 Q Okay. Did you have an understanding as to how
11 long that practice had been going on?

12 A No. I'm not sure. I never saw any direct
13 communication about that. Because I did look
14 into that in 2015. There were a few emails
15 floating around that referenced the \$50,000
16 threshold. I myself looked at a couple of those
17 emails in 2011 and 2012, and so it was commonly
18 known that that was the practice.

19 Q Was it commonly known by personnel at BCLC?

20 A No. I wouldn't say it was for BCL -- certainly
21 the investigators at the River Rock, the BCLC
22 investigators, it seemed to be -- I would say it
23 must have been widely known by the service
24 providers themselves because certainly they
25 weren't filing any Suspicious Transaction

1 Reports for any amounts under \$50,000, so
2 someone must have said something for them to
3 know that there was a threshold.

4 Q To your understanding was it a threshold that
5 was endorsed by the lottery corporation or
6 accepted?

7 A I don't know that, Mr. McGowan.

8 Q Okay. You referenced some correspondence about
9 it and I wanted to ask you about one of those
10 pieces of correspondence.

11 MR. MCGOWAN: And I'm going to ask Madam Registrar to
12 please bring up appendix J to exhibit 75 for the
13 witness but not on the livestream because I
14 believe it may contain some email addresses.
15 Actually if you've got the exhibit, it may be
16 that you have a redacted version that can be
17 displayed, Madam Registrar. Oh, no, the one
18 that I'm seeing has email addresses which have
19 not been blacked out, so that should not be
20 displayed on the livestream. But I can describe
21 what's happening as I go through it so those
22 watching can follow along.

23 Q Sir, this is -- and I'm starting at the very
24 bottom of the page. This commences with an
25 email from you to Mr. Karlovcec and Mr. Friesen

1 and copying Mr. Beeksma?

2 A Yes, I see that. They're referring to the email
3 from September 23rd, 2011.

4 Q Yes, September 23rd, 2011, subject "under 50K
5 buy-ins in \$20 bills"?

6 A Yes.

7 Q And you're raising an issue here because it
8 appears on -- from investigations you've done
9 that there are some patrons buying in for 20 or
10 \$40 less than 50,000 in what you conclude might
11 be an attempt to circumvent the threshold?

12 A That's correct.

13 Q Okay. And I just wanted to ask you. Two lines
14 from the bottom of the email you say:

15 "I know that a 50K buy-in limit was agreed
16 upon."

17 Can you offer us any insight into who agreed
18 upon that limit?

19 A You know what, Mr. McGowan? I can't. And I
20 know that because I reviewed that email back in
21 2015 as well, and I just can't know for certain
22 who made that decision. For me to put that in
23 an email, there must have been an understanding.

24 Q Did you as a casino investigator understand it
25 to be appropriate or compliant to set a

1 \$50,000 threshold below which transactions would
2 not be reported as suspicious?

3 A No. I think if you read that sentence in its
4 entirety you'll see quite clearly I did not feel
5 that that was appropriate.

6 Q Yes, yes. I see that. And Mr. Friesen writes
7 back to you and expresses that it's not written
8 in our policy. And then goes on to discuss some
9 further things which are in the evidence and in
10 evidence. But then two lines from the bottom he
11 says to you:

12 "As indicated, the \$50,000 threshold was
13 just a simple determination made at River
14 Rock because of the volume of
15 transactions. You can alter it at will."

16 And then you say:

17 "Thanks Gord, will bring it up next
18 meeting."

19 So after Mr. Friesen wrote back to you, did you
20 take any -- make any efforts to alter the
21 threshold, or did you raise it at a meeting and
22 address it?

23 A I'm not sure. I'm not certain if that was done.
24 And having had the -- having the experience of
25 being a senior manager within the organization

1 of BCLC, I don't think that's appropriate for
2 [indiscernible] related to FINTRAC guidelines to
3 be putting that sort of responsibility back on
4 an investigator when that should be something
5 that should have been discussed at a management
6 level because it's a non-compliance with federal
7 legislation.

8 Q Right. And Mr. Friesen and Mr. Karlovcec
9 appear -- well, it appears from the emails and
10 to your understanding knew about the threshold
11 and the agreement about it?

12 A Yeah. There was some indifference towards it.

13 Q And regardless of who ought to have addressed
14 it, it is a practice that continued up into and
15 including the years when you commenced as the
16 AML director?

17 A That's correct.

18 Q Some four or five years later?

19 A Yes.

20 Q Okay. I'm going to ask you a few questions
21 about your time in that role. You became the
22 director of AML operational analysis in 2015?

23 A Correct.

24 Q And then the director of AML investigations and
25 intelligence the following year?

1 A That's correct.

2 Q In these roles, to put it generally, you're
3 essentially heading up BCLC's AML program?

4 A Well, the initial -- the initial role, certainly
5 it was part of that. I mean, there is an
6 anti-money laundering officer designated by the
7 organization, being BCLC, that was the Vice
8 President of Corporate Security. That was not
9 myself. But the day-to-day running of the AML
10 program, that was [indiscernible] 2015.

11 In 2016 I took on all the investigative
12 units, including the online gaming, the lottery
13 investigations, intelligence, so the AML side of
14 it was much less. By that stage we had
15 established much more of a team. And that was
16 headed by a manager being Daryl Tottenham
17 running that particular department and very
18 well.

19 Q You were essentially the person overseeing the
20 day-to-day development and implementation and
21 adjustment of the lottery corporation's AML
22 program?

23 A I think that's fair.

24 Q At its peak how many individuals worked under
25 your direction in that role?

1 A Can you repeat the question. I missed that.

2 Q How many people worked under your direction when
3 you were the director?

4 A When I became the director in 2015 I had three
5 individuals initially. That was an AML expert,
6 that was Daryl Tottenham at the time, and there
7 were two analysts. Or one analyst and one was
8 training to become an analyst. It was a very,
9 very small team. It was sort of quite different
10 from a normal director's position where you
11 normally have managerial positions reporting
12 into that role. It was more hands-on with the
13 program itself.

14 When I took over in 2016 as a director for
15 investigations and intelligence, I believe I had
16 32 staff. And sorry, Mr. McGowan, I should add
17 in 2015 shortly after I took that role, a
18 manager of cash alternatives was appointed to my
19 department, and that was -- so there was an
20 additional role. So I had [indiscernible].

21 Q Okay. Thank you. When you started back in
22 these director positions you'd been out of the
23 casino branch of the organization for a while.
24 Were you brought up to date on the extent of
25 large cash transactions and how the sort of

1 extent of magnitude of those had developed as
2 you left your time as a casino investigator?

3 A Not really. I mean, I had -- late sort of 2014,
4 you know, I filled in for -- I think John
5 Karlovcec had been my predecessor there. I
6 filled in for him while he was away on holiday.
7 So I had a little bit of insight. But it really
8 wasn't probably until about June of 2015 that I
9 really was sort of fully briefed. When I became
10 the director in 2015, I'd just come off a
11 month's holiday in New Zealand, and so I was --
12 we were also trying to replace my former role as
13 manager -- Senior Manager of Investigations, so
14 that role wasn't filled until the end of May.
15 You know, I had full confidence in Daryl
16 Tottenham at the time. He'd briefed me
17 initially when I came into the role, but it was
18 probably around about May, early June that I was
19 fully aware of, I guess, the lay of the land.

20 Q And what was your reaction once you became
21 acquainted with the lay of the land in respect
22 of the magnitude and frequency of large cash
23 buy-ins?

24 A Well, I was made aware that BCLC had made some
25 good advances in that time, mainly from an

1 perpetuated throughout my time as a casino
2 investigator there is this was not money
3 laundering because the patrons are losing the
4 money. So, you know, those were comments made
5 by the management team, that they'd have to be
6 the worst launderers in the world if they're
7 losing all their money. You know, and I
8 probably went along with that for a while
9 believing that. I mean, I was -- these were
10 senior police officers in management that were
11 [indiscernible]. It was until 2000 probably 15
12 that I felt that look, there's something more at
13 play here. And I really went out of my way to
14 do as much research as I could at the time to
15 know what was actually occurring.

16 Q Do you recall Mike Hiller putting forth an
17 explanation or a theory whereby those who were
18 borrowing the funds were paying them back in
19 some other jurisdiction or some other format,
20 thus accomplishing the laundering?

21 A I've seen the documentation. When I -- I don't
22 know when I actually saw that, whether I saw
23 that as an investigator. It's likely that --
24 I'm not 100 percent certain I knew that. But
25 yes, I'm aware of that theory.

1 Q You -- the Commissioner has heard a lot about
2 the steps BCLC took in response to these large
3 cash transactions and programs that were put in
4 place including cash alternatives. What I'd
5 like to ask you is as the AML director who was
6 overseeing the implementation and development of
7 these programs, were you at any point
8 constrained in the steps you could take to
9 investigate or address large cash buy-ins or the
10 risk of proceeds entering casinos or money
11 laundering through casinos by revenue concerns?

12 A No, I was never directly told to, you know, that
13 I wasn't allowed to -- told to allow certain
14 funds or anything to come in. You know, there
15 were -- you know, I look back at it now and
16 think there was a culture in the industry. I
17 mean, as I said, I got my hand smacked in 2012
18 about not intervening. And so, you know, there
19 was plenty of literature around that our job was
20 to detect and report.

21 When I became director I was never
22 told to -- you know, that we should be
23 intervening, we should be interviewing people at
24 that time. There was -- certainly moving
25 towards that direction. There was -- in 2015,

1 but I was never told by anybody to -- anything I
2 would constitute as interfering.

3 Q Was there ever a measure that you proposed to
4 address the risk of money laundering or
5 suspicious cash entering casinos that was either
6 turned down by your superiors or not funded?

7 A Yes. In September of 2015, I think once I had
8 some time in the role and at that time there was
9 an active police investigation. I was in quite
10 regular contact with the police. I had more
11 [indiscernible]. We had a new VP start in
12 September and I requested that we initiate a
13 program, where all source of funds
14 [indiscernible] be done for all players. And
15 around the 25K threshold. And I came to that
16 sort of figure, but that was sort of talking to
17 people within the banking system that -- not
18 unrealistic that patrons could take 25K from a
19 bank, but I think anything past that would be a
20 bit of a stretch from a regulated financial
21 institution. So that was my proposal in 2015.

22 MR. MCGOWAN: May I just have a moment,
23 Mr. Commissioner. Madam Registrar, if we could
24 please bring up for the witness exhibit 18 of
25 Mr. Kroeker's affidavit, which is exhibit 490.

1 It's PDF page 242.

2 Q Sir, you referenced a recommendation you made,
3 and I think it's a recommendation that's found
4 in this document, so I just want to take you to
5 it and make sure I'm correct. Do I understand
6 this to be a document prepared by you for a
7 purpose, at least in part, to brief a new VP,
8 Mr. Kroeker?

9 A Yes.

10 Q And prepared by you September 8th, 2015?

11 A Yes.

12 Q And this is after you received some information
13 from Mr. Chrustie of FSOC, which we'll come to
14 in a moment?

15 A That's correct.

16 Q And if we turn to second to last page of this
17 exhibit. There's a heading near the bottom of
18 the page "Recommendations." Yes, you're almost
19 there. There. If we just stop there, please.

20 The first recommendation says:

21 "Having service --"

22 So you're making this recommendation to
23 Mr. Kroeker?

24 A Yes.

25 Q And you're making a recommendation that this

1 proposal be adopted?

2 A Correct.

3 Q Okay. And what you say here:

4 "Having service providers ask and document
5 players for source of funds for all cash
6 deposits at an agreed upon threshold I
7 remember 20K although that can be
8 determined by the denominations
9 submitted."

10 A That's correct. My mistake. I thought it was
11 25K but you're right, it's 20K.

12 Q Okay. And was this a measure you saw justified
13 by information you had been given?

14 A Yes.

15 Q And what was the information that was given to
16 you that you felt justified this recommendation?

17 A Well, I think it was a variety of different
18 factors. Again, speaking to people within the
19 banking industry but also my feeling that it was
20 just -- you know, with many of these
21 transactions being in \$20 bills and the way that
22 they were being brought in, there was a lot of
23 discussion during 2015 that this was coming from
24 underground banking, some sort of legitimate
25 underground banking. And so what I struggled

1 asking for, to document the funds at a threshold
2 level. As to what Mr. German --

3 Q Can you offer any -- sorry, I didn't mean to cut
4 you off.

5 A No, similar to what Mr. German proposed, yes.

6 Q Can you offer any insight to the Commissioner as
7 to why this recommendation was not taken up when
8 you made it in 2015?

9 A I don't know that. I don't know why it was not
10 taken.

11 Q You were the director of AML investigations and
12 intelligence. What was the impediment to you
13 moving forward with the recommendation, if any?

14 A I mean, these are huge decisions that were made
15 that would have impacted -- would have impacted
16 revenue, no doubt. And so I did not believe at
17 the time I had the authority to do this. And if
18 you look at any direction that I had through
19 that period, it was always -- my superiors were
20 always copied. I believe that there would have
21 been huge pushback if I had chosen to recommend
22 something like this. And any direction that was
23 made, it has to involve multiple stakeholders.
24 And that would be casino operators. You're
25 looking at policy changes, so you're looking at

1 compliance people, you're looking at legal
2 people. I just did not have that authority.
3 And you talk about casino operations people.
4 And these are people that are making decisions
5 at a director level and a vice president level
6 and I never felt that I -- I did not have the
7 authority to do that. But I had the ability --
8 any key documents that you'll see through that
9 period whether it be cash alternatives, the
10 recommendations were made up through the
11 channels.

12 Q Can you offer any insight into sort of what
13 happened with this recommendation after you made
14 it, who it went to, whether it was considered,
15 whether a decision was made to not implement it
16 or to study it further or anything of the like?

17 A I don't know. I mean, I sat down and had a
18 meeting with Mr. Kroeker at the time because I
19 presented this document to him. I think I gave
20 it to him in hard copy. It might have been
21 electronic as well. I don't recall if we
22 discussed it at length. But I left it with him.
23 I knew it was quite a -- I mean, it was a huge
24 change in direction for the industry for this to
25 be implemented. So, you know, I -- no one else

1 in North America was doing this. So that
2 [indiscernible] around the world, the casino
3 industry, so I don't know where it went. I
4 don't know if Mr. Kroeker took that up to his
5 superiors, whether it went to government. I
6 mean, it would have gone to -- through the
7 government channels if something as significant
8 as this. I think that's why you've seen
9 something similar come through in recent years
10 and it's come from Peter German through a report
11 from the government.

12 Q You had a meeting in 2015 with Mr. Chrustie and
13 I think you told the Commissioner it was before
14 you generated this recommendation.

15 A Yes, I had several meetings with Mr. Crusty and
16 other members of the RCMP.

17 Q In or around the summer of 2015?

18 A Correct.

19 Q And Mr. Chrustie was a police officer with the
20 federal serious organized crime unit, FSOC?

21 A He was.

22 Q And what did Mr. Chrustie tell you about the
23 investigations and what those investigations had
24 suggested with respect to funds being bought in
25 with by casino patrons?

1 A Well, I think to be fair, the initial
2 conversations I had with Mr. Chrustie stemmed
3 from conversations with his team that were
4 investigating funds coming in, and I think
5 initially Mr. Chrustie was a little bit
6 concerned that members of his team were sharing
7 openly with me some of the information that they
8 were receiving. I remember being in a room in
9 Green Timbers at RCMP and that was sort some of
10 the links.

11 So I initially got a -- there was emails
12 between myself and Mr. Chrustie that there would
13 be sort of a pushback a little bit on the
14 information sharing. And then I received I
15 think a message from him, a text message or an
16 email to meet with me for coffee. And that
17 coffee, I believe, was in or around July 22nd of
18 2015. Mr. Chrustie informed me that they had
19 confirmed a direct link from criminal
20 organizations and to cash buy-ins at the River
21 Rock Casino. He outlined that they had grave
22 concerns that it was transnational organized
23 crime. He even said that. And that was
24 potentially linked to funds coming in and out of
25 Canada that there may have been terrorist

1 financing involved as well. And that was hugely
2 significant.

3 Q And who did you communicate what -- did you
4 communicate what Mr. Chrustie told you to anyone
5 else at the lottery corporation?

6 A I did eventually. I was very aware that this
7 was a big deal. I did not want to -- it was a
8 trust basis with Mr. Chrustie and the police
9 sharing that information, but -- so I went back
10 to the BCLC office in Vancouver to my office. I
11 also had regulatory obligations to report
12 wrongdoing through the regulator, provincial
13 regulator. I recall I picked up the phone, I
14 spoke to Len Meilleur. Actually we may have had
15 a pre-meeting scheduled anyway.

16 So Len Meilleur was -- I think was the
17 director of investigations or compliance for the
18 GPEB, and I just simply said to him, you need to
19 have a phone call with Mr. Chrustie; I just
20 got [indiscernible] -- spoken with from him
21 [indiscernible] and I'm quite disturbed. And it
22 was probably within the half hour I got a call
23 back from Mr. Meilleur, and he was quite
24 disturbed, and he informed me at that stage, you
25 need to brief Jim and -- bring Jim Lightbody and

1 my superiors, this would make its way to the
2 minister.

3 Q And did you brief your superiors?

4 A I did. I went up to the boardroom at the BCLC
5 office in Vancouver. I believe it was either a
6 senior executive meeting or a board meeting at
7 the time. I spoke to Mr. Lightbody's personal
8 assistant and asked for Mr. Lightbody, Brad
9 Desmarais, who was my boss at the time, to come
10 out and provide this information to them. And
11 they did. And it was also present was the VP of
12 I think communications at the time, the title,
13 and that was Susan Dolinski.

14 Q Is there anybody else in the organization who
15 you personally briefed about that information?
16 Superior to you.

17 A That day? That was all that was present at that
18 meeting.

19 Q Were there subsequent meetings where you briefed
20 others in the organization?

21 A Well, I mean, I was -- after that information
22 came out, I mean, I was asked to set up a
23 teleconference with the RCMP within a few days
24 to confirm this information. You know, it was
25 kept fairly close -- closely guarded at that

1 time. They didn't want to necessarily
2 compromise that investigation. Certainly
3 members of my direct team, well, Daryl Tottenham
4 would have been one that I would have spoken to,
5 and it was the analyst Brad Rudnicki who I asked
6 to -- the link was to a particular individual
7 and so I asked him to go back and analyze as
8 much as he could, any sort of cash drop-offs
9 related to that individual so that we could
10 [indiscernible]. But that was about it in the
11 short term.

12 Q Thank you. I understand -- I'm going to move
13 now to ask you about some pieces of evidence
14 that relate to you, and I'll give you a chance
15 to give your version of them.

16 A Yes.

17 Q We'll start with a matter that you were
18 interviewed about by GPEB. I gather you were
19 interviewed by members of the Gaming Policy and
20 Enforcement Branch as part of an investigation
21 to a meeting that you say that you had with
22 Mr. Kroeker.

23 A Yes.

24 Q When do you say that meeting was?

25 A The meeting with GPEB or the meeting with --

1 Q No, Mr. Kroeker.

2 A I'm not sure of the meeting with Mr. Kroeker.

3 I'm not sure of the date.

4 Q Okay. Who was present?

5 A Myself, Mr. Kroeker, Bal Bamra and Daryl

6 Tottenham.

7 Q And what do you say happened at that meeting

8 that's relevant to our mandate?

9 A Well, at that meeting, so we had regular AML
10 meetings, monthly meetings. I believe they were
11 monthly. They may have been quarterly. I can't
12 be 100 percent certain. Where first of all a
13 management level, they would discuss AML issues
14 seen at the time. And then there would be a
15 meeting with myself and Mr. Kroeker. It
16 generally consisted of Daryl and Bal would put
17 together a PowerPoint and would go through what
18 was happening at the time, the number of players
19 that were on conditions, some of the initiatives
20 that were going, some of the things that we were
21 seeing, some of the trends, that sort of thing.
22 And so my recollection of this meeting was it
23 was at the Vancouver office, BCLC Vancouver
24 office on the ground floor. The officer's --
25 there's a number of meeting rooms that faced

1 back towards Kingsway. My memory of Vancouver
2 is not as good as it was [indiscernible]. It
3 was in a meeting room with high tables like with
4 bar chairs, so we sat at those bar chairs and
5 Mr. Tottenham was presenting at the time to the
6 group. And he outlined some of the -- some of
7 the initiatives that were going on. Mr. Kroeker
8 made a comment at that time that I found quite
9 inappropriate, and it resulted in -- I could see
10 it made Bal Bamra uncomfortable because she
11 looked at me straight away and so did Mr.
12 Tottenham and we discussed [indiscernible] after
13 the meeting.

14 Q Is the comment relevant to our mandate?

15 A I believe it is. The comment was that it would
16 be okay if we let things slide for a bit just to
17 let things, you know, just delay some of the
18 initiatives. My recollection was that that was
19 because it was around by the Chinese New Year or
20 some -- there was going to be some event at the
21 River Rock Casino where there would be a number
22 of players that were coming in. So a lot of
23 money was coming to town.

24 Q Were you able to ascertain what initiatives you
25 say he was referring to when he suggested you

1 hold off?

2 A I don't know. No, I don't. But my -- that I
3 can't remember.

4 Q You've been following our proceedings sufficient
5 that you are familiar with the evidence that
6 Mr. Kroeker and Mr. Tottenham and Ms. Bamra have
7 given on this issue. You're aware that the
8 three of them have given evidence that that
9 statement was not made?

10 A Yeah, I understand that.

11 Q Does that cause you to reconsider your
12 recollection or how confident you are in your
13 recollection?

14 A Mr. McGowan, I'm under oath. I'm telling the
15 truth.

16 Q Okay. What was your response to the comment?

17 A I didn't say anything to Mr. Kroeker. I met
18 with Mr. Tottenham and Bal Bamra directly after
19 that meeting and my recollection was that
20 both -- I believe we didn't even get back to my
21 office before Ms. Bamra talked to me in the
22 hallway and then we had a subsequent meeting in
23 my office. I told them to ignore what was just
24 said and to continue on doing what they were
25 doing and if I recall correctly I told them to

1 take [indiscernible].

2 Q Did you report this to Mr. Kroeker's superior?

3 A I did not.

4 Q Did you report it to the gaming policy and
5 enforcement branch at the time?

6 A No, I did not at the time.

7 Q You were the director of anti-money laundering
8 for the organization and have been told to not
9 fulfill your role by your superior. Was it not
10 incumbent upon you in your mind to draw this to
11 somebody's attention?

12 A Well, my experience with the gaming regulator,
13 Mr. McGowan, was that they weren't too
14 interested in talking through these sort of
15 things and subsequently when I -- I was
16 initially very, very reluctant to bring this
17 forward to the gaming regulator and I have
18 correspondence between myself and the government
19 where not only did they not investigate this
20 matter when I brought it forward, they actively
21 denied that there was a [indiscernible], and
22 I've had meetings with the Associate Deputy
23 Minister where I raised this in a meeting and he
24 told me he wasn't there to talk about that. So
25 I think that it's very easy to piggyback this

1 years later and say, I should have done this and
2 done that, but I was in those circumstances, I
3 knew the industry and I believed that this was
4 not going to be an issue. And quite frankly,
5 the team, we ignored it and we moved on and we
6 did what we needed to do. And Mr. Kroeker was
7 not involved in the day-to-day operations.

8 Q Which Associate Deputy Minister did you tell?

9 A Douglas Scott.

10 Q When?

11 A In 2019.

12 Q And this meeting was some years before that?

13 A Correct. As I said, I don't -- I don't know --
14 I cannot tell exactly when that meeting was. My
15 belief is it was around early 2017, mid 2017.

16 Q And why did you not tell Mr. Lightbody?

17 A How did I know this direction hadn't come from
18 Lightbody?

19 Q I see. Did Mr. Kroeker to your recollection
20 ever say anything similar to you on any other
21 occasion when he was your --

22 A He never made any comments directly to prevent
23 money from coming in, no. I have a -- my
24 recollection of this meeting is mainly because
25 it stood out because it was out of character for

1 Mr. Kroecker. He did make comments which I felt
2 were inappropriate, but nothing that was
3 constituted in my mind any sort of obstruction.

4 Q Mr. Meilleur said that during the time you were
5 the AML director he had meetings periodically
6 with you and Mr. Lightbody and that during those
7 meetings he remembered to you and Mr. Lightbody
8 that BCLC institute a cash cap and do more to
9 identify source of funds. Does that accord with
10 your recollection?

11 A I would have to be led to the meetings,
12 Mr. McGowan. I know that Mr. Meilleur -- from
13 my dealings with Mr. Meilleur, him and I were in
14 agreement on many issues.

15 Q Okay. Just a couple of things that -- evidence
16 has been given about that relate to you, sir,
17 that I want to give you an opportunity to
18 respond to. There was evidence before the
19 Commissioner that suggests that you removed
20 documents, including sensitive documents, from
21 the British Columbia Lottery Corporation
22 contrary to their policies, and provided these
23 to a member of the media. Are you familiar with
24 that evidence from following our process?

25 A I have read that evidence, yes.

1 Q Okay. I wanted to give you an opportunity to
2 address it.

3 A Sure. Well, primarily Mr. -- Your Honour, one
4 of the things I did want to get across was that,
5 you know, I find it quite interesting that a lot
6 of the evidence that's come out I've reread and
7 read the rules of engagement and mandate for
8 this inquiry, and, you know, going through my
9 notes there are a number of examples of
10 incidents of at best indifference to money
11 laundering. However, there seems to be this
12 obsession with my departure from the British
13 Columbia Lottery Corporation and the fact that I
14 may have done some wrongdoing in getting
15 information out to the media. You know, there
16 has -- and when I go back to Peter German's
17 initial press conference with the Attorney
18 General standing next to him and where the
19 report itself commends the work of Sam Cooper
20 and the Attorney General knowing at that time
21 that the information came from me, and now we
22 fast forward three years and the Attorney
23 General saying what I did was inappropriate and
24 unlawful. To me that's incredibly hypocritical
25 and the fact is we wouldn't be having an inquiry

1 if I hadn't done it back then. So did I leak
2 information to the media? Yes, I did. Would I
3 do it again? Yes, I would. We wouldn't be here
4 today if I hadn't.

5 Q There's also been some evidence about the state
6 of your laptop when it was returned to the
7 lottery corporation suggesting that it had
8 sustained significant water damage. Can you
9 offer -- do you have any response to offer to
10 that evidence?

11 A No. As I said to BCLC at the time, I -- if the
12 laptop was wet there was no intent by myself to
13 damage that laptop. And I don't recall -- my
14 recollection of the night was that the Vice
15 President of Human Resources for BCLC came and
16 collected the laptop. As she left in the taxi
17 she left it on my doorstep in the rain. I also
18 said to BCLC that I recall spilling wine on the
19 laptop. I was quite intoxicated that night.
20 That was the night I had been suspended. But
21 again, I would like to go back to the mandate of
22 this inquiry and question the relevance of this
23 line of questioning.

24 Q Sir, I'm not suggesting it's relevant or
25 irrelevant, but it's evidence that's been given

1 that might reflect on you, and I wanted to give
2 you an opportunity to address it on the
3 record as the evidence is --

4 A I think lots of people have the opportunity. I
5 mean, obviously part of this is it disparage the
6 reputation of the whistle-blower, and I
7 appreciate the fact that you gave me an
8 opportunity to answer it, but I mean, these
9 people can have the opinion whatever they like.
10 My conscious is clear.

11 Q Your counsel has provided to the commission some
12 emails from a -- I won't say the email address
13 out, but part of it is phonetically your mate?

14 A Yes. I think it's "YR" underscore "mate."

15 Q Yes. And I don't think we need to announce the
16 rest of the email address on the record.

17 A I'm sorry.

18 Q That's fine. That's fine. You know the emails
19 I'm referring to? I think you said yes, but
20 your voice dropped off again.

21 A I apologize. Yes, yes, I do.

22 Q Are the emails that your counsel has provided to
23 the commission all of the emails you have
24 received from that email address?

25 A Yes. That I'm aware of.

1 Q Okay. Do you know who authored those emails?

2 A I do not.

3 Q And I understand your counsel is going to deal
4 with them in his examination of you. Have you
5 undertaken any investigations or inquiries to
6 find out or do you have any suspicions as to who
7 authored those emails?

8 A I haven't initiated any inquiries. I mean, I --

9 Q Maybe -- and to be clear, I don't want you to
10 speculate, but I wonder if there are hints or
11 clues that offer you insight as to who it might
12 be.

13 A I have a feeling it's somebody I used to work
14 with at BCLC. There's information contained
15 within those emails that's quite -- would only
16 be known by certain parties, I would believe.
17 Unless it's been shared, obviously, to a third
18 party.

19 Q The emails came to you over quite a period of
20 time?

21 A They did.

22 Q Okay. The first one I believe came
23 September 10th, 2020, offering to send you some
24 documents.

25 A I'm not sure that's the correct date, but that

1 sounds about right.

2 Q Okay. Essentially you read the email when it
3 was sent to you?

4 A I did.

5 Q Okay. On approximately whatever the date it was
6 sent was?

7 A I know it was early September, yes.

8 Q And you read it in early September?

9 A Yes.

10 Q Okay. And did you -- did you take up the author
11 of the email -- the offer to send you documents?

12 A What I did, I sent them a response from a
13 ProtonMail account, a very cryptic response. I
14 was curious to know who it was, whether it was
15 legitimate. I wasn't -- so I sent a response.
16 It was, like, a friend of ours -- I mean, I was
17 very suspicion because if it was somebody that
18 was -- had my best interests and they had
19 documents, they clearly had my email address.
20 Why wouldn't they just send them straight to me.
21 It seemed to me that it was somebody that was
22 trying to find out where I was because they were
23 asking for a physical address and I felt quite
24 threatened by that.

25 Q Okay. So you sent a response within a few days

1 of them sending you the initial email?

2 A I believe so, yes.

3 Q And you didn't ever receive the documents. Am I
4 right?

5 A [Indiscernible] any documents. No, I didn't
6 receive anything.

7 Q All right. Sir, I just want to ask you a few
8 questions about your engagement with the
9 commission. You were served a summons in March
10 of 2020?

11 A I was.

12 Q Okay. And that summons was never withdrawn?

13 A I don't understand the ...

14 Q The commission never sent you correspondence
15 withdrawing the summons?

16 A Not that I'm aware of, no.

17 Q You met with the commission counsel in
18 approximately March 2020 and advised commission
19 counsel that you were going to -- out of the
20 country?

21 A Yeah. My recollection was -- well, I initially
22 met with commission counsel in I think the fall
23 of 2019. At that stage I had just returned from
24 Australia. I didn't take notes, but I -- I
25 recall I think talking about the fact I had just

1 come back from Australia. I remember I met with
2 police in Australia at that time. And either
3 February or March of 2020 I sent yourself an
4 email, Mr. McGowan, indicating that I was
5 leaving the country and offering -- volunteering
6 to meet with you before I left to give you
7 information. There were subsequent emails
8 between myself and the commission. Mostly with
9 Mr. McCleery, and we referenced that I was
10 moving to Australia. During the meeting on
11 March the 20th, I remember we were having a
12 discussion. I went for a bathroom break. You
13 came back and presented me with a summons to
14 appear. And at that stage we'd openly discussed
15 I was probably leaving the country within a
16 couple of weeks.

17 Now, it was -- you know, the tone at the
18 time was that I may or may not be needed, and I
19 subsequently left the country. And obviously a
20 pandemic occurred in that time.

21 Q Yes. You told the commission you didn't know if
22 it was a permanent move?

23 A I'm not sure. I can't remember saying that.

24 Q During the meeting --

25 A [Indiscernible] in any hurry to come back to

1 Canada, so --

2 Q During the meeting commission counsel asked you
3 to keep us apprised of your contact information?

4 A Yes, you did. And obviously when I left the
5 country I stopped having a Canadian phone
6 number. And one of the reasons that I stopped
7 using the email address was because of these
8 emails that you just referred to. There were
9 others as well that I did not keep, and I
10 decided at that time that I wanted to stop using
11 those emails. I also was under the assumption,
12 you know, you're \$15 million Crown counsel. I
13 wasn't exactly hiding in a cave in Afghanistan.
14 I was living in Australia, paying taxes and
15 working with a driver's licence. You would have
16 the resources if I was really that necessary
17 that you would easily find me.

18 Q Okay. Well, we'll come become to that, sir.
19 You didn't provide the commission at any point
20 any further contact information prior to
21 delivering to the commission an affidavit that
22 you had prepared?

23 A No, but as I -- I just explained my position
24 there. And, you know, you knew I was working.
25 I had an address in Canada, residential address.

1 All my mail was being forwarded to my family's
2 address in Richmond. None of my family or
3 friends in Canada had been contacted at any
4 stage about my [indiscernible].

5 Q You ultimately prepared an affidavit which you
6 sent to the commission, and that was something
7 you prepared on your own without any -- no
8 involvement of the commission?

9 A That's correct. I wrote that myself.

10 Q And you sent that to the commission with the
11 return address in Australia, but one that does
12 not appear to be a permanent residential
13 address?

14 A It was actually my residential address at the
15 time I sent it. That was my address.

16 Q And it was not your residential address for very
17 long after, I gather.

18 A No. We were on a -- I was on a lease. During
19 2020 my move to Australia was for a job.
20 Unfortunately due to the pandemic everything was
21 put on hold. So my family and I were living out
22 of a camper van for about a month and then
23 several different addresses. We were living in
24 long-term Airbnb locations and that was one of
25 those locations. Unfortunately my lease ran out

1 and they wouldn't renew it shortly after I sent
2 that. But I also did email the affidavit to the
3 commission, Mr. McGowan, around about the same
4 time as it was posted.

5 Q The commission did try to contact you at that
6 address, sir, but you weren't there. Maybe
7 we'll move on to the affidavit.

8 MR. MCGOWAN: If you could pull up the affidavit,
9 Madam Registrar, the one that Mr. Alderson sent.

10 Q Sir, this is the affidavit which you prepared
11 and sent to the commission?

12 A That is correct.

13 Q And that's something that you would like placed
14 before the commission?

15 A Yes.

16 MR. MCGOWAN: Mr. Commissioner, I'll just say as with
17 all affidavits, the statements in the affidavit
18 are the words of the witness and by seeking to
19 have it entered during my examination commission
20 counsel should not be taken as agreeing with the
21 contents. I'm not saying agreeing or
22 disagreeing, but I will say that we specifically
23 do not agree with some of the representations
24 Mr. Alderson makes about his interactions with
25 the commission. Given that he's now a

1 participant and a witness, I don't plan to take
2 up much hearing time to address all of those
3 parts with Mr. Alderson, but I did want my
4 position to be on the record.

5 Before I continue there's one other matter
6 that I should address. Exhibit R to the
7 affidavit is an email from a GPEB employee to a
8 third party. I understand counsel for the
9 province wishes to address this exhibit with
10 you. And I will say for context, just before
11 they do that, because I have advised them I
12 will, that the author of this email is someone
13 who is known to the commission and who we have
14 communicated with. We were previously provided
15 with a copy of this email and it was provided to
16 interested participants. In the author's
17 communications with the commission the author
18 largely resiles from the contents of the email.
19 The witness was not called by commission counsel
20 and no participant sought to have commission
21 call the witness. So, Mr. Commissioner, I would
22 suggest it might be appropriate to invite the
23 province to address you with their concerns.

24 THE COMMISSIONER: All right. Thank you.

25 Ms. Hughes?

1 MS. CHEWKA: Oh, apologies, Mr. Commissioner.

2 THE COMMISSIONER: Ms. Chewka. I'm sorry.

3 MS. CHEWKA: Yes, thank you. Yes, the province does
4 not object to Mr. Alderson's affidavit being
5 entered as an exhibit. However, we had some
6 concerns, as Mr. McGowan indicated, with respect
7 to exhibit R to the affidavit. In particular
8 we're seeking a ruling from yourself that
9 exhibit R cannot be tendered for the truth of
10 its contents. As Mr. McGowan indicated,
11 exhibit R is an email exchange between a current
12 GPEB employee, Sam Taylor, and Mr. Pinnock, and
13 again, as Mr. McGowan has indicated Mr. Taylor
14 has not been called as a witness in the
15 proceeding, doesn't intend to be called as a
16 witness either. And the email that's appended
17 as exhibit R is prejudicial not only to the
18 province but to Mr. Taylor as well, and I spoke
19 to Mr. Taylor's counsel yesterday and confirmed
20 that Mr. Taylor has resiled from the statements
21 set out in that email exchange of Mr. Pinnock,
22 and despite the relaxed evidentiary standards in
23 this proceeding we're seeking confirmation that
24 exhibit R cannot be tendered for the truth of
25 its contents and will not be used in that way.

1 THE COMMISSIONER: All right. Mr. Jaffe, do you have
2 any position on this. I'm sorry, Mr. Jaffe?

3 MR. MCGOWAN: Mr. Jaffe, take it off mute and turn on
4 your camera on, please, to respond to the
5 Commissioner.

6 MR. JAFFE: Can you hear me, Mr. Commissioner? I
7 hope you can.

8 THE COMMISSIONER: Yes, I can.

9 MR. JAFFE: There we go. Yes, Mr. Commissioner, I
10 have to -- if I might, see what my client --
11 well, okay. It is -- I'll just say it's the
12 first notice ...

13 MR. MCGOWAN: It appears Mr. Alderson or Mr. Jaffe
14 has the livestream on in the background perhaps.
15 You're muted, Mr. Jaffe.

16 MR. JAFFE: There we go. I think you can probably
17 hear me now.

18 THE COMMISSIONER: Yes, I can.

19 MR. JAFFE: Give me the thumbs up there, Patrick, if
20 you can hear me.

21 MR. MCGOWAN: I can hear you just fine.

22 MR. JAFFE: Oh, gosh.

23 THE COMMISSIONER: Evidently Mr. Jaffe can't hear us
24 now. I'm just wondering if there's some point
25 in taking a brief adjournment.

1 MR. JAFFE: Am I audible at this point?

2 MR. MCGOWAN: 10 minutes, Mr. Commissioner.

3 THE COMMISSIONER: All right. We'll take 10 minutes.
4 Thank you. Just before we break, perhaps
5 somebody could get in touch with Mr. Jaffe by
6 telephone just to get him up to speed.

7 MR. MCGOWAN: Yes, Mr. Commissioner. I'm just say
8 usually when we break I would ask that the
9 witness be cautioned. We're still in the
10 examination of commission counsel, so I'm in
11 your hands as to whether that's appropriate or
12 whether it might be appropriate to allow
13 Mr. Jaffe to speak with Mr. Alderson at least in
14 respect of this exhibit. I'm not -- it may be
15 that it -- it may be that the -- yes, Mr. Jaffe,
16 we see that, thank you. It may be that this is
17 not something that is pertinent to his grant of
18 standing, but it may be appropriate to allow his
19 counsel to at least take his feet back on that.

20 THE COMMISSIONER: Yeah, it probably is. So I think
21 I'll make that direction. Mr. Alderson, if you
22 are in touch with Mr. Jaffe, you may discuss
23 this issue with him, that is the issue of the
24 admissibility of exhibit R to your affidavit,
25 but I ask that you not discuss with him any of

1 your other evidence to this point; all right?

2 MR. MCGOWAN: Yes, Mr. Commissioner. Just to
3 clarify, I think Ms. Chewka is objecting to the
4 admissibility. It's just the use to which --
5 which might be made of the exhibit.

6 THE COMMISSIONER: Oh, I see. All right. Fair
7 enough. It doesn't go in as proof of the
8 truth --

9 MR. MCGOWAN: I think that's it.

10 MR. JAFFE: Mr. Commissioner.

11 THE COMMISSIONER: We'll take 10 minutes, then.

12 THE REGISTRAR: This hearing is adjourned for a
13 10-minute recess until 4:39 p.m.

14 **(WITNESS STOOD DOWN)**

15 **(PROCEEDINGS ADJOURNED AT 4:29 P.M.)**

16 **(PROCEEDINGS RECONVENED AT 4:39 P.M.)**

17 THE REGISTRAR: Thank you for waiting. The hearing
18 is resumed, Mr. Commissioner.

19 **ROSS ALDERSON, a witness**
20 **for the commission,**
21 **recalled.**

22 THE COMMISSIONER: Sorry. Thank you, Madam
23 Registrar.

24 Yes, Mr. Jaffe, do you have any submissions
25 you wish to make?

1 MR. JAFFE: I do. Thank you, Mr. Commissioner. I
2 hope you can hear me okay now.

3 THE COMMISSIONER: Yes, I can. I think somebody's
4 got the --

5 MR. MCGOWAN: Mr. Jaffe, do you have the livestream
6 on still?

7 MR. JAFFE: The purpose of the affidavit and the
8 exhibits to it are to lay out the concerns as
9 opposed to by my client. The relevance of
10 exhibit R can be ascertained by looking at
11 paragraph 39 of the affidavit. It says:

12 "The public has still not heard key
13 evidence from gamblers interviewed by
14 BCLC. Some of them admitted in those
15 interviews that they received their funds
16 in highly suspicious circumstances. These
17 are the interviews I recommend the Cullen
18 Commission obtain in 2019 and they are the
19 same interviews the industry tried to
20 withhold from the Cullen Commission in
21 2020."

22 And then it goes on to say this:

23 "The public has not heard evidence from a
24 GPEB investigator who has shared their
25 regulatory experience in September 2019 as

1 nothing more than paying lip service to
2 service providers. The Cullen Commission
3 has that email too at exhibit R."
4 So the whole purpose of tendering the exhibit is
5 highly germane to what is supposed to be the
6 focus of this exercise, and that was the
7 knowledge within GPEB as expressed by an
8 investigator to Fred Pinnock, who we all know
9 was the former head of IIGET, both gentlemen
10 deeply involved in the affairs of this
11 commission, and you have a record of
12 communication between them. In my respectful
13 view, it's not open for the province to tell
14 this commission that the author of that email
15 has somehow resiled from the views expressed in
16 it. If that's factual, of course it's open to
17 the province to produce that witness and put
18 into evidence correctly; otherwise it's a
19 record, a properly accomplished record deposited
20 to under oath and provided to this commission.
21 And like I say, they've had this affidavit for
22 six months now and it's only today halfway
23 through my client's evidence that we hear of any
24 concern as now raised by Ms. Chewka. So my view
25 it's properly admissible for the truth of the

1 contents and if it's to be disputed that this
2 gentleman has resiled from his views as Madam
3 Chewka has observed or told the commission,
4 perfectly in order for them to call some sort of
5 rebuttal evidence. That's my submission.

6 THE COMMISSIONER: All right. Well, if I understand
7 it correctly -- would whoever has got the
8 livestream on, please turn it off, because it's
9 simply repeating itself.

10 MR. MCGOWAN: I think it must be Mr. Jaffe,
11 Mr. Commissioner. Every time he's unmuted that
12 seems to happen.

13 Sir, do you still have the livestream on?

14 THE COMMISSIONER: Well, Mr. Jaffe's muted now, so
15 perhaps that won't trouble us at least at this
16 point. But, Mr. Jaffe, if you could ensure that
17 the livestream is off when you do unmute your
18 computer, that would be helpful. Thank you.

19 So as I understand it, I haven't seen
20 exhibit R to the affidavit, but as I understand
21 it, it's not itself a sworn statement. It's
22 simply a communication from this person to the
23 affiant. And therefore it's sort of classic
24 hearsay in that sense. I don't see in any event
25 it could go forward as proof of the truth of its

1 contents. It could go in as some of the context
2 for the affiant's evidence, but I don't see that
3 it goes in as proof of the truth. So I'm not
4 inclined to admit it on that footing. It would
5 simply go in as part of the affidavit of
6 Mr. Alderson and it would form part of the
7 context of what he's saying in the affidavit.
8 That is it may very well inform his belief in
9 the state of affairs, but it doesn't establish
10 anything extrinsic to the affidavit apart from
11 the fact that at some point he -- the person in
12 exhibit R uttered those words, so I'll admit it
13 on that basis, but I don't see it going any
14 further than that.

15 Is there anything further?

16 MR. MCGOWAN: Nothing from me, Mr. Commissioner,
17 other than to say, just to clarify that the
18 email was not sent to Mr. Alderson. I believe
19 it was provided by the recipient to
20 Mr. Alderson. And I'll just perhaps add,
21 Mr. Commissioner, Mr. Jaffe read from a
22 paragraph of Mr. Alderson's affidavit
23 referencing patron interviews and the like and
24 what evidence was and was not before you, and
25 the record that's before you speaks for itself,

1 but that is -- that paragraph is not an accurate
2 articulation of the state of the record.

3 THE COMMISSIONER: All right. Thank you. All right.
4 So the affidavit goes in as it's presented but
5 it doesn't go in -- not all parts of it go in as
6 truth of the proof of their contents, and that's
7 true of any affidavit. All right. Thank you.

8 MR. MCGOWAN: So if we could -- I was just at a stage
9 where I was -- Mr. Alderson has indicated that
10 he would like the affidavit placed before the
11 commission, and I am prepared to table it for
12 that purpose at his request.

13 THE COMMISSIONER: All right.

14 MR. MCGOWAN: Mr. Commissioner, I'll ask it be before
15 you for your consideration as to whether it will
16 be admitted as a next exhibit.

17 THE COMMISSIONER: Thank you. It will be marked as
18 the next exhibit, which I think is 1025, Madam
19 Registrar.

20 THE REGISTRAR: Yes, that's correct,
21 Mr. Commissioner.

22 THE COMMISSIONER: All right. Thank you.

23 **EXHIBIT 1025: Affidavit of Ross Alderson sworn**
24 **March 19, 2021**

25 MR. MCGOWAN:

1 Q Mr. Alderson, I'll just perhaps get you to
2 unmute so we can carry on with the examination.
3 You can hear me okay?

4 A I can, Mr. McGowan. Sorry. I'm just turning my
5 phone off. I just called Mr. Jaffe, so I don't
6 want a phone call in the middle.

7 Q Fair enough.

8 A Sorry, please continue.

9 Q That's fine. I just want to come back to an
10 answer you gave us just before the break for a
11 moment. I had asked you about whether or not
12 you had provided updated telephone and email
13 address to the commission, and your answer in
14 part was well, the commission has lots of money
15 and I had a driver's licence in Australia and
16 you could have come and found me. And I just
17 want to circle back to that for a moment. So
18 you had been issued a summons by the commission.
19 You had been asked by the commission to keep
20 them up to date on your telephone number and
21 email address and your answer -- do I understand
22 your evidence to the Commissioner is your answer
23 for not doing so is that the commission could
24 have expended all manner of resources to
25 undertake an international manhunt for you?

1 A No, that's not what I'm saying. I'm just saying
2 that, I mean, I have an online profile here in
3 Australia. What I'm saying is what has been
4 outlined in your overview report, I believe is a
5 complete mischaracterization of what occurred,
6 and so what -- you know, I struggle if that --
7 as I've outlined in my affidavit, sir, there's
8 been a global pandemic in the last year. My
9 priority has been and will always be the safety
10 and welfare of my family. I'm living on the
11 other side of the world from Canada. It has
12 really been the last thing on my mind for some
13 period of time. So I think that, you know,
14 maybe my assumption was incorrect that -- you
15 know, I was under the impression -- as I said, I
16 have an online profile here. Mr. Martland made
17 it out to be that they had contacted authorities
18 in this country. So I actually went to see the
19 local police and everything here and they have
20 no record of that. You know, I was at that
21 address for nine months, and I live in that
22 community. My family go to school in that
23 community. I was under the impression that you
24 would -- I mean, I've explained to you why I
25 changed email. And why I didn't have a

1 telephone number.

2 Q You've explained why you changed your email.

3 But what I'm struggling with understanding, sir,
4 and I'll invite you to explain it to the
5 Commissioner if you can, why you didn't give the
6 commission your new email address if you were
7 interested in participating.

8 A Well, I thought there was a lack of interest in
9 me participating. Quite frankly. I mean,
10 I'm -- but, Mr. McGowan, I'm here now so it's
11 kind of a moot point. So I've already --

12 Q You've --

13 A The summons -- I mean your communication with my
14 lawyer was that that summons would cover off me
15 being here today. So I'm here today.

16 Q Yes, it does, sir. You are here today. The
17 reason we're having this line of examination is
18 because of some of the representations you've
19 made in the affidavit that you've sent. The
20 affidavit that you sent to the commission
21 contains certain redactions applied with a
22 marker?

23 A Yes.

24 Q Who applied those?

25 A I did.

1 Q Why?

2 A It contained email addresses and personal
3 information I didn't think was relevant at the
4 time. I didn't want to put that in the mail in
5 case the mail got stolen. I didn't think it was
6 relevant, sir.

7 MR. MCGOWAN: Okay. Mr. Commissioner, in my
8 submission it's appropriate to have before you
9 and as a part of the record the unredacted
10 copies of those exhibits, and I'm of course not
11 proposing that the public facing version have
12 those email addresses available. The ruling you
13 have made covers that. But I'm going to ask
14 Madam Registrar to display not publicly but for
15 you a package of exhibits and these are the
16 lettered exhibits that are appended to
17 Mr. Alderson's affidavit, but they are in
18 unredacted form and I'm going to ask that those
19 be the next exhibit, please.

20 THE COMMISSIONER: All right. Any objection?

21 THE WITNESS: No, I'd just like to add,
22 Mr. Commissioner, that when I was asked to
23 provide these unredacted documents, I did so
24 willingly and the majority of them are actual
25 communication between myself and the commission

1 so they always had the unredacted.

2 MR. MCGOWAN: Yes, I don't know if the majority of
3 them are, but a number of them are. And it's
4 true Mr. Alderson did provide them on request.
5 I'm not intending to suggest otherwise.

6 THE COMMISSIONER: All right. Thank you. That being
7 the case, then, those will be provided to the
8 commission unredacted, but they will not be
9 displayed in unredacted form on the commission's
10 website or otherwise because of the personal
11 nature of what has been redacted.

12 MR. MCGOWAN:

13 Q I just want to see if I can understand a little
14 bit about this. Let's turn to one of the
15 exhibits. Why don't we turn to exhibit H in the
16 unredacted, please. It doesn't particularly
17 matter which one. But just as an example we can
18 turn to exhibit H in the unredacted exhibits,
19 please. Yes. And if you could -- that does not
20 appear to be what I'm looking at. It's tab 29
21 in the materials I was given, if that assists.
22 Yes, there we go. Mr. Alderson, I just want to
23 see if I can understand, because you
24 mentioned -- just to help the Commissioner, you
25 mentioned about certain dates and that the dates

1 might not be right on because of the time
2 difference and us being in different time zones.
3 Is that what you were explaining in your
4 affidavit?

5 A That's correct.

6 Q Okay. So, for example, if we look at the date
7 on the right-hand top side Thursday,
8 December 28, 2017, that is the date when email
9 was sent to you roughly, within a number of
10 hours one way or the other?

11 A Yeah. My -- I believe, Mr. McGowan, that's
12 probably about 16 hours ahead. That's
13 Australian time, and so it would be probably the
14 27th of December 2017 in Canadian time.

15 Q Okay.

16 A Or BC.

17 Q Right. Okay. But that accords with the date
18 that the email was sent and then in the top left
19 corner, if we can scroll up a bit please, Madam
20 Registrar. We see a date, and I gather what
21 happened is just to sort of explain these other
22 dates, later, at some later date after you
23 received the email, you logged into this email
24 address and printed this email?

25 A Correct.

1 Q And that date in the top left is the date that
2 you logged in and printed it?

3 A That's correct.

4 Q The November 8th, 2019?

5 A Yes.

6 Q Okay. So if we look at the other emails we can
7 tell the top right date is the date received,
8 roughly the top left date the date logged in and
9 printed?

10 A That's correct.

11 Q Okay. The commission after last meeting with
12 you sent you several emails?

13 A I understand that's correct, yeah. I saw them
14 recently in evidence.

15 Q Okay. Well, they're not in evidence yet, but --

16 A I saw them recently in a file, yes.

17 MR. MCGOWAN: If we could please pull up email of
18 September 2nd, 2020, from the commission to
19 Mr. Alderson. Madam Registrar, that is tab 17
20 in my book of materials.

21 Q Now, sir, this is an email sent by the
22 commission to you September 2nd, 2020, to the
23 last email address you provided to us?

24 A Yes.

25 Q This is an email, sir, where the commission --

1 and it was sent to that email address; correct?

2 A It appears to be, yes.

3 Q Well, that is -- I won't read it out, but the
4 top email address is the email address -- that's
5 your email address; right?

6 A That is my email address, yes.

7 Q And in the first paragraph it confirms that you
8 will be required to testify?

9 A That's what it says, yes.

10 Q Yeah. And it reminds you of the summons in the
11 second paragraph and directs you to October 15th
12 and 16th, 2020, for a Zoom attendance?

13 A Yes. I've never seen this email, Mr. McGowan,
14 so I'm going off -- you're providing me with a
15 copy of a supposed email to that address. I
16 agree that's what it says, but I've never seen
17 this email.

18 Q The email also provides you notice of some
19 evidence that is expected to be heard that might
20 impact on you, and then goes on to advise you
21 that you have the opportunity to reapply for
22 participant status in light of that evidence and
23 gives you information about doing that. That's
24 in the email; correct?

25 A I see it. You might have to scroll down,

1 please.

2 Q The fourth paragraph says:

3 "We write to provide you notice of
4 anticipated evidence."

5 And I won't read out what that is. And then the
6 last four lines say:

7 "However, we provide you with notice now
8 of this evidence in the event you wish to
9 reapply for participant status before the
10 commission. The process for bringing such
11 an application is set out in the
12 commission's rules of practice and
13 procedure which are available on our
14 website, as are previous rulings on
15 application for standing."

16 And then the website address is given. That's
17 contained in the email?

18 A I'm just reading it. Sorry, Mr. McGowan. Yes.

19 MR. MCGOWAN: I'm going to seek to have that mark as
20 an exhibit, Mr. Commissioner, and that will of
21 course be informed by the witness's evidence and
22 now and to come, but I do want that on the
23 record, please.

24 THE COMMISSIONER: Sorry, that will be 10 --

25 THE REGISTRAR: Mr. Commissioner, the last exhibit --

1 the unredacted exhibits.

2 THE COMMISSIONER: Yes.

3 THE REGISTRAR: Is one exhibit?

4 MR. JAFFE: Mr. Commissioner, I don't know if you can
5 hear me. It's Paul Jaffe.

6 THE COMMISSIONER: We can, Mr. Jaffe. I can hear
7 you.

8 MR. MCGOWAN: We can also hear your livestream,
9 Mr. Jaffe, which makes it very difficult for you
10 to participate with that on. The commissioner
11 can't hear what you're saying and neither can we
12 because the livestream is overtalking you.

13 MR. JAFFE: The witness has said that he has no
14 recollection of ever seeing that email. I --
15 I --

16 MR. MCGOWAN: Mr. Jaffe, I'm sorry. We just can't
17 proceed with you with the livestream streaming
18 in the background.

19 THE COMMISSIONER: Mr. Jaffe, can you turn the
20 livestream off, please.

21 MR. JAFFE: Can you hear me now, Mr. Commissioner?

22 THE COMMISSIONER: I can.

23 MR. JAFFE: I'm wondering if the commission can hear
24 me now.

25 THE COMMISSIONER: Yes, I can hear you now.

1 MR. JAFFE: Thank you, thank you. I don't know how
2 the exhibit -- how that document can be marked.
3 There's no evidence that it was ever sent.
4 There's certainly some evidence that he never
5 got it. And of what potential probative value
6 can it be if Mr. Alderson himself has said he's
7 never seen that before. I know I've never seen
8 it before and I don't believe we've been given
9 any notice that this would be put to the
10 witness. So I think it's quite unfair that you
11 received emails that are not authenticated and
12 that my client has already said he's never seen
13 before. I don't know how that can be of any
14 probative value to you.

15 MR. MCGOWAN: Well, Mr. Commissioner, I do have a
16 response, but it's difficult to make with
17 Mr. Jaffe's livestream in the background.
18 Mr. Commissioner, I'm not done my examination on
19 this email or other emails to come. And
20 obviously what use you make of the email will be
21 dependent on what evidence comes out with
22 respect to the email. But in order for you to
23 make a determination now or in the future as to
24 what use will be made, I think it has to be
25 before you. The witness has said that it's an

1 email that bears his email address at the top,
2 that's an email address he provided to the
3 commission. On the face of it it was sent to
4 that email address. The fact that it was sent,
5 whether or not he read it may have some
6 relevance to responding to some of the
7 allegations and suggestions that are made by the
8 witness in his email address. And there may be
9 further evidence that bears on whether or not
10 the email was available to him.

11 THE COMMISSIONER: All right. Well, I think what
12 I'll do given the objection by Mr. Jaffe is mark
13 this email as an exhibit for identification at
14 this stage and if commission counsel wish they
15 can renew their application to have it marked as
16 an exhibit proper, and it can be fully litigated
17 at that time whether or not it becomes that.
18 But I think there's just a little bit too much
19 murkiness to this issue right now to mark it as
20 an exhibit proper. But it will be marked as the
21 next exhibit for identification.

22 MR. MCGOWAN: Yes, Mr. Commissioner, thank you.

23 There is a degree of murkiness here and we'll
24 see if we can wade through it.

25 THE REGISTRAR: Sorry to interrupt, Mr. Commissioner.

1 This is exhibit M.

2 THE COMMISSIONER: Thank you, Madam Registrar.

3 **EXHIBIT M FOR IDENTIFICATION: Email to Ross**
4 **Alderson re Notice of Evidence - September 2,**
5 **2020**

6 THE REGISTRAR: Sorry, the last exhibit, the
7 unredacted exhibits, exhibit 1026.

8 MR. MCGOWAN: Thank you.

9 **EXHIBIT 1026: Exhibits Binder (Unredacted copy**
10 **of Exhibits A-S to Ross Alderson's affidavit)**

11 MR. MCGOWAN: Maybe, Mr. Commissioner, we can attend
12 to having this put before you in some other
13 fashion if necessary.

14 Q Mr. Alderson, you have seen this email at least
15 recently in the context of preparing for this
16 hearing; correct?

17 A Not [indiscernible]. I glanced through it in
18 the last couple days, Mr. McGowan.

19 Q It was in the package of materials that you were
20 given notice of?

21 A Correct. There are hundreds of documents in
22 there, Mr. McGowan, so I've only just -- I'm
23 aware of it, yes.

24 Q And it was in that package of documents?

25 A I believe so.

1 Q So the suggestion of your counsel that this is
2 the first anyone's ever heard of it is not
3 accurate?

4 A I don't recall. I don't know if my lawyer has
5 seen it or not.

6 Q I don't know either.

7 MR. MCGOWAN: If we could please have up next an
8 email sent by -- to Mr. Alderson by Ms. Latimer
9 copying a number of people on October 7th, 2020.

10 Q You are -- this is an email that's sent on its
11 face to -- actually if we could just ...
12 Rossealderson@prontonmail.com. Is that an
13 address you used, sir?

14 A No, not for some time, Mr. McGowan.

15 Q I see. Sir, I want to just go back to the
16 unredacted -- well, is your explanation for not
17 having seen these emails, what is that? Is it
18 that you weren't using the email address anymore
19 or what?

20 A No. I was clearly using the email address. I
21 don't recall ever seeing these emails. I mean,
22 I logged in from time to time, but primarily to
23 retrieve the YVR emails, but I haven't used
24 those email addresses, the Proton one, in quite
25 some time.

1 Q What about the Ross --

2 A I recently logged into the Ross E. Alderson
3 email address, the other one you're referring
4 to, and retrieved those YV [sic] emails just in
5 the last couple of weeks. I went into that
6 email address because the commission requested
7 an email address for the Zoom.

8 Q In fact that's the email address you used to log
9 on to the Zoom today?

10 A That's correct.

11 Q Okay. And prior to going onto that recently,
12 when is the last time you were on that email
13 address?

14 A I couldn't tell you, Mr. McGowan.

15 Q Well, was it -- is your evidence that it was
16 before the commission sent you this email?

17 A Which email are you referring to, this one?

18 Q No, I'm referring to the September 2nd, 2020
19 email.

20 A No, well. Clearly I logged in after that
21 because that's where I retrieved the first one
22 was YV_Mate [sic], but I just -- I have logged
23 in there subsequently. I'm not denying that.

24 Q Sir, you were logged onto that email address
25 corresponding with your mate within days of this

1 email being sent to that very same email address
2 by the commission, weren't you?

3 A Yes.

4 Q Did you ever search through your emails to see
5 if the commission had written to you?

6 A No.

7 Q You were on the email address in January and
8 February of 2021 printing out emails that are
9 relevant to the commission's process and
10 presumably to assist you in engaging with it?

11 A No, I don't think that's the reason I was -- I
12 printed those emails because they might be
13 relevant in the future. And I found them
14 threatening, so that's the reason I kept them.

15 Q No, I'm not talking about the your mate emails.

16 MR. MCGOWAN: Madam Registrar, if we could please go
17 to the unredacted emails, unredacted exhibits,
18 exhibit A.

19 Q This is the Gmail account that you gave to the
20 commission and the September 2nd email was
21 addressed to?

22 A Yes.

23 Q You were on this email address it appears from
24 the top left-hand corner printing out emails
25 relevant to the commission on January 30th,

1 2021?

2 A That's correct.

3 Q If we could flip over to the next exhibit. You
4 were on printing off emails relevant to the
5 commission's mandate February 2nd -- or pardon
6 me, February 27th, 2021?

7 A That's correct.

8 Q And you've told the Commissioner that you
9 reviewed and responded to the first year mate
10 email at the time it was initially sent to you
11 on September 10th, 2020, mere days after the
12 commission's email was sent to you?

13 A That's correct, from a different email, yeah.

14 Q No, the your mate -- well, why don't we pull
15 that up, sir. If we could pull up YR_Mate
16 emails that Mr. Jaffe has given us. Go to the
17 last page of that package, please.

18 MR. MCGOWAN: The your mate emails, please, Madam
19 Registrar. And those should not be displayed.

20 Q This is a September 10th, 2020 email to you
21 that's sent to your Ross E. Alderson at -- I
22 won't say it out loud, but it's sent to your
23 email address, sir, the same email address that
24 was used by the commission on the email sent
25 approximately a week before that?

1 A Yes.

2 Q So you were on that email logging in within a
3 week of that email being sent from the
4 commission?

5 A Yes.

6 Q It seems like you had an interest in the
7 commission and an interest in participating, so
8 it perhaps might be of assistance to the
9 Commissioner to understand why you didn't take
10 the time to go to that email address and see if
11 the commission was trying to make contact with
12 you?

13 A Well, I've always had an interest in what's
14 going on in Canada, Mr. McGowan, but I wasn't --
15 at that point I wasn't -- I didn't -- I didn't
16 see any of the emails from the commission. I
17 don't -- I logged in on various occasions to --
18 I mean, I still had Netflix accounts, I had
19 other accounts in Canada which subscriptions
20 that were linked to that email address and that
21 was one of the main reasons I logged in. But
22 I'm not disputing I used that during that time,
23 but what I'm saying is I never saw any emails
24 from the Cullen Commission. It's quite possible
25 they went to my junk email.

- 1 Q All right, sir.
- 2 A Or they weren't sent.
- 3 Q Are you suggesting, sir, that the commission is
4 putting forward and making representations about
5 sending an email they didn't send?
- 6 A I'm not saying that at all. I'm just stating
7 the facts.
- 8 Q If you had a new email address of course that's
9 one the commission didn't have because you
10 didn't pass it on?
- 11 A That's correct.
- 12 Q In paragraph 7 of your affidavit you suggest you
13 were told by commission counsel that it would be
14 more appropriate that you be a witness as
15 opposed to a participant?
- 16 A Yes. I remember that from the discussion I had
17 with yourself.
- 18 Q Yeah. The application -- you've made an
19 application for participant standing where you
20 set out the reasons you wanted participant
21 standing and those reasons were primarily that
22 you had evidence of interest to the commission
23 and you wanted to be represented by counsel when
24 you gave that evidence; correct?
- 25 A Correct.

1 Q And you are aware that the Commissioner issued a
2 ruling entitling you to an oral hearing at which
3 you could pursue your application to become a
4 participant?

5 A That was after when we had our first meeting,
6 when you [indiscernible].

7 Q Sir, I would suggest to you the first meeting
8 was as a result of the Commissioner's ruling
9 wherein he directed that commission counsel meet
10 with you.

11 A I really can't recall that far back,
12 Mr. McGowan, on the dates and the times and how
13 it went. So I'm not disputing that I made
14 the decision at that time --

15 Q I'm going to suggest the first meeting was
16 October 1st, 2020. October 1st -- stop for a
17 second. Between the commission and you.

18 A I -- I -- no, I was living in Australia at that
19 time, Mr. McGowan.

20 Q Pardon me. 2019. October 1st or 2nd, 2019.

21 A It was about around that time. I can't be
22 100 percent sure of the date.

23 Q I'm going to suggest that's approximately a week
24 after the Commissioner issued you a ruling
25 entitling you to a hearing to pursue your

1 participant standing and inviting and asking
2 commission counsel in response to your request
3 to meet with you.

4 A I can't be certain of that. I don't recall that
5 far back, nor the details.

6 Q I'm going to suggest that at that meeting
7 commission counsel explained the difference
8 between being a witness and a participant.

9 A I don't recall.

10 Q I'm going to suggest to you the commission told
11 you that you would likely be called as a witness
12 regardless of whether you were a participant.

13 A I can't recall that.

14 Q And I'm going to suggest that you were told that
15 you could provide evidence as a witness and that
16 it was -- and that you can be represented by
17 counsel as a witness, but that it was your
18 choice and it was open to you to pursue your
19 application for participant standing if you
20 wished to.

21 A Again, I can't recall. I don't recall those
22 specific -- I'm just telling you what
23 was covered.

24 Q And I'm going to suggest to you that in response
25 to that you said that makes sense to me; I'm

1 happy to be a witness; I don't think I need to
2 be a participant; I'm happy to help in any way I
3 can; it seems like it makes sense for me to be a
4 witness.

5 A That's quite possible I said that. I mean, I --
6 I was in front of a number of experienced
7 lawyers. I took what you said at face value.
8 So I was quite happy to go on. I was happy to
9 cooperate.

10 Q You were under no misapprehension
11 [indiscernible] --

12 A Mr. McGowan, can you let me finish, please.

13 Q Certainly. I didn't mean to cut you off.

14 A What I remember in the meeting sitting there
15 with yourself and I think it was Ms. Latimer and
16 might have been Mr. McCleery, and from the time
17 of the discussion, I was fully willing to
18 cooperate. I provided much information to you.
19 That was the suggestion and I went along with
20 the suggestion. I did not have legal counsel
21 with me, and I was -- I went along with what you
22 said. I was quite happy to do that. I'm not
23 denying that.

24 Q I'm going to suggest to you, sir, that the
25 commission counsel did not provide you advice.

1 They provided you with information and allowed
2 you to make a decision and that you had before
3 you at the time a ruling of the commission which
4 had a hearing open to you if you wanted to
5 pursue your application.

6 A I guess we interpreted it differently.

7 Q Okay. And ultimately, sir, you were made a
8 participant by the Commissioner; correct?

9 A In 2021, correct.

10 Q Yes. When you finally made contact with the
11 commission again; correct?

12 A Correct.

13 Q Sir, you've raised some issue about a
14 resignation letter in your affidavit starting at
15 the outset of your affidavit and you
16 particularly raised issue with exhibit 499.

17 A Yes.

18 Q And you're aware, of course, sir, that you make
19 some representations and suggestions about the
20 commission, but I'm sure you're aware from
21 reviewing our proceedings and the extent to
22 which you followed them that commission counsel
23 didn't seek to have that document entered as an
24 exhibit; it was requested to be entered by
25 counsel for another participant?

1 A Yes. My issue with that document, Mr. McGowan,
2 is it's not a representation -- I mean, even the
3 name of the exhibit is "Ross Alderson
4 resignation letter" when in fact it is not. So
5 that is my issue with that. It was never sent
6 to anybody.

7 Q That's ultimately a matter for the Commissioner
8 to determine, and he can determine that on
9 evidence and information given to him.

10 Sir, when you came across this and first
11 became concerned that something inaccurate had
12 been put before the commission, you had email
13 addresses and phone numbers for the commission
14 and could have reached out to ask them to
15 clarify, couldn't you?

16 A I guess I could have, yeah.

17 MR. MCGOWAN: If we could have exhibit 187 to the
18 affidavit of Mr. Lightbody, which is
19 exhibit 505, put on the screen, please, for the
20 witness to see.

21 THE WITNESS: Mr. McGowan, I'd just like to add. I
22 mean, obviously I made that quite clear in my
23 affidavit, which is now has been in your
24 possession for six months and nothing has
25 changed in relation to the naming of that

1 document and I've referenced my concern was --

2 MR. MCGOWAN: You can stop there, Madam Registrar.

3 Q You concern appears to be that the accurate
4 information is not in the record; correct?

5 A That's correct.

6 Q Well, I'd like you to look at the screen. This
7 is an exhibit that is in the record,
8 Mr. Alderson. Is this your resignation letter?

9 A It is, yes.

10 Q So do you stand by your suggestion that the
11 accurate information has not been put before the
12 Commissioner?

13 A This is not -- this is not the resignation
14 letter I'm referring to, Mr. McGowan. It's the
15 one from October the 3rd, 2017. That's not my
16 resignation letter.

17 Q There's been a suggestion by -- in one piece of
18 evidence that that's a resignation letter.
19 There's a suggestion here that this is a
20 resignation letter. And from the time you
21 became aware of it, it was always open to you to
22 contact the commission and provide them
23 information that they could put before the
24 Commissioner to assist him in resolving that?

25 A Well, that's what we're doing today.

1 Q Your affidavit in paragraph 38, sir, seems to
2 suggest that your lawyer told you the commission
3 counsel said he couldn't act for you.

4 A No, I didn't -- that's what you're inferring
5 from it, but no, I think we clarified that over
6 the last couple of days.

7 Q Yeah, you know that commission counsel doesn't
8 decide who acts for a witness or a participant
9 and you're not suggesting that commission
10 counsel said Mr. Jaffe couldn't be your lawyer,
11 are you?

12 A No, I'm not suggesting that.

13 Q In fact Mr. Jaffe is acting for you now.

14 Now -- sir, it appears that you were
15 following our proceedings throughout and keeping
16 up with the evidence.

17 A Not really. I did it for different periods of
18 time. I watched the testimony -- I don't think
19 live. I mean, there is obviously a significant
20 time difference here. But I followed Stone Lee
21 and Steven Beeksma's testimony at the very
22 start. Other than that, not really. I would
23 get occasionally the odd news report sent
24 through to me, and so I was aware of some of it.
25 But it was really probably March of this year I

1 had some time off, a family tragedy, that I
2 actually started to do more research into the
3 matter.

4 Q Okay. In fact your affidavit makes reference to
5 a number of pieces of evidence, so I take it you
6 were going to the transcripts and exhibits
7 and/or webcasts and reviewing those.

8 A I did. I did this year, yes, correct.

9 Q Did you happen to notice in large print at the
10 top of the page in the transcripts page and the
11 exhibits page and the livestream page and the
12 archive page a notice of a witness exclusion
13 order?

14 A Yes.

15 Q Nobody -- prior to you becoming a participant,
16 you were never given notice that you were
17 excerpt from that order?

18 A I've never seen any notice to say
19 [indiscernible] no, or look at these documents.

20 Q Sir, you've said you were following the
21 proceedings with various degrees of attention at
22 various times and you make reference to media
23 articles and evidence that you've seen. And I
24 gather that -- well, I gather you felt you had
25 relevant information about and reactions to the

1 proceedings as they were developing.

2 A No, I mean, the main reason that -- as I said,
3 it was mostly public information that came
4 through news releases. And as I've outlined in
5 my affidavit, there was a particular article
6 that came out, I think it was in the *Business in*
7 *Vancouver*, which I already took exception to,
8 and that -- regarding my character and because
9 of events at that time, I felt like I should
10 come forward and outline my side of the story.

11 Q Sir, at the outset you came forward to the
12 commission with significant relevant
13 information?

14 A I did, yeah.

15 Q And you've been following along with the
16 proceedings and as evident from your affidavit
17 you've got responses to some of the evidence
18 that was given?

19 A Sorry, I don't understand the last part.

20 Q You've given us an affidavit responding to the
21 evidence, so I gather you've got responses to
22 the evidence that's been led. Which you've now
23 provided in part through your affidavit and in
24 part through your evidence today?

25 A Well, I have -- you mean the emails? Is that

1 what you're referring to?

2 Q No, I'm referring to the evidence you've given
3 responding to certain things that have been said
4 about you in the evidence and certain evidence
5 that's been given about the development of the
6 issues relevant to our mandate with the
7 province.

8 A Yes. Since I've -- since I've been given
9 participation status I've been given access to a
10 number of documents that I've been able to
11 now -- been able to respond to.

12 Q And you were aware throughout the commission had
13 issued a summons for you?

14 A Yes. I'm not disputing that.

15 Q Yeah. And you had contact information for the
16 commission and you knew which email address the
17 commission had for you if it was trying to
18 correspond with you?

19 A I think I've already answered these questions.

20 Q And despite all of that, you didn't contact the
21 commission to share your reactions or respond to
22 the summons until long after the gaming evidence
23 had largely concluded and many, many months
24 after the evidence had commenced; correct?

25 A I think when I reached out in March with my

1 affidavit the gaming evidence was still being
2 given, I believe. Rich Coleman was interviewed
3 in April. So I don't think that's true.

4 Q Your affidavit was sent in April, sir; correct?

5 A I emailed a copy of the email -- the affidavit
6 to you as well. I'm not sure of the dates.
7 Maybe April, yes, but my point is, sir, that I
8 believe that the commission was still hearing
9 evidence at that stage.

10 MR. MCGOWAN: If we could pull up the envelope which
11 contained the affidavit, please. Not on the
12 livestream. If I might just have a moment,
13 Mr. Commissioner. Somewhere on here there is a
14 date. If we could flip to the other page,
15 please. Yes. Thank you.

16 Q Sir, if we just look on the place on the
17 envelope there where it says how much it costs.
18 Above there there's a date. That's in April of
19 2021. April 6th, that's the date it presumably
20 started its route away from the Australia. Do
21 you see that?

22 A Yep, sorry, yep.

23 MR. MCGOWAN: If that could be the next exhibit,
24 please, Mr. Commissioner.

25 THE COMMISSIONER: Very well.

1 THE REGISTRAR: Exhibit 1027, Mr. Commissioner.

2 THE COMMISSIONER: Thank you.

3 **EXHIBIT 1027: Copy of an envelope in which Mr.**
4 **Alderson's affidavit was delivered to the**
5 **Commission**

6 MR. MCGOWAN: Mr. Commissioner, I'm going to ask that
7 we stand down for five minutes.

8 THE COMMISSIONER: All right. We'll take five
9 minutes.

10 THE REGISTRAR: The hearing is stood down for five
11 minutes until 5:28 p.m.

12 **(WITNESS STOOD DOWN)**

13 **(PROCEEDINGS ADJOURNED AT 5:23 P.M.)**

14 **(PROCEEDINGS RECONVENED AT 5:30 P.M.)**

15 **ROSS ALDERSON, a witness**
16 **for the commission,**
17 **recalled.**

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

20 THE COMMISSIONER: Yes, thank you, Madam Registrar.
21 Yes, Mr. McGowan.

22 MR. MCGOWAN: Mr. Commissioner, I have no more
23 questions for the witness.

24 THE COMMISSIONER: All right. Thank you.

25 Mr. McGowan, I only have access to one

1 laptop here, so I'm going to ask you to indicate
2 to me who -- what the lineup is for
3 cross-examination.

4 MR. MCGOWAN: Yes, Mr. Commissioner. Next is
5 Ms. Chewka for the province.

6 THE COMMISSIONER: Thank you.

7 MR. MCGOWAN: She's been allocated 40 minutes. Maybe
8 we'll say for the benefit of you,
9 Mr. Commissioner, and the other participants,
10 there was some technical difficulties and I went
11 a little longer than I anticipated in my
12 examination. So we are quite tight for time.
13 So any efficiencies that can be gained would be
14 greatly appreciated.

15 THE COMMISSIONER: Yes, thank you. Yes, Ms. Chewka.

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

17 **EXAMINATION BY MS. CHEWKA:**

18 Q Mr. Alderson, can you hear me okay?

19 A Yes, I can, Ms. Chewka.

20 Q Excellent. Thank you. Today you testified that
21 the reason you didn't tell GPEB about the
22 alleged statement that was made by Mr. Kroeker
23 was because in your view GPEB wouldn't have done
24 anything about it. Do you recall giving that
25 evidence --

1 A Yep.

2 Q -- today?

3 MS. CHEWKA: Madam Registrar, can I have exhibit 504
4 on the screen, please. It's the affidavit of
5 Cary Skrine, and I'll be taking Mr. Alderson to
6 exhibit OO, and that's found at page 248 of the
7 affidavit. Apologies, Madam Registrar. 248 in
8 the top right-hand corner, the exhibit. Not the
9 PDF. Thank you. That's right. Thank you.

10 Q Mr. Alderson, this is a document referred to as
11 the "Investigational Log Re Kroeker Allegations
12 of Inappropriate Interference of BCLC AML
13 Policies and Procedures." And this document
14 indicates that GPEB received a complaint
15 regarding this allegation against Mr. Kroeker.
16 Can you see that in the first couple of lines
17 there?

18 A I can see that, yes.

19 Q And the investigation log indicates that the
20 complaint was forwarded to Cary Skrine to
21 investigate. Were you aware of that?

22 A Yes. I spoke with Mr. Skrine.

23 Q And you were interviewed by Mr. Skrine in the
24 course of that investigation; is that correct?

25 A Yes, I was.

1 Q And so your suggestion that GPEB wouldn't have
2 done anything if it had received a complaint of
3 this nature isn't necessarily borne out on the
4 evidence of what happened upon receipt of a
5 complaint. Isn't that true?

6 A No. Because this is 2019. And when the
7 complaint was made, it was about two or three
8 years prior. It was quite a different
9 environment. Mr. Skrine wasn't in that position
10 at the time. As I've alluded to, when I
11 initially -- when this was initially reported,
12 the correspondence back from the government to a
13 reporter who did an FOI request with this, this
14 [indiscernible] didn't exist. That's the basis
15 of my suggestion that -- and the fact that I had
16 a meeting with the Associate Deputy Minister,
17 who did not want to talk about it.

18 Q You'll agree with me in that first three lines
19 it says the email was originally received on
20 February 20th, 2019, at 1040 hours, and the
21 content of the email is set out there; is that
22 correct?

23 A That's correct.

24 Q And the entry is for February 22nd, 2019, so one
25 day later. Do you see that in the left-hand

1 side?

2 A M'mm-hmm. That's correct.

3 Q And so one day later this is forwarded to
4 Mr. Skrine for investigation. Would you agree
5 with that?

6 A That's correct.

7 Q And so in 2019 within one day of receiving this
8 anonymous complaint it was forwarded to
9 Mr. Skrine for investigation?

10 A Yes.

11 Q But your suggestion is that the complaint was
12 raised earlier with Mr. Scott and no action was
13 taken; is that right?

14 A No, no. My -- it was actually later than this
15 date. It was in the meeting with -- what I'm
16 saying is that on this -- at this time I made
17 this complaint anonymously because I had severe
18 reservations about the -- that I relied on the
19 testimony and evidence of individuals and that
20 when this complaint went through, my wish was
21 that these individuals who are still registered
22 gaming workers that GPEB would reach out to them
23 and interview them and that did not occur.

24 Q And what time frame are you talking about there?
25 I'm just not clear on the time frame that you're

1 referencing.

2 A Time frame, sorry of what -- my meeting with
3 Mr. Scott, or ...

4 Q Yes. So your suggestion is that you didn't make
5 a complaint to GPEB because in your view GPEB
6 would not have done anything, and I have your
7 evidence correct on that point; is that right?

8 A That's -- that was my personal feeling at the
9 time, yes.

10 Q And what time are you referring to?

11 A I'm talking about 2016, 2017. I can't be
12 certain. As I've said before, I'm not certain
13 of the date of that meeting. I believe it's
14 early 2017, mid two thousand [indiscernible].

15 Q But when you finally did register the complaint
16 or forward the complaint to GPEB -- and you were
17 the anonymous complainant; is that correct?

18 A That is correct.

19 Q Within one day of receiving that complaint Cary
20 Skrine was assigned to investigate?

21 A Well, I think, Ms. Chewka, you've got to have a
22 look at the environment at the time. There had
23 been significant media attention on the casino
24 file, and I think that -- I mean, I have -- it's
25 unfortunate the Crown counsel didn't really

1 touch on a lot of this stuff in my notes
2 regarding -- rather than focusing on emails, but
3 there is significant detail in there regarding
4 which I saw at best indifference by the
5 investigators throughout a period of years,
6 integrity issues from GPEB, over a number of
7 years which, again, hasn't been touched on yet
8 in evidence. And so that formed my opinion over
9 that period of time.

10 And, you know, it was as a result of media
11 releases in late 2017 that far more focus and
12 attention was put on the casino file and other
13 money laundering issues in the province of
14 British Columbia as a result of that. So I
15 think it would have been, you know -- when a
16 complaint of this nature came through, I would
17 suspect it created a little bit more angst
18 within the government than perhaps previously.

19 MS. CHEWKA: Madam Registrar, if you could scroll
20 next to page 250 of the exhibit. So just two
21 pages forward.

22 Q Mr. Alderson, this is an email from you dated
23 June 18th, 2019, and it's addressed to
24 Mr. Douglas Scott; is that correct?

25 A That's correct.

1 apprised of the situation by Associate
2 Deputy Minister Scott, requested Skrine
3 make another attempt to reach out to the
4 original complainant to determine if they
5 were now willing to cooperate with the
6 investigation."

7 Is that correct? You agree that's what's
8 written?

9 A That's what's written, yeah.

10 Q And so based on the investigational log of
11 Mr. Skrine, it seems that Mr. Scott took your
12 email and advised or apprised Mr. McLeod of it.
13 Would you agree with that based on what we're
14 seeing in the document?

15 A Yes. At that time rather than when the initial
16 complaint was made, yes.

17 Q Right.

18 A Months earlier.

19 Q The email to Mr. Scott was only sent on
20 June 18th, 2019?

21 A That's right, but the complaint was made months
22 earlier.

23 Q Yes, but within two days of Mr. Scott receiving
24 your email, he had apprised Mr. McLeod according
25 to the investigational log of the situation?

1 A The email referring to a media FOI request,
2 that's correct.

3 Q That's correct. And so you would agree with me
4 that if Mr. Scott wasn't interested in the
5 complaint or in investigating the complaint he
6 wouldn't apprise Mr. McLeod, the general manager
7 of GPEB, about the email that he received from
8 you?

9 A No, as I referred to -- sorry, there was a
10 number of months that corresponded before the
11 initial complaint. It appears to me as a layman
12 looking at this that the request to further
13 investigate was in relation to an FOI request
14 that denied that the complaint had been made
15 over that time period. So not the initial
16 complaint itself. The fact that now the media
17 were drawing attention to that and Mr. Scott
18 then wanted it investigated. That's how I
19 interpret that.

20 Q But you would agree with me that within two days
21 of receiving the complaint Mr. Skrine had been
22 assigned to investigate?

23 A Oh, yeah, he had been assigned to investigate,
24 yeah.

25 Q And you were interviewed in the course of that

1 investigation?

2 A Not at that time, no. I was interviewed after
3 Mr. Scott had received information that the
4 media had FOIed it and only at that time was I
5 contacted by Mr. Skrine and I would add that I
6 was in correspondence with Mr. Scott from
7 February of that year, so he had my contact
8 information. So -- just to be clear on that.

9 Q And you didn't append any of the correspondence
10 that you had with Mr. Scott to your affidavit,
11 did you?

12 A No. To the affidavit -- no, I haven't put any
13 of that in there but you have it all here.

14 Q And when you had said that we had your email
15 address or Mr. Scott did, when the complaint was
16 first made it was anonymous; correct?

17 A Yes, but I was obviously one of the parties that
18 was in relation to that meeting, yeah. And that
19 didn't change. You know, they could have
20 contacted me back in -- the initial complaint,
21 but they chose to contact with me after the FOI
22 request.

23 Q I'd ask that you turn your attention now -- do
24 you have a copy of your affidavit in front of
25 you, Mr. Alderson?

1 A I do. If it's okay, Mr. Commissioner, I can
2 refer to a hard copy of the affidavit?

3 THE COMMISSIONER: Yes, certainly.

4 MS. CHEWKA:

5 Q I'll be referring you to paragraph 34 of your
6 affidavit.

7 A Yes. I have it in front of me, thank you.

8 Q Excellent. You say in your affidavit:

9 "During the phone call Mr. Isherwood also
10 queried the content of a confidential
11 email I had sent addressed to the BC
12 Attorney General David Eby in February
13 2018. At that time the Peter German
14 casino review was underway. However,
15 Mr. Eby's office shared that information
16 with BCLC."

17 And you refer to exhibit S of your affidavit:

18 "I believe this to be so unethical I
19 launched an ombudsperson complaint I
20 believe at that time I was up against a
21 system."

22 You depose that in your affidavit, Mr. Alderson?

23 A Sorry. Did I put that in my affidavit, is that
24 what you --

25 Q That's correct, yes?

1 A That's my affidavit, that's correct. Those are
2 my words.

3 Q And in your opinion, then, the suggestion that
4 Mr. Eby shared information that you had provided
5 with BCLC was unethical in your view?

6 A Yes. Unethical and inappropriate and Mr. Eby
7 did send me an email to apologize.

8 Q And I'll refer you now to exhibit S of your
9 affidavit.

10 A Yes.

11 Q This is an email exchange you had with Minister
12 Eby; is that correct?

13 A Yes, it is.

14 Q And on March 13th, 2018, Minister Eby sent you
15 an email and I'll just read the last paragraph
16 of the email to you for the record:

17 "While evaluating where this letter should
18 be directed for action both BCLC and
19 Mr. German were considered. BCLC was
20 considered because significant portions of
21 your letter related to your time as an
22 employee and Mr. German was considered
23 because of the use it may be for his
24 review. Ultimately I decided it was most
25 appropriate to forward this to Mr. German.

1 In the process of making this
2 determination, BCLC became aware of the
3 letter's existence. A copy of the letter
4 was not provided to BCLC."

5 You received that email from Minister Eby?

6 A I did, yes.

7 Q And so according to Minister Eby he did not
8 provide a copy of your letter to BCLC; is that
9 correct?

10 A No, but just they were made aware of it, that's
11 right.

12 Q Sorry, you would agree with me that it's not
13 unethical for a minister to share information
14 with a Crown corporation when deciding how to
15 action information that they've received?

16 A Well, I think at least myself getting a phone
17 call from a lawyer asking me directly what's in
18 the contents of the letter, I think that's -- I
19 mean, I -- you know, I don't believe -- I mean,
20 he obviously is saying to me, that became clear,
21 but how exactly did they become aware. I don't
22 think that's appropriate, no.

23 Q But Minister Eby, as far as you know, didn't
24 direct the lawyer to contact you about the
25 letter; is that correct?

1 A I don't know who directed. If there was any
2 direction given. I wasn't aware when they
3 contacted me, yes.

4 Q And you indicated in your testimony today that
5 Minister Eby apologized to you. Did you append
6 a copy of that email from Minister Eby to your
7 affidavit?

8 A Well, this is the -- this is the apology I'm
9 referring to.

10 Q Exhibit S is the apology letter?

11 A Yes.

12 Q And where is the apology in this letter?

13 A Well, in that paragraph. That's how I interpret
14 it.

15 Q The explanation as to him providing information
16 to BCLC you interpreted that --

17 A That's correct.

18 Q -- as an apology?

19 A That's correct, I interpret that as an apology.

20 MS. CHEWKA: Mr. Commissioner, I have no further
21 questions for this witness.

22 THE COMMISSIONER: Thank you, Ms. Chewka.

23 Mr. McGowan, is it Mr. Simonneaux?

24 MR. MCGOWAN: Yes, Mr. Commissioner. Mr. Simonneaux
25 for Canada.

1 THE COMMISSIONER: Thank you. Yes, Mr. Simonneaux.

2 MR. SIMONNEAUX: Thank you, Mr. Commissioner.

3 **EXAMINATION BY MR. SIMONNEAUX:**

4 Q Good morning Mr. Alderson. Can you see and hear
5 me okay?

6 A I can, Mr. Simonneaux.

7 Q Great. Would you agree with me that the casinos
8 were not required to accept large amounts of
9 cash believed to be suspicious?

10 A I'm sorry. Could you -- what was -- could you
11 repeat the question. I just want to make sure I
12 get that correct.

13 Q Certainly. Would you agree with me that the
14 casinos, the casino service providers, were not
15 required to accept large amounts of cash
16 believed to be suspicious?

17 A We're not required to -- well, yeah, I would
18 agree with that. I mean, as any business, I
19 don't think it's any different from a corner
20 store. I think they make a decision whether to
21 accept types of payment. I would agree with
22 that statement.

23 Q Sure. And you've stated that within the casinos
24 there were cash transactions made with large
25 amounts of \$20 bills often \$10,000 -- \$10,000

1 bundled tied with elastic bands. Do I have that
2 evidence right?

3 A Yes, that is correct.

4 Q And you personally considered that cash to be
5 suspicious; right?

6 A Yes.

7 Q And just to be clear, that cash was used to buy
8 into the casinos; correct?

9 A Yes.

10 Q Now you touched on -- let's try this again.
11 Now, you touched on the next issue with
12 Mr. McGowan in the context of your time as an
13 investigator in and around 2012, but when you
14 were a manager and then a director of AML for
15 BCLC, did the casino investigators in your unit
16 believe these kinds of buy-ins were suspicious?

17 A So, initially, Mr. Simonneaux, I did not have
18 any investigators in my unit and that didn't
19 occur until 2016. There was an AML specialist
20 that was Mr. Daryl Tottenham. I believed he
21 shared a similar belief to me, yes, but I did
22 not take responsibility for any of the
23 investigations units until 2016 [indiscernible].

24 Q Okay. And when you did take charge of those
25 investigation units, at that time did the

1 investigators share concerns that the cash was
2 suspicious?

3 A Yes, they did. I made a point of when I became
4 the director in that unit of meeting with every
5 single one of the staff shortly after I became
6 director to talk to them about their concerns as
7 one of the topics in our one-on-ones.

8 Q And at any time did casino floor staff or front
9 line casino management ever convey to you that
10 they believed those buy-ins to be suspicious?

11 A I can't remember a specific meeting off the top
12 of my head. I'm sure that it probably did
13 occur. A lot of good people work in the casino
14 industry.

15 Q And you would agree with me that the casinos
16 could have turned away patrons who brought in
17 that kind of cash into the casinos?

18 A They could have and they did. From time to time
19 they did. Certainly from when we initiated the
20 cash ban, they had a provision within the *Gaming*
21 *Control Act* to ban what they call undesirables
22 and that process had been in place for a number
23 of years before I became director. In 2015 we
24 brought in a cash conditioning program, that's
25 essentially what that is [indiscernible].

1 MR. SIMONNEAUX: Okay. Perfect. Thank you very
2 much. Those are all my questions.

3 THE WITNESS: Thank you.

4 THE COMMISSIONER: Thank you, Mr. Simonneaux.

5 MR. MCGOWAN: Yes, Mr. Smart for the British Columbia
6 Lottery Corporation, Mr. Commissioner.

7 THE COMMISSIONER: Thank you, Mr. Smart.

8 MR. SMART: Yes, thank you.

9 **EXAMINATION BY MR. SMART:**

10 Q Mr. Alderson, I warrant to start by asking you
11 some questions about your time at River Rock
12 when you were an investigator, 2011 to March of
13 2012. Am I correct that it was your belief that
14 it was not BCLC's role to investigate money
15 laundering?

16 A Well, to be honest, Mr. Smart, it probably
17 wasn't as simple as that. I had a belief
18 that -- so I think as I gave in earlier
19 evidence, I -- I mean, anybody can investigate
20 anything; right? It depends on what authority
21 you have as a -- you know, I can investigate a
22 theft as a member of the public. I don't have
23 authority to do certain things unless I have
24 police powers, et cetera. But when going to the
25 casino, I had already worked as an investigator

1 Constables."

2 Did you -- is that an accurate statement that we
3 received in this document?

4 A I'm not sure I made that statement, Mr. Smart.
5 In the context of the conversation.

6 Q Okay. Well, you were asked to review it and
7 make changes, and --

8 A Yep.

9 Q -- that was provided -- those changes were
10 provided to us by Mr. Jaffe, and I don't believe
11 there's any change to that statement.

12 A No. There's no change.

13 Q During the time that you were an investigator a
14 person named Rob Kroeker prepared a report.

15 A Yes.

16 Q You were aware of that at the time?

17 A Yes, I was. I worked with Mr. Kroeker at the
18 time on some cash alternatives.

19 Q Okay. And you're aware that in his report that
20 he -- I just want to refer to it. He said that:

21 "BCLC's obligation is primarily a duty to
22 report. These reporting obligations do
23 not extend to a duty to investigate and
24 confirm the exact providence of cash used
25 to buy in. Detailed inquiries and

1 investigation into legitimate or
2 illegitimate sources of cash appropriately
3 fall to various law enforcement and
4 regulatory authorities."

5 And he carried on page 10:

6 "Conclusions and statements as to the
7 ultimately legitimacy of cash should only
8 be made where there is detailed
9 independent information verifying the
10 source of the funds and should only be
11 made by the enforcement agencies with a
12 mandate to conduct these types of
13 inquiries."

14 Were you aware that that's what Mr. Kroeker had
15 stated in terms of --

16 A Yes, I've read -- yep, I read his report.

17 Q Okay. So it was up to law enforcement or the
18 regulatory body, GPEB, to be investigating
19 sources of funds, wasn't it, in your mind?

20 A To a certain extent. As I said, I think that's
21 a bit simplistic. You know, I mean, if somebody
22 walks into your local grocery store with money
23 covered in blood, you know, there would be a
24 certain expectation of the public that you may
25 want to question the source of that. I mean, it

1 boils down to some common sense. And I think,
2 you know, under the FINTRAC guidelines there is
3 expectations for reporting entities to have a
4 robust money laundering program. And part of
5 that was doing your due diligence and doing risk
6 assessments. And I think where I had issues
7 with it was if you're not actually -- if you
8 believe that this money is suspicious enough
9 that you've reporting over and over again as a
10 Suspicious Transaction Report, then why would
11 you not ask the question of the patron where the
12 money came from. And that did not happen for
13 quite some time. And that was my issue,
14 Mr. Smart.

15 Q Well, if you did ask, what were you going to do
16 with the information? As an investigator that's
17 not a Special Constable, it doesn't go outside
18 the casino to investigate, what were you going
19 to do with that?

20 A Same what we did in 2015. We showed that to the
21 executive and say there you go, they don't have
22 enough clue where they're getting the money
23 from. So, and then the decisions were made at
24 that point in time to put on cash conditions
25 because the evidence was compelling that none of

1 the people that were interviewed during that
2 period of time could provide a reasonable
3 explanation as to where their money came from.
4 Now, that could have been done 10 years prior,
5 Mr. Smart. I completely reject that that
6 couldn't have been done. I think it's -- I
7 think it's just deflection and negligence.

8 Q Okay. What BCLC was doing was trying to engage
9 law enforcement to do what Kroeker said leave it
10 to law enforcement to determine source of funds.
11 That was happening when you were at BCLC as an
12 investigator, wasn't it?

13 A That was. Suspicious Transaction Reports were
14 being sent to police and the regulator.

15 Q Yes. But there was more than that. You're
16 aware that in 2014 BCLC was actually trying --
17 was actually meeting with the CFSEU to try to
18 get them to engage in investigation of Mr. Jin,
19 for example?

20 A I totally agree and I would actually go further,
21 Mr. Smart, and say it was prior to 2014. Even
22 during my time as a casino investigator there
23 were regular meetings with police.

24 Q Yes. And that continued into 2015 prior to you
25 starting in February, you learned that IPOC had

1 been closed down and the BCLC was attempting to
2 have the serious -- the financial -- sorry, the
3 Federal Serious Organized Crime Group
4 investigate Mr. Jin?

5 A Sorry, Mr. Smart, you're referring to February
6 of 2015?

7 Q Yes.

8 A I did not know that at the time, but certainly
9 later on I became aware of that when I became
10 the director. I was briefed on that.

11 Q You're aware that prior to that, in fact in
12 November of 2013 BCLC established an AML
13 specialist role within the AML unit. Are you
14 aware of that?

15 A Yes. I was aware of that, yep.

16 Q And prior to that that BCLC established a
17 dedicated AML unit for three persons under the
18 management of John Karlovcec?

19 A Yes. I was aware of that.

20 Q And they had hire it had Brad Desmarais, who was
21 a very experienced police officer with
22 experience in investigating money laundering and
23 proceeds of crimes?

24 A Yes, I came to know that that was Brad's
25 background, yes. I agree with that. That was a

1 good hire.

2 Q Why did you think they were doing those things,
3 Mr. Alderson?

4 A Well, I think there were generally people in
5 British Columbia Lottery Corporation that were
6 concerned about the -- some of the -- I guess
7 the lay of the land of the casino industry.
8 Also Mr. Towns had resigned, so that position
9 had to be filled and replaced. In regards to
10 the AML unit, I mean, there was federal
11 legislation that came out from FINTRAC in 2014
12 that required much more due diligence on know
13 your customer, and that was -- so BCLC had to
14 create an AML unit to basically support that,
15 otherwise they -- those requirements -- the
16 requirements became quite onerous on know your
17 customer. It was only -- in considering the
18 volume of customers that BCLC had, they really
19 didn't have the resources at that time to be
20 able to fulfill that [indiscernible] that was in
21 large part why they [indiscernible].

22 Q Are you aware that Mr. Desmarais in March of
23 2014 established an information sharing
24 agreement with the RCMP?

25 A Yes, I'm aware of that.

1 Q What was your understanding as to why that was
2 done?

3 A I think that there was a recognition that there
4 was an element within British Columbia casinos
5 that was, say -- well, criminals and other
6 undesirables, and so by having a sharing
7 agreement that the police in British Columbia
8 could provide a list of those individuals that
9 that would help remove them from those
10 facilities. We had the ability then to --
11 rather than sort of second guessing actually
12 have concrete evidence from the police that
13 those individuals were problematic.

14 Q But there was another purpose to that, though,
15 wasn't it? It allowed BCLC to share additional
16 information with police beyond what was
17 contained in the Suspicious Transaction Reports?

18 A No. I wouldn't say that. Not at that time.
19 Most of the information was one way. I mean,
20 the information never stopped from BCLC. I
21 mean, there was -- the police were getting
22 copies of all the Suspicious Transaction
23 Reports. I think the information sharing
24 agreement was enhanced in 2015 or 2016 to -- so
25 that more information could be provided to get

1 around some of the privacy concerns. But in
2 that time it was primarily the police were
3 providing a list of, I guess it was a list of
4 the organized crime groups and gang members
5 through British Columbia. BCLC never stopped
6 providing copies of Suspicious Transaction
7 Reports. That continued all the way through.

8 Q Were you aware that in July of 2014, after this
9 information sharing agreement was signed, that
10 BCLC provided CFSEU with target sheets of the
11 top 10 suspected casino cash facilitators?

12 A Yes, I became aware of that in 2015.

13 Q So that's an example of information flowing the
14 other way beyond what's in the STRs, isn't it?

15 A Oh, absolutely, yeah. Yeah.

16 Q And BCLC, as I've said, continued to press CFSEU
17 to investigate Mr. Jin and his associates. You
18 knew that?

19 A Yes.

20 Q Why do you think they were doing that?

21 A Well, because I think they had grave concerns
22 about the origins of the money, and in many
23 cases, and I think that -- so yeah, I mean
24 that's it. They were people within BCLC that
25 had serious concerns about the origins of the

1 fund and particularly that one individual.

2 Q And they were doing what Mr. Kroeker had said is
3 get law enforcement to investigate source of
4 funds?

5 A That is correct.

6 Q Were you aware in 2014 that BCLC actually placed
7 one of its what I'll call wealthiest patrons on
8 source of cash conditions?

9 A 2014?

10 Q Yes. About November of 2014.

11 A I'm not sure who you're referring to.

12 Q After you became director you became aware that
13 Mr. Desmarais had actually met -- not only --
14 let me start again.

15 In February of 2014 nothing really that
16 BCLC -- sorry, nothing you were aware of was
17 being done by law enforcement to investigate
18 these large cash transactions, as far as you
19 were aware nothing had been done?

20 A In February of 2014?

21 Q '15.

22 A '15. 2015. That's correct. I was not aware of
23 any active investigations.

24 Q And BCLC actually made a formal complaint to the
25 Federal Serious Organized Crime Group, didn't

1 they?

2 A They did.

3 Q And Mr. Desmarais met with -- sir, to your
4 knowledge in April Mr. Desmarais met with -- I
5 can't remember his rank, I'll say Officer
6 Chrustie -- to encourage him to engage in an
7 investigation of Mr. Jin and his associates.
8 You're aware of that?

9 A I wasn't aware of that. I may have seen -- I
10 cannot recall that. I'm not saying it didn't
11 happen. I'm just not certain of that.

12 Q And you're aware that E-Pirate then started
13 about approximately a month later, in May, the
14 RCMP were going to abandon that investigation
15 but they asked BCLC --

16 A Yes.

17 Q -- to provide a PowerPoint presentation on the
18 social and economic consequences of money
19 laundering and that was --

20 A Yes, I was -- I contributed to that PowerPoint.

21 Q Okay. And as a result of that, those efforts by
22 BCLC, the federal serious organized crime
23 continued their E-Pirate investigation?

24 A I can't be certain that the PowerPoint was the
25 catalyst for that, but I certainly know that

1 they were -- they continued their investigation,
2 yes.

3 Q All right. And that then led to your discussion
4 with Officer Chrustie in which you -- in
5 approximately -- was it July of 2015 when you
6 learned that they had been able to link
7 organized crime to money coming to casinos?

8 A Definitively, yes.

9 Q Yes. Mr. Lightbody testified that was a pivotal
10 moment for BCLC. Do you agree with that
11 description when they learned that information?

12 A Yes, I would agree that's an appropriate
13 description.

14 Q And as a result of that information, BCLC began
15 in August putting some of their wealthiest
16 patrons, patrons that were bringing -- gambling
17 the most in the casino, they started putting
18 those patrons on sourced-cash conditions. Are
19 you aware of that?

20 A Yes.

21 Q These are people that appeared to have enormous
22 wealth but the concern about where the money was
23 coming from, BCLC -- and you were part of
24 that -- required them to demonstrate not just
25 that they had a lot of money but the source of

1 the particular money they were bringing to the
2 casino. That's what the sourced-cash conditions
3 were. Am I correct?

4 A That's correct.

5 Q Yes. And that expanded in September to another
6 26 patrons so that by September, 36 of BCLC's --
7 what I'll say wealthiest patrons were put on
8 these sourced-cash conditions?

9 A That's correct. And I believe they were all the
10 individuals that we had linked to that
11 investigation.

12 Q Yes. I want to ask you to look at a document.
13 And I'm just taking this through
14 chronologically, Mr. Alderson. There is
15 exhibit --

16 MR. SMART: Madam Registrar, exhibit 505. And
17 exhibit 35 to that exhibit, please, put up on
18 the screen. So if we could just go -- if we
19 could go to the next page. Yes, thank you.

20 Q And if we could just go to -- you'll see the
21 following page, it's 176 at the top. You'll see
22 at the bottom of the page Mr. Desmarais writes
23 in an email to you. This is August 29th, 2015.

24 A Yes.

25 Q "Ross, can you please provide speaking

1 notes Q and A in bullet form to Jim."

2 That would be Jim Lightbody

3 A Yeah, I assume so, yeah.

4 Q "With respect to any questions Cheryl."

5 That would be the -- I think the Assistant

6 Deputy Minister, Ms. Wenezenki-Yolland.

7 A Yes, that's the only Cheryl I knew at the time,
8 yeah.

9 Q "Any questions Cheryl may have based on
10 your conversation with Len. Nothing
11 elaborate."

12 And Len would be Len Meilleur or is this --

13 A I would assume that, yes.

14 Q And I'll just -- if we can go to 177 to 179.

15 There's a series of AML Q and A questions in
16 bold, numbered and then what appear to be
17 answers. Were you involved in the preparation
18 of those questions and answers?

19 A I can't say for certain, Mr. Smart, but I assume
20 I probably was, yes.

21 Q Let me take you to question 4, please. The
22 question is:

23 "Where does this cash come from?"

24 And that's in relation to these large cash
25 transactions?

1 A Yep, I can see that.

2 Q And the answer that's below that is:

3 "No one is really sure right now and that
4 is the key issue. No one agency has
5 confirmed evidence that any of the cash
6 used by players is directly linked to
7 proceeds of crime. The police suspect
8 that some of it is and BCLC continue to
9 act on any information from police that
10 might undermine the integrity of gaming,
11 without compromising any existing police
12 operation. BCLC has recommended that
13 government form a gaming law enforcement
14 unit equipped and mandated to investigate
15 source of funds as resourcing is an issue
16 of police and GPEB have said they do not
17 have the authority to investigate."

18 That's the answer that appears that you prepared
19 for Mr. Lightbody if asked questions?

20 A Yes, as I said, I'm not sure if I prepared that
21 one, but I would agree with that statement for
22 the most part.

23 Q And that's the difficulty. Up until E-Pirate,
24 nobody in law enforcement could tell you,
25 including GPEB, that any cash transaction was

1 the proceeds of crime, could they?

2 A Well, I'll take you back to my earlier answer,
3 Mr. Smart. I think there's common sense
4 involved here, and I said you don't know what
5 you don't know and if you're not prepared to ask
6 at least the question, I think there is some --
7 and BCLC was prepared to do that from, you know,
8 on a broader basis from the 2015 onwards, and I
9 think a lot of that was because there was a
10 definitive link. But I certainly agree with you
11 that there seemed to be no agency looking at
12 this in great detail, and -- but I think, you
13 know, there's multiple agencies involved here
14 that all have some -- some skin in the game.
15 And they don't necessarily fulfill all their
16 obligations.

17 Q And that's why what's written there:

18 "BCLC has recommended that government form
19 a gaming law enforcement unit equipped and
20 mandated to investigate source of funds as
21 resourcing is an issue for police and GPEB
22 have said they do not have the authority
23 to investigate."

24 That's your view as to what should happen?

25 A Absolutely. I mean, in Ontario at the time they

1 had police in the casinos, and I believed that
2 that should be what happened in British
3 Columbia.

4 Q And just below that there's a note:

5 "In discussions I and my team have had
6 with financial institutions, some banks
7 ask the customer for their source of
8 funds. However, very few act on that
9 information either and the quality of
10 their STRs is far inferior to BCLC's."

11 That's accurate?

12 A Well, that was what I put at the time, so that
13 would have been the information I had at the
14 time. And I would base that on the fact -- I
15 mean, I stand corrected, but this is going off
16 my memory that approximately 97 percent of all
17 large cash transactions during that period of
18 time were filed by banking institutions in
19 Canada.

20 Q If I could take you --

21 MR. SMART: Madam Registrar, back to 175.

22 Q You'll note that in response to the request from
23 Mr. Desmarais you wrote to Mr. Lightbody, that's
24 now on the 30th of August, saying:

25 "Gents, I've taken a stab based on what I

1 feel the ADM may ask. Key messages from
2 me is/are: BCLC is driving the AML
3 initiatives while providing government
4 with all available information in a
5 totally transparent matter, especially
6 around STRs and related investigations.
7 This includes requesting police look into
8 suspicious activity for as earlier this
9 year. We continue to cooperate fully with
10 police. That includes updating them on
11 who we are talking to and barring so we do
12 not compromise any current
13 investigations."

14 That's accurate? That's what you wrote and
15 that's -- you were being truthful --

16 A That's what I wrote.

17 Q And that's accurate? You were being truthful in
18 that?

19 A Yes.

20 Q And what you're saying ability not compromising
21 that's the ongoing E-Pirate investigation?

22 A Correct.

23 Q The second bullet:

24 "BCLC continued to fulfill our role as a
25 reporting entity for FINTRAC."

1 And the third bullet:

2 "The other key point is to date no one has
3 been able to prove the source of funds and
4 yes, while there may be circumstantial
5 evidence that some cash coming into the
6 casino may be tainted, we are guided by
7 law enforcement and they have told us that
8 they are trying to establish the link. It
9 should be noted that recently that the
10 police have received direction from GPEB
11 that they would work directly with GPEB
12 rather than BCLC."

13 The first part of that, that's accurate, that no
14 one has been able to prove the source of funds
15 and that there may be circumstantial evidence --

16 A No, that's -- that's -- well, at the time I
17 would obviously have been aware of E-Pirate and
18 the link, I got that from Mr. Chrustie, so
19 that's probably not 100 percent correct, but
20 other than that, the rest I would agree with.

21 Q And that may be -- and that may be because,
22 Mr. Alderson, you didn't want to have BCLC
23 disclose publicly what you had learned from
24 Mr. Chrustie?

25 A That is quite likely. I mean, after the meeting

1 with Jim and Brad and so forth, I mean we had a
2 teleconference with the police and there was
3 some concerns about allowing -- compromising
4 their investigation. And I know Mr. Desmarais
5 was very concerned that we would be seen to be
6 party to the offence if we believed that there
7 was -- and we would need an indemnity from the
8 police allowing cash to come in the casino if we
9 knew it related to what they were telling us was
10 [indiscernible].

11 Q So what is accurate is up until what you learned
12 from the E-Pirate investigation.

13 "No one has been able to prove the source
14 of funds and that while there may be
15 circumstantial evidence that some cash
16 coming into the casinos may be tainted,
17 we're guided by law enforcement and
18 they've told us they're trying to
19 establish the link."

20 So that's the state up until E-Pirate; fair?

21 A Yes.

22 Q And E-Pirate was an investigation that was
23 initiated by complaint from BCLC and
24 encouragement from BCLC?

25 A Yes. And I would add members of the service

1 provider as well.

2 Q Yes. It was BCLC that met with Chrustie, wasn't
3 it?

4 A Yeah, I wasn't -- if you're referring to the
5 Desmarais meeting, I wasn't at the meeting, but
6 certainly I would -- BCLC certainly met with
7 FSOC, we met with the CFSEU -- CFSEU, sorry
8 around that time, yes. There's no doubt about
9 that that BCLC were making the reports.

10 Q Those efforts to engage law enforcement to
11 investigate these suspicious cash transactions,
12 the purpose of that wasn't to increase revenue,
13 was it?

14 A Not at all.

15 MR. SMART: No. We can take that down now. Thanks,
16 Madam Registrar.

17 Q And I'll just -- I don't want to take too
18 much -- I've got about 10 more minutes,
19 Mr. Alderson, so I'm going to be a bit brief,
20 more brief about the next period of time. Under
21 in part your leadership, BCLC continued to put
22 patrons on sourced-cash conditions, didn't they,
23 over the next two, two and a half years?

24 A They did.

25 Q And there was a very -- we have had some

1 evidence before the commission, but there's a
2 very significant drop in the number of STRs and
3 the cash value of those STRs. It was a
4 relatively small percentage of what it had been
5 in mid-2015. Do you agree with that?

6 A I agree with that.

7 Q And you have given evidence about you were
8 recommending a \$20,000 cash cap for money coming
9 into casinos, you were recommending that, I
10 think it was September of 2015?

11 A Yes.

12 Q And I think if I understood your evidence that
13 that was a recommendation that no one in the
14 casino industry had such a cap to your
15 knowledge?

16 A Not to my knowledge, yeah.

17 Q And that recommendation wasn't followed at that
18 time, but what was implemented was increasingly
19 putting patrons on cash sourced conditions.
20 That's the route that BCLC took rather than your
21 recommendation of a flat \$20,000 prescriptive
22 cash cap. Is that fair?

23 A Yep, I think that's fair.

24 Q Okay. At the end of -- you became increasingly
25 frustrated in 2017 by -- near the end of the

1 summer, Mr. Alderson, and what I gather from
2 reading your will-say is you're frustrated with
3 the lack of -- well, let me -- you tell us what
4 you were increasingly frustrated with.

5 A Well, you know, it's interesting. I think, you
6 know, much has been said about BCLC and my
7 attitude towards them and I want to put it on
8 the record that the BCLC AML team, some of those
9 individuals are second to none. And there were
10 individuals that were trying to do the right
11 thing. But my frustration stemmed from the
12 fact -- and I'm in a bit of a unique situation,
13 Mr. Smart. I'm not from Canada. I've lived all
14 over the world. I've lived in -- came to
15 Vancouver, and I looked at what I believe that
16 city deteriorate over a number of years. I was
17 quite taken as a former police officer, quite
18 taken aback by these gangbangers driving around
19 parts of Vancouver unabated and coming from a
20 country where there were stronger laws against
21 that sort of thing. And just the lack of
22 attention to what I saw as criminality. You
23 know, I had high hopes for when the policing
24 unit JIGIT came into fruition that, you know,
25 things would be done. I've given evidence about

1 a meeting in 2012 BCLC that I was very unhappy
2 about. I took the role as director because I
3 thought I could make a difference. And we did.
4 It was often my team and a lot of the management
5 team there. And from that day in 2015 when Cal
6 Chrustie and I had that conversation, I believe
7 that there was a -- almost a tone of dismantling
8 of our organization by regulators to discredit
9 BCLC, it was of their failures to act. And when
10 you have a regulator that rams down your throat
11 that they're responsible for integrity concerns
12 and they request reams and reams of information
13 [indiscernible] to Suspicious Transaction
14 Reports, but in fact then the management turns
15 around and says we don't have any authority to
16 investigate. And the police are looking at
17 these things but they're -- well, they're
18 receiving this information, and I saw nothing
19 being done. Nothing being done. And the more I
20 got involved, I joined -- I became on the board
21 of directors of the certified anti-money
22 laundering group in Vancouver, and I saw how
23 many of these patrons were linked into real
24 estate transactions, into other transactions
25 that these were people with criminal links, and

1 I was getting information from police, and not
2 only that, some very concerning links to the
3 Chinese Communist Party, and I felt that a lot
4 of what was being undermined -- I mean, I lived
5 in Amsterdam when I was 22 years old. It was
6 the first time and I was a country boy from New
7 Zealand who really had my eyes opened about drug
8 problems. But when I came to Vancouver and I
9 would drive from Vancouver head office to the
10 downtown area to go to my meetings, I would
11 drive through Hastings and Main, and what I saw
12 down there, you know, you know, it just -- you
13 don't see too many places in the world. It's
14 disgusting. And I -- I just -- the whole thing
15 to me was distasteful, and I felt that I was in
16 a position that I had the information that this
17 needed to be out in the public forum and that
18 was my frustration.

19 Q And that's why you spoke to Mr. Cooper?

20 A It was.

21 Q And do I understand that to be in part to
22 protect and support BC Lottery Corporation?

23 A I was frustrated on behalf of BCLC that the
24 government were controlling the narrative and I
25 think they've tried to do that ever since. And

1 I think that it's unfortunate. So yeah, that
2 was part of the frustration. That I believe my
3 initial conversation with Len Meilleur in
4 Victoria in 2015 was you guys got caught with
5 your pants down. And, you know, it was -- it's
6 been a finger-pointing exercise ever since, a
7 flurry of audits, and the AML team were trying
8 to do the right thing. They were getting
9 smashed with audits, taking up all their time
10 and everything else so people could deflect from
11 their inaction over many, many years.

12 Q You were frustrated with law enforcement?

13 A I was frustrated with many things, Mr. Smart,
14 but law enforcement -- as a former police
15 officer, I was very disappointed in law
16 enforcement in Canada. And I think you've had
17 former police officers testify about their
18 inability to prosecute the big stuff. When you
19 have director of intelligence for the RCMP who's
20 alleged to be selling secrets to third parties,
21 I think that tells it all.

22 Q You went to a briefing by an Officer Ward at the
23 end of August, approximately, of 2017?

24 A I did.

25 Q And we've been provided -- it's hard to hear it,

1 Mr. Alderson. There's a tape. You tape
2 recorded that meeting?

3 A I did. Yep.

4 Q And there's comments made by officer Ward that
5 you actually spoke up and defended BCLC and said
6 those comments weren't accurate. Do you recall
7 that?

8 A Yes.

9 Q And I gather what happened from there is that
10 you had met with Mr. Cooper, you became
11 increasingly frustrated and you provided him
12 documents in an effort to help him disclose the
13 picture about the lack of -- BCLC -- I guess you
14 hoped that he would write that BCLC was
15 effectively being thrown under the bus by GPEB?

16 A In large part I think that's fair. I mean, you
17 know, I'm not going to defend everybody at BCLC.
18 And that's not for me to determine. You know,
19 the Commissioner will determine who has done
20 what they've done. But in large part, yes, I --
21 you know, I was proud of my team. I stand by my
22 record in the industry, what I tried to achieve.
23 And, you know, it's unfortunate, I believe,
24 that -- yeah. Sorry, I'll leave it at that.

25 Q Okay. But you were hoping that this -- I gather

1 from who you've said in your will-say that
2 you're hoping that the information that you were
3 providing to Mr. Cooper might spark a public
4 inquiry?

5 A That's correct.

6 Q And that caused you to reach your confidence
7 that you were supposed to maintain with respect
8 to some of the information that you gathered
9 as -- in your position with BCLC?

10 A Yes.

11 Q And I'll just say you've testified about
12 Mr. Kroeker asking you to ease up on cash
13 conditions and --

14 A Yes, sir.

15 Q And you said that he did and that you're under
16 oath. You appreciate that Mr. Kroeker,
17 Mr. Tottenham and Ms. Bamra under oath also said
18 the opposite?

19 A Well, Ms. Bamra hasn't given evidence under
20 oath, but the other two have. And I appreciate
21 that, Mr. Smart, but you've asked me to come
22 here today and tell the truth, and that's what
23 I'm doing. I'm not going to change my story to
24 appease people. And I understand there's a lack
25 of evidence and that is one of the reasons I was

1 so reluctant to come forth.

2 Q But we sort of have oath on oath, don't we,
3 Mr. Alderson?

4 A We do.

5 Q You swore the affidavit and you've listened to
6 commission counsel disagree with some of the
7 statements that you gave in that sworn document?

8 A Well, I mean, you're a lawyer, Mr. Smart. It's
9 your job to look into documents and make -- pull
10 them apart, so I write my own affidavit, and I'm
11 not a lawyer, and I understand if you want to
12 suggest that things have different meanings, but
13 I wrote it in all honesty.

14 Q My last question is -- or a couple of questions.
15 Did you like Mr. Friesen? Did you like --

16 A Gord Friesen?

17 Q Yes.

18 A I never thought about it. I don't -- I don't
19 have any issues with any persons to be quite
20 clear, Mr. Smart. I didn't dislike Mr. Friesen,
21 no. I didn't -- we didn't share cocktails or
22 have our wives meet each other, but it was a
23 professional relationship.

24 Q You've testified here that he told you that it's
25 all about the revenue?

1 A Yes.

2 Q Is that in any document you've written or any
3 email that you've written?

4 A Those are in my notes. I wrote four pages of
5 notes after that meeting. They were my
6 contemporaneous notes written the same day as
7 that meeting.

8 MR. SMART: Thank you, Mr. Alderson. Those are my
9 questions.

10 THE WITNESS: Thank you, Mr. Smart.

11 Mr. Commissioner, I'm sorry, could we adjourn
12 for five minutes. I just want to have a break.

13 MR. MCGOWAN: Mr. Commissioner, we do have a number
14 of additional counsel. I wonder if what would
15 make sense perhaps is to take 10 minutes but
16 then sit a bit long and see if we can get
17 through Mr. Skwarok and maybe part of the
18 counsel afterwards.

19 THE COMMISSIONER: All right. Let's take that --
20 we'll take a break of 10 minutes. And we'll
21 perhaps sit a little longer.

22 MR. MCGOWAN: Mr. Commissioner, I wonder if -- I'm
23 just going to ask that the witness be given a
24 very clear caution that given that that he's now
25 under cross-examination he ought not to discuss

1 take it.

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

3 **EXAMINATION BY MR. SKWAROK:**

4 Q Mr. Alderson, my name is Mark Skwarok, and I'm
5 one of the lawyers for Great Canadian. You
6 testified about your meeting with Inspector
7 Chrustie. I can't recall whether or not you
8 gave a date, but would you be surprised if I was
9 to tell you that it was July the 22nd, 2015?

10 A That was certainly one of the dates -- one of
11 the meetings. That was probably the key
12 meeting, yep.

13 Q Is it fair, sir, that at that meeting this is
14 the first time that the police are informing you
15 as a representative of BCLC that there were
16 serious concerns about potential illicit funds
17 coming into River Rock?

18 A No, I think the police had made their positions
19 over a number of years. I think that was the
20 first time that there was -- he told me of an
21 actual link of a drop-off to a cash house
22 related to crime.

23 Q I'm not sure I quite get that. I believe that
24 you stated that this was the first concrete, or
25 words to the effect of this was the first

1 concrete evidence that the proceeds of crime
2 were coming into River Rock or might have been.

3 A Yes. Yes.

4 Q Yes. And prior to that time it was your belief
5 that it was entirely possible that the funds
6 coming into the casino may have been legitimate;
7 correct?

8 A No, I've never said that. What I said was my
9 belief was that they were likely from dubious
10 sources, just the packaging and the volume and
11 so forth, but we didn't have any evidence at
12 that point that that was in fact true. But that
13 was not my -- I had suspicions for a number of
14 reasons.

15 Q I'm going to read out something, and perhaps you
16 could tell me if you agree with this statement.
17 There was a June 4th summit meeting in 2015
18 between the police and the other parties where
19 there was discussions of criminality. Do you
20 agree with -- do you remember that?

21 A The AML summit?

22 Q Yes.

23 A I believe you're referring to.

24 Q Yes.

25 A Yes.

1 Q I just say that by way of background. At the
2 June 4th summit, which discussed source of funds
3 there was no mention of criminality and group
4 discussions centred on that no one really knew
5 where the money was coming from and that there
6 was a known underground banking system in BC as
7 well as hawala systems in place which may or may
8 not be illegal?

9 A Yes, that is what the opinion of a number of the
10 senior -- or I should say that was my
11 interpretation of the opinion of the senior
12 police officers at that summit. That wasn't the
13 opinion of all the police that I was dealing
14 with at the time, but certainly that was what
15 was discussed at the summit, you're correct.

16 Q But that excerpt that I just read, that I guess
17 epitomized the general beliefs and statements
18 that occurred in that meeting, correct?

19 A From that meeting I would agree with that.

20 Q Yes. And you wrote a report about this. I'm
21 happy to take you to it, but I don't think I
22 need to because you obviously recall it. But in
23 your report you didn't mention your views that
24 the funds were likely illicit, did you? This is
25 prior to July 2015.

1 A This is in the report from the summit,
2 Mr. Skwarok?

3 Q No, I think I should take you in fairness to it.

4 A Yes.

5 MR. SKWAROK: Madam Registrar, could you bring up
6 exhibit 148 to these proceedings, which is the
7 affidavit of Mr. Tottenham. And in particular
8 exhibit 43 to his affidavit. I should say,
9 Mr. Commissioner, may I respectfully request
10 this document not be livestreamed. It contains
11 information that at least one of the parties has
12 redacted.

13 THE COMMISSIONER: All right. The exhibit then won't
14 be livestreamed. It will simply be shown to the
15 participants.

16 MR. SKWAROK: All right. And, Madam Registrar, can I
17 request that you take the witness to page 405 at
18 the top. You'll see the entry July 22nd, 2015.

19 Q That's the Inspector Chrustie meeting you were
20 talking about; correct?

21 A That's correct.

22 MR. SKWAROK: If I take you to the summary -- I'll
23 ask you to go to page 406, Madam Registrar.

24 Q And you'll see in the second paragraph of the
25 summary:

1 "Prior to the July 22nd, there was no
2 information provided to BCLC by law
3 enforcement of a definitive link between
4 Jin and organized crime."

5 Do you see that?

6 A Yes.

7 Q Yes. And you agree with that?

8 A I agree with that.

9 Q Yes. And then on the next page, if you could
10 just read to yourself the top four lines where
11 he says that it may or may not be illegal.

12 A Sorry, you want me to read out loud or you want
13 to just --

14 Q No, to yourself, to yourself, because you've
15 already given evidence about it. I just don't
16 want you to be misled.

17 A Yep.

18 Q That's the paragraph I read to you. But there's
19 nowhere here where it talks about your views
20 that the funds were potentially illicit before
21 July the 22nd.

22 A Not in this document, no.

23 Q All right. Are you aware, sir, that in March of
24 2016, Great Canadian issued a directive that
25 transactions using cash from Mr. Jin and his

1 associates would be refused at Great Canadian?

2 A In March of 2016 that cash ...

3 Q Yes, that cash was seen to be given by Jin or
4 his associates to any patron, that cash was to
5 be refused for the buy-ins?

6 A I don't recall that. It's quite possible. I
7 mean, it was well known by then that anyone
8 associated with him had been placed on cash
9 conditions. It was the worst kept secret in the
10 industry, yep.

11 Q And it wasn't for some time after that before
12 BCLC imposed a province-wide similar type of
13 ban. Do you recall that?

14 A On whom, sorry? On Jin?

15 Q Jin and his associates. So we have in March of
16 '16 Great Canadian chooses to put the ban on Jin
17 and his associates' money?

18 A Sorry, Mr. Skwarok, I think I'm a bit confused.
19 Is it March 2016 or March 16, another year.
20 Because Mr. Jin was banned by BCLC I think in
21 2012.

22 Q I beg your pardon. It's May 2016 was --

23 A May 2016.

24 Q Yes.

25 A No. Mr. Jin had been banned by BCLC back in

1 2012.

2 Q No, but we're not talking about Mr. Jin coming
3 into the premises. I'm talking about situations
4 where he or his associates were seen to pass
5 money to patrons.

6 A Right. Well, that would make sense because
7 obviously as I said, those first patrons that
8 were on source of funds and banned were as a
9 direct connection to Mr. Jin.

10 Q I beg your pardon. Sorry. Great Canadian posed
11 the bans prior to BCLC imposing a province-wide
12 ban. Are you aware of that?

13 A No, not aware. That doesn't really make any
14 sense to me. Sorry.

15 Q Well, on day one Great Canadian imposed the ban
16 on cash being seen to come from Jin or his
17 associates, and on day two, BCLC imposed a ban
18 province-wide to the same effect. Do you have
19 any recollection of that?

20 A I don't. And so -- because in -- I believe the
21 first directive from BCLC went out in either
22 August or September of 2015 with 10 individuals
23 refusing to bring in funds and they were the
24 first ones that were linked because I asked the
25 analyst to go back and find all the connections

1 to Mr. Jin, and so those ones were -- and then
2 the further 26 Mr. Smart alluded to were done in
3 September of 2015. So that's months and months
4 before what you're talking about.

5 Q Yes, but Great Canadian found other individuals
6 through their own surveillance. But in any
7 event, if you don't recall it, I'm not going to
8 waste your time.

9 I want to go to the \$50,000 threshold, if I
10 may.

11 A Yep.

12 Q And you've already given evidence about your
13 2011 September email in which you indicated you
14 were aware of the \$50,000 threshold; correct?

15 A That's correct.

16 Q And for the sake of the record, that is
17 exhibit 75, appendix J. And in response
18 Mr. Friesen said that you were free to vary that
19 amount if you wanted, and I think your evidence
20 was that you didn't believe that you had the
21 authority to do that.

22 A No, I think my evidence is I -- I can't recall
23 if we had meetings at that time to discuss that,
24 but I also -- being -- having the benefit of
25 being a senior manager in that organization I

1 would not impose that sort of responsibility on
2 an investigator, and it wasn't -- it wasn't
3 necessarily an amicable relationship with the
4 management of River Rock and investigators at
5 that time. I thought that the appropriate
6 avenue was to escalate that to my own managers
7 who then would have conversations with the
8 management group. I mean, you're talking,
9 Mr. Skwarok, about non ...

10 Q I'm talking about the \$50,000 or less --

11 A Yeah, which is noncompliance, Mr. Skwarok, with
12 a federal statute. Now, that shouldn't be left
13 to an investigator at a casino to remedy that,
14 in my opinion. That is something that is
15 actually quite serious. You know, I mean, when
16 you look in 2015 we actually had to address that
17 by voluntary disclosure to FINTRAC. And to me
18 it just seemed to be to discard and say well,
19 have that conversation to management. I just
20 don't think it's addressed it in an appropriate
21 manner.

22 Q Well, my question to you, sir, is why didn't you
23 pursue this issue with management at BCLC?

24 A Well, I don't know if I did. I mean, is that my
25 role? I mean, I escalated it to management.

1 That's what I did. That's what I would expect
2 to do and then I went on with my job. And I was
3 not to know what conversations they were having
4 between --

5 Q Sorry, go ahead.

6 A You know, should -- if I -- would you if you
7 brought this up to your boss keep -- you would
8 expect him to fulfill his role and I just went
9 on with my day-to-day job, right, thinking it
10 had been addressed.

11 Q But you didn't pursue it -- you didn't pursue it
12 with management?

13 A Well, I can't recall, Mr. Skwarok. I don't have
14 notes. I can't categorically say what
15 conversations I had and what happened, and so if
16 you're implying there is a \$50,000 threshold
17 issued because of an investigator at the River
18 Rock at the time, then I think you're off the
19 mark.

20 Q No, what I'm suggesting, sir, that you were
21 aware that a \$50,000 threshold was being applied
22 at River Rock.

23 A And the management became aware at that same
24 time.

25 Q All right. Did you tell Great Canadian about

1 your concerns?

2 A Which concerns?

3 Q About the \$50,000 threshold.

4 A Again, I don't know. You're asking me about
5 something that happened nine years ago.

6 Q Because the evidence has been that there was
7 some confusion about this threshold.

8 A Yep, I think that's fair.

9 Q There's certainly -- there was no confusion in
10 your mind in your email that Great Canadian was
11 inappropriately using a \$50,000 threshold?

12 A Yes. I think the email that you're referring
13 to, Mr. Skwarok, there was a buy-in from one
14 individual in a day of 49,960 and 49,980 from
15 the same individual. So ultimately you had
16 99,000, just under 100,000 shy with no
17 Suspicious Transaction Report all in \$20 bills,
18 and that to me smelled very bad.

19 Q Right. But implicit in that is that you were
20 aware that a \$50,000 threshold was being
21 applied, and you didn't contact Great Canadian
22 to say don't do that anymore; right?

23 A Well, I don't -- I don't -- I escalated to my
24 manager, Mr. Skwarok. I didn't -- again, I
25 would have thought that would have been done at

1 a management level. And that was -- it was a
2 chain of command and, I mean, as an investigator
3 you are the bottom of the food chain. I would
4 expect that would have been dealt with
5 appropriately.

6 Q So the answer to my question is no, you didn't
7 communicate your concerns to Great Canadian?

8 A No, that's not what I said. I said I don't
9 know. It was nine years ago. I don't know what
10 conversations took place.

11 Q All right. You don't recall your conversations
12 with Great Canadian?

13 A I do not recall it, no.

14 Q All right.

15 A It may well be in my notes, Mr. Skwarok. I do
16 not recall. It's a long time ago.

17 Q In questioning by the counsel for Canada, you
18 testified that in your view casinos could turn
19 down suspicious cash. Do you recall that?

20 A Yes.

21 Q The casino's duties are to report suspicious
22 transactions, not to investigate the origin of
23 the cash; correct?

24 A No, I disagree with that.

25 Q Okay. The Vice President Legal at BCLC stated

1 that in his opinion Great Canadian did not have
2 the ability to put a limit on the number of
3 \$20 bills that came into the casino. Do you
4 have any reason to take issue with what his
5 evidence as a lawyer was?

6 A Well, I mean, there's a legal authority for sure
7 and there's a moral authority. And I take it
8 back to my earlier comment about if someone
9 walks into a grocery store with money covered in
10 blood. That person at the counter there has to
11 make -- legally, of course, they can accept that
12 transaction, so there's your ice cream; thank
13 you for coming in. But they can also say well,
14 you know what; this looks really bad; I don't
15 know if I should take this money. And so there
16 are two very, very different things.

17 Q Yes, but you're not being responsive to my
18 question. My question has to do with
19 Mr. Kroeker saying that Great Canadian was
20 unable to, it could not issue a policy limiting
21 the number of 20s without BCLC authority and
22 approval.

23 A I'm not familiar with that document.

24 Q We talked about a meeting with Terry Towns. One
25 of the outcomes was I believe that you said that

1 BCLC investigators were not to speak with Great
2 Canadian staff. Did you say that?

3 A No, I didn't say that. It was patrons.

4 Q Just the patrons?

5 A Just the patrons, yep. Specifically the
6 high-limit patron -- well, more specifically the
7 high-limit patron.

8 Q Right. And you recall the reason why this
9 concern arose? Were you made aware of the fact
10 that the BCLC investigators had embarrassed
11 patrons by approaching them in a public manner
12 and questioning them in front of their friends
13 and colleagues?

14 A Well, that may have happened at some point, but
15 certainly in the circumstances and the scenario
16 that I provided that did not take place. The
17 individual was spoken to in a private room in
18 the company of Great Canadian staff. It was
19 done professionally, and there was never any --
20 I can't recall one incident that I was involved
21 with where a patron was spoken at the table. So
22 I -- you would have to give me examples on that.

23 Q All right. Well, I'm going to move forward a
24 couple of years and Daryl Tottenham. And you
25 knew him to be a man of immense integrity, did

1 you?

2 A I know Daryl Tottenham, yeah.

3 Q Yes. He gave evidence that in 2014 to 2015
4 there was a similar incident where BCLC
5 investigators had approached a patron and
6 embarrassed him. And then there was a meeting
7 between BCLC staff and Great Canadian staff in
8 which the situation was resolved this way: BCLC
9 investigators if they had concerns, they would
10 communicate them to Great Canadian staff, and
11 Great Canadian staff would take the patrons to a
12 private place and use their relationship with
13 the patrons to get information for BCLC. Are
14 you aware of that?

15 A Yes.

16 Q And Mr. Tottenham testified this is a win-win
17 situation because Great Canadian could more
18 easily get the information, the customers would
19 feel more comfortable and BCLC could get the
20 information it wanted; right?

21 A Well, secondhand, yes. I think -- yeah, I don't
22 agree that that should be the way it's done --
23 depending on the circumstances. For example, if
24 there is an indication that a gaming worker from
25 River Rock was perhaps involved in something,

1 then no, I don't believe they should be
2 [indiscernible] that process, but from the day
3 to day stuff, yeah, they had the relationship
4 with the customers, so that did work.

5 Q The issue there was not whether or not BCLC
6 could get the information it wanted. It was how
7 it got it, and this protocol was created and
8 agreed to with BCLC that the Great Canadian
9 staff would interview the patrons. And
10 Mr. Tottenham said that that was a win-win
11 situation. And in fairness to -- sorry, were
12 you going to say something?

13 A No.

14 Q Okay. And in fairness to Mr. Tottenham, he said
15 that wasn't the end of the line, that BCLC
16 investigators if they had any other questions or
17 they weren't happy with the responses, they
18 could then go and deal directly with the
19 patrons. So there was no exclusion of meetings
20 between patrons and BCLC, but the first line of
21 attack was between Great Canadian employees and
22 BCLC with everybody's approval. You have no
23 reason to disagree with that assertion, do you?

24 A No, as I said, other than circumstances where --
25 I don't necessarily agree with all of that,

1 Mr. Skwarok. I think in the circumstances, I
2 mean, the -- one of the scenarios I outlined
3 earlier to Mr. McGowan, I mean, there was an
4 argument between myself and the general manager
5 of the River Rock and during the initial
6 conversation, I mean, he told the patron you
7 don't have to say anything. So in that regard,
8 you know, there was -- as any investigator will
9 tell you, the continuity of evidence, it's
10 better to do it yourself or to provide that than
11 have a third party do that, because how do you
12 rely on that evidence, right, being real.

13 Q All right. I'd like to talk about your response
14 to a GPEB report on refining.

15 MR. SKWAROK: And if I could ask Madam Registrar if
16 you could take the witness to BCLC4210.

17 Q Do you recognize this document, sir?

18 A I do, yes.

19 Q And this is a document in which you indicated an
20 opinion that a GPEB report on refining was
21 misguided because it did not, for amongst other
22 things, pay attention to the reasonableness of
23 the play; right?

24 A Do you mind putting the document up a little
25 bit, Mr. Skwarok.

- 1 Q Yes, it's the second paragraph that starts off:
2 "BCLC has never mandated a service
3 provider must."
4 Yep.
- 5 Q And then it goes on:
6 "The test is reasonable play."
7 A Yep.
- 8 Q And reasonable play, we're talking about the
9 size of the wager, how long the person's been
10 wagering, the amount of losses, that type of
11 thing; correct?
12 A Yep. No, no, you're correct.
- 13 Q And the ensuing paragraph, the following
14 paragraphs, you suggest that the GPEB report was
15 misguided -- my word, not yours -- because it
16 did not consider the concept of reasonableness
17 at play, it just talked about provision of
18 exchanging bills?
19 A Yes, that's my comment.
- 20 Q And could I take you to the next page, please,
21 sir. And if you look at the -- firstly let me
22 ask you this: do you remember the date of this
23 report?
24 A No, I don't, Mr. Skwarok. I'm sorry.
- 25 Q All right. If you go to the second paragraph.

1 It's not dated, but if you look at the second
2 paragraph it says the review period for this is
3 July 1st, 2015, to December 31st, 2015, which is
4 eight to 12 months old. So that --

5 A Yep.

6 Q -- would make the date of this report roughly
7 August of 2016?

8 A Yes, that would be -- yep.

9 Q And the next paragraph --

10 A [Indiscernible].

11 Q It's the next paragraph that I want to draw your
12 attention to:

13 "Based on BCLC's experience there is very
14 little evidence of the prevalence of 'bill
15 refining' in the River Rock high-limit
16 rooms. While we know that players have
17 received small denomination bills from
18 deliveries, analysis through STR reports
19 has shown that almost exclusively the
20 deliveries were for the purpose of actual
21 'reasonable' play and gambled by the
22 player."

23 A Yes.

24 Q Do you agree with that statement?

25 A Yes, in the context of this report I would agree

1 with that statement, yep.

2 Q I'm not going to question you much about

3 Ms. Gao.

4 MR. SKWAROK: I should mark that memo that you wrote

5 as an exhibit, please, Madam Registrar.

6 THE REGISTRAR: Mr. Commissioner, that will be

7 exhibit 1028.

8 **EXHIBIT 1028: GPEB Audit of River Rock how long**

9 **Rooms note by Ross Alderson**

10 MR. SKWAROK:

11 Q I plan to take you to just one more document,

12 Mr. Tottenham [sic] and that's GPEB20. Oh, I

13 should say it's GPEB19, I believe. Let me

14 confirm that.

15 THE REGISTRAR: Mr. Skwarok, I just want to confirm

16 do you want -- because this document has already

17 been marked as exhibit 532, do you want to have

18 the redacted copy or the original copy?

19 MR. SKWAROK: I want exhibit -- GPEB19.

20 THE REGISTRAR: Sorry, GPEB 9-0?

21 MR. SKWAROK: Did I say 20? I'm sorry.

22 THE REGISTRAR: Yes, okay. Sorry.

23 MR. SKWAROK: Do you recognize this -- I don't want

24 this document on the livestream, please,

25 Mr. Commissioner. Amongst other things, it has

1 the name of a victim of a sexual assault.

2 THE COMMISSIONER: Yes.

3 MR. SKWAROK: And there's no reason for that to be.

4 Q You've read this --

5 THE REGISTRAR: Sorry, did you say GPEB0020 or --

6 MR. SKWAROK: 0019.

7 THE REGISTRAR: 19. Sorry. Okay.

8 MR. SKWAROK: My mistake, not yours, Madam Registrar.

9 THE COMMISSIONER: I will order that that not be
10 livesreamed. Just shown to participants.

11 MR. SKWAROK:

12 Q I'm not going to take you through it, sir, but
13 you reviewed this iTrak report for the sexual
14 assault of a woman, an employee of Great
15 Canadian who was poked in the breast by a
16 drunken high-roller player. You've read this?

17 A Yes.

18 Q All right.

19 A I think I wrote a report on this, actually,
20 Mr. Skwarok.

21 Q Do you have reason to disagree with any of the
22 entries that were put into the iTrak report?

23 A I'd have to go through it in detail,
24 Mr. Skwarok. All I can see right now is, like,
25 the top of page 1 of the report.

1 Q All right.

2 A I -- to be fair, I know I wrote a report. I
3 don't -- I haven't gone into every single entry
4 in detail and I could barely give you
5 a proper --

6 Q That's perfectly fair. But you do recall
7 reading the document?

8 A I recall reading this document, yes.

9 Q And do you recall having any significant
10 problems with it?

11 A Well, again, unless I saw the document in more
12 detail, I couldn't really [indiscernible].

13 Q But you don't have any present recollection that
14 you had problems with it?

15 A No. If my recollection serves me correctly, in
16 my report that I wrote, I had concerns about the
17 time period it took to reporting the incident in
18 that the player was A, intoxicated in the first
19 instance, and B, was allowed to gamble after the
20 assault twice. And they were my concerns, and I
21 believe that's what I raised at the time and
22 what I wrote in the report. And there was -- I
23 don't think Great Canadian actually reported it
24 to the police; it was BCLC. And I remember I
25 think it was Bruno Gatto at BCLC being quite

1 upset at the time. And having a discussion of
2 why it hadn't been reported at the time.

3 Q Well, the evidence --

4 A That's my recollection.

5 Q The evidence in the iTrak report is that the
6 victim was advised that she could phone the
7 police. She was understandably terribly upset.
8 She didn't want to give a statement. She was
9 escorted to her car and that the individual was
10 evicted from the premises an hour and 15 minutes
11 or so after the incident.

12 A Yeah. Well, that's -- see, in my opinion it
13 should have been done immediately. And in my
14 experience in dealing with sexual assault
15 victims, quite commonly they don't want to
16 report. And when a sexual offence has taken
17 place, it should be an obligation to report it.
18 Many of the sexual assaults are reluctant to --

19 Q The problem, sir, is if you're going to kick
20 somebody out of some premises for committing an
21 extremely serious criminal offence, you have to
22 review the surveillance tapes, you've got to
23 interview people; correct?

24 A There were witnesses to the incident, Mr. Skwarok.

25 Q But they had to be interviewed?

1 A Well --

2 Q Anyway --

3 A Well, I think if somebody touched someone on the
4 breast and it happened in front of you, I don't
5 think you need to review surveillance tapes to
6 come to a conclusion that something has just
7 occurred. I disagree with that. I think that's
8 ridiculous. I think you have staff members that
9 were there. She clearly left. There were
10 people there at the scene that could have
11 verified that, including some supervisors that
12 could have made that decision. So I just -- I
13 don't agree with you, sorry.

14 MR. SKWAROK: All right. Those are my questions.
15 Thank you.

16 THE COMMISSIONER: Thank you, Mr. Skwarok.

17 Yes, Mr. McGowan.

18 MR. MCGOWAN: Yes, Mr. Commissioner.

19 MR. SKWAROK: Excuse me, sir, Skwarok again. Could
20 we mark that document as an exhibit?

21 THE COMMISSIONER: Yes. That was GPEB19; is that
22 correct?

23 MR. SKWAROK: Yes.

24 THE COMMISSIONER: All right.

25 THE REGISTRAR: Yes, exhibit number 1029,

1 Mr. Commissioner.

2 THE COMMISSIONER: Thank you.

3 **EXHIBIT 1029: Incident File Full Report**

4 **IN20160008580 - February 10, 2016**

5 MR. MCGOWAN: Yes, Mr. Commissioner. We have
6 Ms. Bevan next, and she doesn't intend to be
7 long, but I think equally we could break now and
8 start tomorrow. We're making reasonable
9 progress such that I think if everyone sticks to
10 the time, we'll have a full day tomorrow but
11 that probably won't need to run over too much.

12 THE COMMISSIONER: All right. Ms. Bevan, are you
13 satisfied with that?

14 MS. BEVAN: That's fine. Thank you.

15 THE COMMISSIONER: All right. I think we will
16 adjourn now until tomorrow at 3:00 p.m., and
17 thank you, Mr. Alderson. And you'll recall what
18 I told you at the most recent break. It's
19 important that you not discuss your evidence
20 with anyone, including your counsel.

21 THE WITNESS: Yes.

22 THE COMMISSIONER: All right. Thank you.

23 THE WITNESS: Thank you.

24 THE COMMISSIONER: We'll adjourn, Madam Registrar.

25 THE REGISTRAR: Yes. The hearing is adjourned until

1 September 10th, 2021 at 3:00 p.m. Thank you.

2 **(WITNESS STOOD DOWN)**

3 **(PROCEEDINGS ADJOURNED AT 7:16 P.M. TO SEPTEMBER 10,**
4 **2021)**

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