

PROCEEDINGS AT HEARING OF NOVEMBER 10, 2020

COMMISSIONER AUSTIN F. CULLEN

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November 10, 2020

(Via Videoconference)

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

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

THE COMMISSIONER: Yes, thank you, Madam Registrar.

Mr. McGowan, before we proceed with the continued examination of Mr. Tottenham, I think it's -- it may be useful if I were to indicate a ruling I've recently made on a very recent application brought on behalf of Mr. Kash Heed. As I understand it, last night, that is Monday, November 9th shortly before 7:00 p.m., commission counsel received an application from counsel retained by Mr. Heed in which he sought a number of orders. The orders sought are that he be granted an extension of time to seek limited participant status, that he be granted limited participant status for the limited purpose of, A, conducting a cross-examination of Mr. Pinnock on his evidence relating to his discussions with Mr. Heed; B, that failing agreement between commission counsel and Mr. Heed as to the relevant portions of the transcripts that can be treated as admissible

1 evidence and therefore not to be redacted,
2 bringing an application relating to that issue;
3 3, that his -- Mr. Heed's cross-examination of
4 Mr. Pinnock will take place before Mr. Heed's
5 application relating to the admissibility of
6 portions of exhibits 163 and 164; 4, the
7 application deadline, Wednesday, November 11th
8 relating to redactions will be adjourned
9 generally and following Mr. Heed's application
10 relating to the admissibility of portions of
11 exhibits 163 and 164, the remaining participants
12 and if necessary any third parties will be
13 provided with notice and an opportunity to
14 address whether any redactions in exhibits 163
15 and 164 are warranted; 5, exhibits 163 and 164
16 will not be made public until the conclusion of
17 the process set out in point 4; and 6,
18 Mr. Heed's rights as a limited participant are
19 subject to variation and modification to address
20 any issues that may arise.

21 And following receipt of that application,
22 which was forwarded to me, I have reviewed it
23 and I've concluded that it is appropriate to
24 make the various orders sought by Mr. Heed. I
25 will issue specific reasons for so ruling

1 shortly. I'm hoping to be able to do so by the
2 end of today, but it may not occur until
3 tomorrow or tomorrow being a holiday, possibly
4 Thursday. But in any event, those reasons will
5 be issued shortly.

I should indicate that a number of parties,
third parties, have made application for
redactions which have already been received by
commission counsel, and they will be considered
in due course in light of any ruling on the
admissibility or inadmissibility of exhibits 163
and 164.

13 All right. Thank you, Mr. McGowan. I
14 think that disposes of the issue for the time
15 being.

16 MR. McGOWAN: Yes, thank you, Mr. Commissioner.

17 Today we have the return of Mr. Tottenham for
18 examination by a number of participants.

19 Ms. Latimer has conduct of this witness, but she
20 is tied up on another matter just for a brief
21 while. She'll be joining us shortly. But we
22 can proceed in her absence. I believe Ms. Rajotte
23 is first in the batting order this morning.

24 THE COMMISSIONER: Thank you.

DARYL TOTTENHAM, a

1 A Correct, yes.

2 Q BCLC did not review all of those scanned
3 receipts, did they?

4 A Individually we would not -- we didn't have a
5 point of doing that specific. We would look at
6 them as we were reviewing files, but not in
7 every instance, I would say, no.

8 Q So from time to time when a BCLC investigator
9 reviewed a specific file, then in that case the
10 receipt may be reviewed; correct?

11 A It may be reviewed, yes.

12 Q But not in all cases?

13 A Not in all cases.

14 Q And once satisfied that a patron had proved the
15 source of their cash buy-in, service providers
16 accepted the cash; is that correct?

17 A Correct.

18 Q And the transaction would not be reported as
19 suspicious in that instance; is that correct?

20 A Well, there's other indicators that could play
21 into a cash buy-in, but in terms of the source
22 of the cash, if they satisfied that, we were --
23 that would satisfy our questions on the cash
24 itself.

25 Q So if the patron proved the source of their cash

1 with a receipt, the transaction would be not --
2 would not be reported as suspicious based on the
3 cash itself; is that right?

4 A Yes, correct.

5 Q There may be other indicators of suspicion,
6 that's what you're saying?

7 A That's what I'm saying, yes.

8 Q Thank you.

9 A Other factors.

10 Q Other factors. Mr. Tottenham, could you please
11 turn to your affidavit number 1, which has been
12 marked in this proceeding as exhibit 148. And
13 specifically paragraph 147, which you will find
14 on page 29 of your affidavit.

15 A Sorry, on page ...

16 Q The page 29, paragraph 147.

17 A 147. Thank you.

18 Q Do you have that there?

19 A Yes, I do.

20 Q So you state at paragraph 147 that in May 2016
21 the AML unit established a source of funds
22 initiative for 34 targeted high-value patrons to
23 obtain information about the source of their
24 funds for large cash buy-ins at the time of
25 buy-in; correct?

1 A Correct.

2 Q You attach as exhibit 49 -- and I'll go there in
3 a second -- the reduction in STR initiative
4 dated May 2016 and then you state:

5 "As we identified more subjects, we added
6 them to the source of funds program and
7 required service providers to complete the
8 source of funds questionnaire at the time
9 of each large cash buy-in for these
10 patrons."

11 Correct?

12 A Correct.

13 Q So this initiative began, I understand, in May
14 of 2016, and then it was enhanced as time went
15 on. Is that right?

16 A That's correct, yes.

17 Q And then if we could turn to exhibit 49, please.

18 A Okay.

19 Q So I understand this to be a communication from
20 Mr. Alderson to service providers explaining the
21 source of funds interview initiative; is that
22 right?

23 A That's correct, yes.

24 Q And at this time, May 2016, you were manager of
25 AML programs?

1 A Correct, yes.

2 Q And then just reading from the top of this
3 directive it states:

4 "In 2011, the provincial government
5 launched a multiphase anti-money
6 laundering --"

7 I think it's missing a word here "strategy":

8 "-- focused on reducing the use of cash to
9 minimize the opportunity for money
10 laundering to take place through gaming
11 facilities."

12 In 2016 at the time of this directive you were
13 aware of the Province's AML strategy; is that
14 right?

15 A Yes, I was.

16 Q And then continuing on, this directive states:

17 "The first two phases of the province's
18 strategy focused on the development of
19 cash alternatives and the promotion of
20 their use by patrons."

21 BCLC promoted patron gaming fund accounts as a
22 cash alternative; correct?

23 A That's correct, yes.

24 Q And convenience cheques?

25 A That's correct, yes.

1 Q And then continuing on, the directive states:

2 "In September 2015, the government
3 implemented phase 3 of the AML strategy
4 which focuses on regular guidance --"

5 And then I believe it's a typo there:

6 "-- and intervention. BC Minister of
7 Finance Michael DeJong, QC, in a letter to
8 Bud Smith, BCLC Chair of Board of
9 directors, directed BCLC to reduce the
10 amount of suspicious cash transactions by
11 taking the following actions."

12 And I'll skip steps 1 and 2 and focus on
13 point 3, which states:

14 "Enhanced customer due diligence to
15 mitigate the risk of money laundering in
16 British Columbia gaming facilities through
17 the implementation of AML compliance best
18 practices, including the processes for
19 evaluating the source of wealth and source
20 of funds prior to cash acceptance."

21 I've read that correctly?

22 A That's correct, yes.

23 Q And so at this time, 2016, you were aware, I
24 take it, then, that Minister de Jong directed
25 BCLC to mitigate the risk of money laundering in

1 casinos by taking steps to evaluate source of
2 wealth and source of funds prior to cash
3 acceptance?

4 A That's correct, yes.

5 Q There's a mention of JIGIT, which I'll skip, and
6 then the next line of this directive reads:

7 "In line with direction in 2015,
8 particularly bullet point 3, BCLC has
9 placed conditions on a number of players
10 due to source of funds and/or source of
11 wealth concerns."

12 And then I'll skip the next paragraph and then
13 the following paragraph reads:

14 "In order to fulfil the government
15 direction, BCLC wishes to work
16 collaboratively with service provider
17 partners."

18 So to your knowledge, Mr. Tottenham, am I
19 correct that BCLC enhanced its cash conditions
20 program further to the direction of Minister de
21 Jong?

22 A Yes, I would say that's correct, yes. And it
23 was a steady growth. We were constantly adding
24 new programs and enhancing, so this program
25 you're talking about is one of a number of

1 things that we were doing and had been doing
2 over the couple -- two previous years.

3 Q And then if we turn the page to -- in the top
4 right-hand corner, page 447, for your affidavit
5 it's titled "Interview Format for Identified
6 High-Risk Patrons Instructions." Do you see
7 that?

8 A Yes.

9 Q So these were the instructions from BCLC to the
10 service providers with respect to completion of
11 the interview form; is that right?

12 A That's correct, yes.

13 Q And paragraph 2 states:

14 "Ask the player for the source of funds
15 produced for this buy-in and document the
16 response."

17 Correct?

18 A Correct.

19 Q And then at paragraph 6 we see that you are
20 listed as the individual to contact with respect
21 to inquiries with respect to this form?

22 A Correct.

23 Q And if we turn the page, this is what I
24 understand to be the form that would be used to
25 document the responses for an interview. Is

1 that right?

2 A That's correct, yes.

3 Q And patrons completed this form themselves in
4 some instances?

5 A Sorry, I couldn't hear the question.

6 Q Patrons completed these forms themselves in some
7 instances?

8 A No. This was all done onsite by the service
9 provider, so the intention was at the cash cage
10 when the patron attended to buy in, the cash
11 cage staff would fill out this form, ask the
12 questions, write down the responses and then
13 sign off the information of who the employee was
14 and the GPEB number and then that's the copy
15 that would be held and scanned into our files.

16 Q Okay. Thank you. And BCLC did not require the
17 service provider to verify the responses;
18 correct?

19 A No, not -- not in this instance, no. We were --
20 this was a declaration for information that we
21 were looking for.

22 Q Thank you. Madam Registrar, if I may ask for
23 exhibit 85 to be pulled up for Mr. Tottenham.
24 That's documents GPEB5137 through 5154. It's 18
25 documents. Thank you.

1 MR. STEPHENS: It's Mr. Stephens. Mr. Tottenham has
2 these in a binder I think, so if that's okay
3 with you, he may turn that up.

4 MS. RAJOTTE: Thank you very much, Mr. Stephens.

5 MR. STEPHENS: I'm referring Mr. Tottenham to
6 document 5137, Ms. Rajotte, which I think is
7 what we see up here.

8 MS. RAJOTTE: Thank you, Mr. Stephens.

9 Q So, Mr. Tottenham, I understand this to be an
10 example of source of funds interview form that
11 we were just looking at, but one that's been
12 completed by a service provider; correct?

13 A Correct.

14 Q And you'll see in response to question number 2:
15 "What is the source of funds for this cash
16 buy-in."

17 Is response is:

18 "My own cash (partially from the
19 'cash-out' from last session of play."

20 Correct?

21 A Correct, yes.

22 Q If you turn the page, then, to document 5138,
23 which is another example of a completed source
24 of funds interview form, the response to
25 question number 2:

1 "What is the source of funds for this cash
2 buy-in."

3 You'll see the response is:

4 "From home savings."

5 A Correct, yes.

6 Q And a third and final example if you turn to
7 document 5139, the response to question 2 is:

8 "It is my money."

9 Correct?

10 A Correct, yes.

11 Q So based on the direction that was given by BCLC
12 to service providers for the source of funds
13 interviews, is your expectation that the service
14 provider accepted the cash for these buy-ins?

15 A Yes. There was no inference that unless they
16 had circumstances present, it would be deemed
17 suspicious where they would normally take action
18 to refuse a buy-in. This -- the request that we
19 put out was simply for them to ask these
20 questions, document the information, put it on
21 this form and then copy it to us and then copy
22 it to the file for our information purposes.

23 Q Thank you. And with these examples, similarly,
24 would your expectation be that the service
25 provider did not report these transactions as

1 suspicious?

2 A That's not part of the process. Their job when
3 they have a patron that's buying in, their job
4 is to collect the information obviously and
5 document it for the buy-in. They have
6 responsibility at 10,000 for further
7 documentation that has to be forwarded for
8 FINTRAC reporting, but in terms of it being
9 reported as suspicious, it's the BCLC that has
10 conduct of that part of the process.

11 Q Sorry, I may not have been clear on my question.
12 I was referring to the first instance of a
13 Section 86 Report or a report from the service
14 provider to BCLC for an unusual financial
15 transaction, I think it's --

16 A Okay. So for the creation of a UFT that should
17 be done by the service provider, which triggers
18 our investigation, I would say that the
19 direction we gave them on this form was to
20 collect the information. I'm assuming that
21 their own policies and their own protocols would
22 dictate how they would treat the information, if
23 it was anything other than what they would
24 normally get. If they're going to -- if
25 circumstances were presented by the patron that

1 would cause them to notify surveillance and ask
2 for a UFT report to be created for the basis of
3 a suspicious activity, that that would be done.
4 We did not give direction in terms of this
5 process.

6 Q Okay. So you don't know one way or the other
7 based on BCLC direction whether a response to
8 question 2 of this sort with respect to source
9 of funds would indicate -- be an indicator of
10 suspicion or would not be an indicator of
11 suspicion?

12 A Correct.

13 Q Mr. Tottenham, if you could please turn back to
14 your affidavit number 1. And if you turn to
15 paragraph 175, which is on page 34.

16 Madam Registrar, thank you very much, I'm
17 done with that document.

18 MR. STEPHENS: What paragraph again, Ms. Rajotte,
19 just while Mr. Tottenham is flipping.

20 MS. RAJOTTE: Paragraph 175.

21 MR. STEPHENS: Thank you.

22 MS. RAJOTTE: Page 34.

23 MR. STEPHENS: Okay.

24 MS. RAJOTTE:

25 Q You're there, Mr. Tottenham?

1 minister David Eby, QC, directed that the
2 directive be withdrawn so that it could be
3 implemented after release of the German
4 recommendation."

5 I read that correctly?

6 A Yes.

7 Q And by "the German recommendation," you mean the
8 recommendations made by Dr. German in his first
9 dirty money report; correct?

10 A That's correct, yes.

11 Q Mr. Tottenham, are you aware that Dr. German's
12 report was publicly released in June of 2018?

13 A Yes.

14 Q So Dr. German's report was released more than a
15 month before BCLC issued this directive;
16 correct?

17 A Are you referencing the interim ...

18 Q No, I'm referencing the report itself. The
19 final report was released publicly in June of
20 2018.

21 A Yes.

22 Q And so you'll agree with me that Dr. German's
23 report was released more than a month before
24 BCLC issued and then subsequently withdrew this
25 directive; correct?

1 A Yes.

2 Q And so you'll agree with me that your evidence
3 in paragraph 180 that Minister Eby directed that
4 the directive be withdrawn so that it could be
5 implemented after the release of German
6 recommendations is not entirely accurate, is it?

7 A The directive you're referencing and the date
8 that you gave was in fact the second time that
9 we were trying to release it. The initial time
10 was early in 2018 where we tried to release it.
11 And then we were told to hold it back. And then
12 the second one is the one that was posted on the
13 dates that you're referencing where it was put
14 out and then we were told to withdraw it, so we
15 did withdraw it as directed. And it was a
16 direction that we got and acted on. And I
17 believe at the time my comments are very focused
18 on that portion of it for the second time around
19 when we got the request to pull it back that it
20 would be forthcoming further into Dr. German's
21 report. So it would not come out before that
22 point in time. So I don't recall getting any
23 kind of a time frame to pin that down, but that
24 was the reference. So that's the reference I'm
25 making here.

1 Q So are you changing your evidence with respect
2 to what you state here in paragraph 180 with
3 respect to Minister Eby?

4 A No. That was -- the evidence I've got in here
5 is what I've said.

6 "I understand based on this correspondence
7 and conversations --"

8 Previous conversations.

9 "-- that David Eby directed that the
10 directive be withdrawn so that it could be
11 implemented after release of the German
12 recommendation."

13 Q Okay. If we could go to exhibit 68, which is
14 the letter you reference in the this paragraph
15 as well, please.

16 A Okay.

17 Q So this is a letter from Sam MacLeod, Assistant
18 Deputy Minister with GPEB, dated August 9th,
19 2018, to Mr. Lightbody. Do you see that?

20 A Yes.

21 Q And I'll read the first paragraph. Mr. MacLeod
22 states:

23 "Thank you for suspending the
24 implementation of a BCLC directive that
25 updated patron gaming fund account and the

1 convenience cheques policy and procedures
2 for casino service providers on
3 August 2nd, 2018, at my request."

4 Do you see that?

5 A Yes.

6 Q So you'll agree with me that in this letter
7 Mr. MacLeod states that he was the one who
8 requested that the directive be suspended?

9 A Yes, that would be correct.

10 Q And the second paragraph reads:

11 "As you are aware, government is
12 initiating policy-related work stemming
13 from the German report recommendations
14 through an internal deputy minister
15 committee. Some of the recommendations
16 overlap the areas where BCLC's proposed
17 changes are directed. In order to
18 minimize the impact on service providers,
19 these recommendations should be considered
20 before the proposed changes are
21 implemented. Government will decide how
22 to move forward as quickly as possible
23 with the best ways to implement them."

24 I've read that paragraph correctly?

25 A That's correct, yes.

1 Q And, Mr. Tottenham, you're aware of the
2 province's anti-money laundering deputy
3 committee that was formed in July of 2018 to
4 provide oversight of the province's response to
5 Dr. German's recommendations; is that right?

6 A Yes, I'm aware there was a committee struck,
7 yes.

8 Q And so would you agree with me that this letter
9 indicates that Mr. MacLeod requested that BCLC
10 suspend implementation of the directive so that
11 the province's deputy minister's committee had
12 time to consider the proposed directive from
13 BCLC in the broader context of Dr. German's
14 recommendations?

15 A Yes, I would agree with that.

16 MS. RAJOTTE: Madam Registrar, if you would please
17 pull up document GPEB2073, please.

18 Q Mr. Tottenham, do you have a copy of that
19 document in paper that you're able to reference?

20 A I don't have anything that's referenced by that
21 number only. Could you advise which tab it
22 would be in in terms of --

23 MR. STEPHENS: It's tab 50 of -- pardon me,
24 Ms. Rajotte, we're just going to flip for a
25 second here.

1 MS. RAJOTTE: Thank you, Mr. Stephens. Much
2 appreciated.

3 MR. STEPHENS: I think it's tab 50, 5-0.

4 MS. RAJOTTE:

5 Q If we could turn to page 2 of that document once
6 you have it, Mr. Tottenham?

7 A Okay.

8 Q So this is a subject profile with respect to a
9 specific patron. Do you see that?

10 A Yes.

11 Q And you are familiar with this patron?

12 A I just want to clarify. Do you want me to
13 reference page 2 of this report -- of this tab?

14 Q Page two where we see the patron's name and the
15 photograph and specific details with respect to
16 him.

17 A I've got -- I don't have a page that has a
18 photograph and I don't have any -- part of the
19 page I've got redactions on this page and no
20 patron information, so ...

21 Q Okay. Well, perhaps, Madam Registrar, if you
22 wouldn't mind zooming in on the document which
23 is shown on the screen and is not redacted.

24 Mr. Tottenham, are you able to see that?

25 A Yes, I am. And I see can the photo and the

1 patron information there. And I am familiar
2 with that patron.

3 Q He was a VIP; is that right?

4 A That's correct, yes.

5 Q And he frequented the Starlight Casino during
6 the time that you were an investigator at the
7 Starlight; correct?

8 A Yes, in 2011. When I first started he was a
9 common guest at Starlight.

10 Q Thank you. If we could turn to page 5 of this
11 document, please. Mr. Tottenham, is your paper
12 copy of this document still redacted at page 5,
13 or are you able to see the information?

14 A I think pretty well this entire document that
15 I've got is under redaction page by page.

16 Q Okay.

17 A So I'll look at your working copy here on the
18 screen.

19 Q Okay. Madam Registrar, if you could please zoom
20 into the bottom of those entries. I'm looking
21 at the July 6th, 2010 entry.

22 So, Mr. Tottenham, do you see the notation
23 dated July 6th, 2010?

24 A Yes.

25 Q And so my understanding from this is that this

1 entry indicates that Great Canadian casino
2 reported a suspicious transaction to BCLC with
3 respect to this patron on that day at the
4 Starlight Casino. Is that what you understand?

5 A And you're referencing -- it's dated 2010 July
6 6?

7 Q That's right?

8 A That's what it appears to be, yes.

9 Q And so that's what I understand similarly as
10 represented by the other notations. We see a
11 date, Great Canadian in most cases is the
12 reporting entity, and then star refers to the
13 Starlight Casino.

14 A In this -- in this instance it would be Gateway
15 casino. Starlight was --

16 Q Oh, Gateway?

17 A Gateway Casinos, not Great Canadian.

18 Q Gateway, thank you.

19 A Any of those that are on that page.

20 Q Thank you. And, for example, when we look at
21 the entry May 26, 2011, which is a bit higher on
22 the page.

23 Madam Registrar, if you wouldn't mind
24 scrolling up.

25 May 26th, 2011?

1 A Yes.

2 Q That entry indicates River Rock Casino, so that
3 would be an incident reported with respect to
4 River Rock Casino for this patron; is that
5 right?

6 A That's correct, yes.

7 Q And we see -- Madam Registrar, if you wouldn't
8 mind scrolling down to the August 10th, 2010
9 entry?

10 Mr. Tottenham, there's a notation that
11 indicates BCLC person of interest, and we see
12 this at a number of occasions for this patron at
13 different dates, BCLC person of interest. Can
14 you explain to me what would cause BCLC to
15 designate a patron a person of interest?

16 A Under normal circumstances it would be something
17 that we make as a result of activity. So if a
18 player comes in and is not a known player, a
19 fairly new player or one that we don't often
20 see, if there was an incident or series of
21 incidents that would cause us to take notice of
22 that person, we would normally flag them in our
23 system as a person of interest. And possibly
24 put them on watch, depending on the
25 circumstances and what we were looking at.

1 Q And I see that this patron was in fact put on
2 watch. If we scroll up the page, Madam
3 Registrar, to January 27th, 2012, there's a
4 notation BCLC Hiller. I take that to be
5 Mr. Hiller who worked for BCLC at the time.
6 "Person of interest/entered on watch." So
7 "entered on watch" would mean -- what would
8 cause BCLC to raise the category to entered on
9 watch with respect to a specific patron?

10 A Well, in this instance the file you're
11 referencing, on that date -- I can't say because
12 I don't know the file, so I can't say who they
13 were referencing at that point. If it was a
14 file that Mr. Sha was involved with, it could be
15 another person that was involved with him and
16 attended with him on that date and was placed on
17 watch. In this instance, for this player, once
18 a person, a patron is -- receives a second
19 suspicious financial transaction that is
20 substantiated and effectively causing a report
21 to be filed, that -- the criteria with that
22 would automatically place them in our system as
23 a high-risk patron, which includes being placed
24 on watch. So all these reports that you're
25 looking at here, Mr. Li Lin Sha would already be

1 on the system as watched throughout there. So
2 when I see that entry that you're talking about
3 there, I'm more likely to believe it was
4 probably somebody else with him at the time that
5 we added -- Mike Hiller added as a person of
6 watch.

7 Q Thank you. And so on this date, January 27,
8 2012, when this patron is placed on watch, there
9 was no direction at this time by BCLC for
10 service providers to refuse suspicious cash
11 buy-ins for this patron; correct?

12 A No, again, I don't know the circumstances of the
13 file, so it would be pretty hard for me to
14 comment on that aspect of it.

15 Q Okay. Well, if we turn, there's a notation
16 which indicates you, Mr. Tottenham, on the
17 previous page.

18 Madam Registrar, if we could turn to
19 page 4.

20 MR. STEPHENS: Ms. Rajotte, it's Mr. Stephens here.
21 We do have this document in this binder, but for
22 some reason, and it's not a criticism, it's just
23 when it's produced from relativity it gets
24 scrambled. And so we do have the pages. I'll
25 just refer Mr. Tottenham to that page if that

1 works for you.

2 MS. RAJOTTE: Thank you, Mr. Stephens.

3 MR. STEPHENS: Page 4, Ms. Rajotte?

4 MS. RAJOTTE: I am, Mr. Stephens, and I'm looking at
5 the entry January 22nd, 2013. There's a
6 reference to Mr. Tottenham.

7 MR. STEPHENS: January --

8 THE WITNESS: Oh, yes. With a date of January 22nd,
9 2013?

10 MS. RAJOTTE:

11 Q That's right, Mr. Tottenham, and the notation
12 states "BCLC person of interest, watch category,
13 D Tottenham BCLC." Do you see that?

14 A Yes. Yes, I can see that, yes.

15 Q So are you able to confirm for me that as of
16 this date BCLC had not directed the service
17 providers to refuse suspicious cash buy-ins from
18 this patron?

19 A That is correct, yes.

20 Q And there was no direction at this time by BCLC
21 for service providers to require that this
22 patron verify his source of funds; correct?

23 A That is correct.

24 Q And then if you can turn, please, Mr. Tottenham,
25 to page 3 for the entry September 11th, 2015.

1 Are you there?

2 A Yes.

3 Q So this indicates to me that on September 11th,
4 2015, BCLC placed this patron on sourced-cash
5 conditions. Is that correct?

6 A Sorry, what page number are you on? Because I
7 have a page before me that doesn't have that
8 here.

9 Q Page 3.

10 A Let me just take a look and see if I can ...

11 Q The date of the entry of this says
12 September 11th, 2015.

13 MR. STEPHENS: We found it.

14 MS. RAJOTTE: Thank you.

15 THE WITNESS: Okay.

16 MS. RAJOTTE:

17 Q Do you see the entry for September 11th, 2015,
18 BCLC directive? I understand this to mean that
19 on this date BCLC placed this patron on cash
20 conditions. Is that correct?

21 A That is correct, yes.

22 Q Do you recall why this patron was placed on
23 sourced-cash conditions?

24 A This was part of an ongoing process that we were
25 working on a program for placing patrons that

1 had known associations to the Paul Jin group, so
2 there was reference in my earlier affidavit that
3 we did -- we started with a group of 10 and then
4 followed by another group of roughly 10 and then
5 34. This is part of that first tranche of
6 players that were placed on as a result of
7 information that we received from law
8 enforcement in relation to that person.

9 Q Okay. So this patron was determined by BCLC to
10 be receiving cash from Mr. Jin or his
11 associates; correct?

12 A That's correct, yes.

13 Q And before this patron was placed on cash
14 conditions in September of 2015, there was no
15 direction by BCLC to the service provider to
16 refuse suspicious transactions from this patron;
17 correct?

18 A No, there's no previous direction from us to
19 refuse them.

20 Q And similarly before this date of September 2015
21 there was no direction by BCLC to the service
22 providers to require that this patron verify his
23 source of funds; correct?

24 A Yes. Prior to that we did not have a confirmed
25 source of funds process that would require that

1 to happen.

2 MS. RAJOTTE: Thank you. Madam Registrar, if I may
3 mark this document as the next exhibit.

4 THE REGISTRAR: Mr. Commissioner, the next number is
5 169.

6 THE COMMISSIONER: Yes, thank you, Madam Registrar.

7 **EXHIBIT 169: Email from Heather Samson to**
8 **Laurin Stenerson, re Subject Detailed Report -**
9 **October 2, 2017**

10 MS. RAJOTTE: Thank you, Madam Registrar. I'm done
11 with that document. It no longer needs to be
12 displayed.

13 Q Mr. Tottenham, in 2015 when you were deciding
14 whether to sanction specific patrons, the
15 potential impact of the sanctions on revenue was
16 considered as a relevant factor; correct?

17 A It was considered from -- certainly from a
18 perspective of the service provider, absolutely.
19 You're referencing from my perspective is what
20 you're asking? Yes.

21 Q Yes, yes. So it was considered by you as an
22 individual within BCLC who was making decisions
23 with respect to which patrons to sanction?

24 A Yes. It would have a significant impact on the
25 revenue of the service providers or could have,

1 yes.

2 Q And the revenue with respect to BCLC?

3 A Yes, it would. Yep.

4 MS. RAJOTTE: Madam Registrar, if we could please
5 pull up document number BCLC4515.

6 Q And if we could turn to page 4, please. Do you
7 have that?

8 A I do have it, yep.

9 Q At the bottom of page 4 you'll see an email from
10 Mr. Alderson to yourself dated September 9,
11 2015. Do you see that?

12 A Yes.

13 Q And Mr. Alderson states:

14 "I met with RK today."

15 Do you understand RK to be a reference to Robert
16 Kroeker?

17 A Yes, that's correct.

18 Q And he asks:

19 "If we can get total drop figures for
20 these players for last year, last five
21 years. I know Cathy is not back until
22 tomorrow and Brad is working on the
23 finance project, so is this something to
24 make you are able to make a start on at
25 all?"

1 The specific players are redacted.

2 A Yes.

3 Q And then you respond if you look above, you
4 respond that same day to Mr. Alderson:

5 "Yes, but it may take a bit as I have to
6 sort them by SP data, then reach out to
7 extract the data. I am assuming he wants
8 win/loss to estimate possible revenue
9 losses if sanctioned?"

10 I read that correctly.

11 A That's correct, yes.

12 Q So this is an example of what we just discussed,
13 of BCLC considering potential revenue loss in
14 making a decision with respect to sanctioning a
15 patron or patrons; correct?

16 A No. The concern here, and from my perspective
17 and certainly the way I was approaching this and
18 did approach it, was that we wanted to make a
19 determination based on the players that we were
20 about to sanction, what kind of impact that
21 would have on revenue and, again, as I gave in
22 previous evidence, my concerns in that respect
23 are they revert back to some of the conversation
24 that we had had in previous months as we were
25 preparing this sanction process. This was a

1 buildup of something that we had gone through
2 for the previous four months, five months that
3 we were building up to this process. Once we
4 got the information on Paul Jin's group it
5 allowed us the ability to take the next step and
6 apply it to a large number of people. There was
7 clearly going to be a huge impact to the service
8 providers when we did this, and it was my
9 understanding that when they're looking for
10 table drop, they are looking for that kind of
11 data because they have to have that conversation
12 obviously with the service providers and the
13 senior management. As we wanted to let them
14 know in advance that this was going to happen.
15 We didn't want to just drop this on the sites
16 and all of a sudden boom, you know, 10 or 20 of
17 their biggest players now are sanctioned to
18 sourced-cash conditions. So that's the
19 interpretation that I've got and I made at the
20 time.

21 MS. RAJOTTE: Okay. If you could turn to -- or
22 actually this is isn't marked as an exhibit yet.
23 Madam Registrar, could we please mark this
24 document as an exhibit.

25 THE COMMISSIONER: 170.

1 THE REGISTRAR: Exhibit 170.

2 **EXHIBIT 170: Email from Ross Alderson, subject:**
3 **List for VP - September 9, 2015**

4 MS. RAJOTTE: And the final document I'll refer you
5 to, Mr. Tottenham -- Madam Registrar, if you
6 could please pull up the document that's been
7 marked as exhibit 130, 1-3-0, which is BCLC
8 document 6501?

9 THE WITNESS: Yes, I have that are.

10 MS. RAJOTTE:

11 Q And at the bottom of this document you'll see an
12 email from Mr. Alderson dated May 14th, 2015,
13 and one of the recipients of the email is a
14 general AML address at BCLC. Do you see that?

15 A That's correct, yes.

16 Q You would have received this email at the time
17 as a member of BCLC's AML unit; correct?

18 A That's correct, yes.

19 Q And Mr. Alderson -- so the subject line of the
20 email is "VVIP players and sanctions," and
21 Mr. Alderson states:

22 "Hi guys. I have been following the email
23 chains over the last couple of days
24 regarding some of the actions of the VVIP
25 players. I have no concerns about

1 requesting further employment
2 clarification and noting it on a player's
3 iTrak profile, nor having the
4 investigations management and AML
5 specialist jointly discussing whether a
6 player should be interviewed so
7 investigators can then be provided with
8 that instruction. However, in the absence
9 of any written escalation procedures right
10 now, before we contemplate suspending,
11 barring or putting conditions on any VVIP
12 players which may impact revenue (similar
13 to --)"

14 Another patron.

15 "-- please bring Kevin and myself into the
16 loop in the form of arranging a
17 teleconference or preferably a joint
18 meeting so we can get an overall picture."

19 I read that correctly?

20 A That's correct, yes.

21 Q So a concern that you were aware of at the time
22 was that suspending, barring or putting
23 conditions of a VVIP player might impact
24 revenue; correct?

25 A In the reference they describe in here, yes,

1 that's correct.

2 Q That was a concern that you had at the time?

3 A That was not a concern I had at all personally.

4 And I don't have. That was a concern that was

5 put to me by my boss at the time, Ross, as a

6 result of direction from, I believe, Kevin

7 Sweeney in consultation with others. It was a

8 result -- again, the name he references in here

9 is Gao, Jia Gao. That was a player that we had

10 just put on sourced-cash conditions a month

11 earlier and he was pretty much the biggest

12 player in the province. It was significant and

13 there was a significant amount of concern from

14 the service providers when it happened because

15 potentially it could be the loss of a lot of

16 revenue and their client.

17 So as a result of that, further

18 conversations obviously that happened resulted

19 in this direction that I got from Ross. And

20 simply that was to ensure that prior to us

21 pulling the trigger on placing sanctions on any

22 other what he calls VVIP players, that they

23 wanted to be notified, and the intention of

24 that, from what I was told at the time, and I

25 believe is correct, is that senior management,

1 in particular the VP, wanted to be able to reach
2 out and have those discussions with the service
3 providers that would be impacted in advance
4 before we pulled trigger on more of these.
5 Because that didn't necessarily happen with
6 Mr. Jia Gao, so they were caught off guard a bit
7 on the service provider end that all of a sudden
8 this player is on conditions. So that to me is
9 the intent of that. That's how I understand it
10 and that's how I took it. From my perspective
11 personally, the revenue concern from the
12 perspective of BCLC was not an issue.

13 MS. RAJOTTE: Thank you very much, Mr. Tottenham.

14 Those are my questions.

15 THE WITNESS: Okay.

16 THE COMMISSIONER: Thank you, Ms. Rajotte.

17 Now, I understand Ms. French on behalf of
18 Canada, who has been allocated 20 minutes.

19 MS. FRENCH: Thank you, Mr. Commissioner.

20 **EXAMINATION BY MS. FRENCH:**

21 Q Mr. Tottenham, can you hear me okay?

22 A I can, thank you.

23 Q I'm Olivia French. I'm counsel for Canada.

24 A Good morning.

25 Q Mr. Tottenham, you joined the New Westminster

1 Police Department in 1984 as a police officer;
2 is that correct?

3 A That's correct, yes.

4 Q And I believe last week you said that during
5 your time with the police department the focus
6 of your work was on subject targeting, drug
7 investigations, human sources and homicides;
8 yes?

9 A A big chunk of it was the back end of my
10 experience, yes.

11 Q Okay. During these investigations, if you had
12 as a police officer received information from a
13 source, would you have automatically divulged
14 all details of that investigation to your
15 source?

16 A Sorry, if I received information from the
17 source?

18 Q Would you have given all the details of your
19 ongoing investigation to that source?

20 A No.

21 Q So you would agree that often information about
22 police investigations is kept private in order
23 to maintain the integrity and promote the
24 success of an investigation?

25 A Absolutely, yes.

1 Q And information generally about an ongoing
2 investigation is only shared with the public if
3 it's necessary for the investigation?

4 A That's correct, yes.

5 Q During your time with the New Westminster Police
6 Department you were not yourself involved with
7 any large-scale money laundering investigations?

8 A Not direct money laundering. I had some fairly
9 large files in terms of that got into a fraud
10 credit card, those kind of investigations that
11 were substantial in the multimillion dollar
12 files, but not specific to just money
13 laundering.

14 Q And same specific just to proceeds of crime.
15 Were you involved in any large-scale proceeds of
16 crime investigations?

17 A Our unit was involved in a number of
18 investigations when we had -- we did a lot of
19 the work in our drug squad. There was a couple
20 of instances where Crown moved to do forfeiture,
21 so civil forfeiture. So we had in some
22 instances where we seized reasonably large
23 amounts of cash in the course of an
24 investigation, a drug investigation, to be
25 forwarded for possible prosecution. Then civil

1 forfeiture action after that. So that's the
2 extent. It was, I mean, probably not a big
3 chunk of what we did. It was a very small piece
4 but it did come up.

5 Q And then you're aware of what a predicate
6 offence is?

7 A Yes.

8 Q And so you would agree that with both money
9 laundering and proceeds of crime they both
10 require a predicate offence?

11 A Yes.

12 Q And we could just generally define a predicate
13 offence as illegal activity that is a necessary
14 component of another crime. Would you agree?

15 A That would be fair, yes.

16 Q Yes. So during your time, then, as a police
17 officer, if you had seen a plastic bag full of
18 cash, mostly 20s, wrapped in elastic bands,
19 would you have been able to seize the cash and
20 charge the individual with money laundering?

21 A No.

22 Q Even if you had suspicions that that money was
23 illegally gained you would have needed other
24 grounds to believe that illegal activity other
25 than money laundering had been committed?

1 A Absolutely.

2 Q And even if you saw the same individual on
3 multiple occasions you still would need further
4 grounds to belief; is that correct?

5 A Yes.

6 Q Moving forward to your time with BCLC. BCLC did
7 provide law enforcement with reports about
8 individuals bringing large amounts of cash into
9 casinos; correct?

10 A That's correct, yes.

11 Q And BCLC investigators suspected that this cash
12 was possibly linked to proceeds of crime?

13 A I would say it was suspicious and that was
14 certainly one of the considerations that we had.
15 It was part of that, yes.

16 Q And as a former police officer, you would agree
17 that more intelligence would need to be gathered
18 in order for law enforcement to prove that that
19 money was linked to proceeds of crime?

20 A Yes, absolutely.

21 Q And based solely on the information provided by
22 BCLC would law enforcement have been able to
23 seize that cash that BCLC thought was
24 suspicious?

25 A No.

1 MS. FRENCH: Madam Registrar, can we bring up
2 exhibit 3 to Mr. Tottenham's first affidavit.
3 Thank you, Madam Registrar.

4 Q Mr. Tottenham, you're familiar with this
5 document; correct?

6 MR. STEPHENS: Sorry, Ms. French, this is
7 Mr. Stephens here. We've got to do a binder
8 shift.

9 MS. FRENCH: Thank you, Mr. Stephens.

10 MR. STEPHENS: He's with you.

11 THE WITNESS: Yes.

12 MS. FRENCH: Thank you.

13 Q So, Mr. Tottenham, you're familiar with this
14 document? You authored it?

15 A Yes, I did.

16 Q And I believe Ms. Latimer took you to it last
17 week, but this document relates to the barring
18 of a patron in 2012; is that correct?

19 A That's correct.

20 Q So I'm just looking at the middle of the first
21 page, the second bullet point, and you'll see
22 the date September 27th, 2012. Are you with me?

23 A Yes.

24 Q And the document states:

25 "BCLC received a request from RCMP

1 Constable Eldon Draude, IPOC, advising
2 that this patron was under investigation
3 for money laundering and proceeds of crime
4 and requested all previous files on this
5 patron."

6 Did I read that correctly other than omitting
7 the name of the patron?

8 A Yes, that's correct.

9 Q According to this document, the RCMP IPOC was
10 investigating this patron at that time?

11 A Yes, it would appear they were doing something
12 with it and they were requesting information
13 from us on that patron.

14 MS. FRENCH: Madam Registrar, can we go to the third
15 page of that document, please.

16 Q In the last bullet point you'll see the date
17 April 10th, 2013?

18 A Yep.

19 Q And this states:

20 "Assist other agency RCMP Richmond detach.
21 This is an info file involving BCLC
22 investigators and several police
23 agencies."

24 Do you see that?

25 A Yes.

1 Q And so here this document is indicating a
2 meeting took place on April 10th, 2013, between
3 the RCMP Richmond detachment, BCLC investigators
4 and several police agencies; is that correct?

5 A Yes.

6 MS. FRENCH: Thank you. Madam Registrar, can we
7 please turn now to exhibit 20.

8 Q So, Mr. Tottenham, this is a letter dated April
9 15th, 2014; is that correct?

10 A That's correct, yes.

11 Q Around this time, in April of 2014, BCLC was
12 reaching out to law enforcement; is that right?

13 A That is correct, yes.

14 Q And this is a letter from Brad Desmarais;
15 correct?

16 A Yes, that's correct.

17 Q And I don't think you need to turn to your
18 affidavit, but you're welcome to if you need.
19 At paragraph 108 you describe this as a sample
20 letter and about 30 of these letters were sent
21 to various RCMP detachments in 2014; is that
22 correct?

23 A That's correct, yes.

24 Q In this letter Mr. Desmarais is asking RCMP
25 detachments to proactively share information

1 about individuals who may be, according to the
2 *Gaming Control Act*, undesirable and attending
3 gaming facilities; correct?

4 A Correct.

5 Q And in addition Mr. Desmarais is seeking
6 information from the CFSEU to proactively ban
7 persons listed on the provincial tactical
8 enforcement priority list; correct?

9 A That is correct, yes.

10 MS. FRENCH: Madam Registrar, can we turn to page 2
11 of this document, please.

12 Q At the very first paragraph it states:

13 "We also understand CFSEU is engaged in
14 organized crime and gang investigations
15 throughout the province and, as such, has
16 developed a provincial tactical
17 enforcement priority program PTEP,
18 targeting individuals who are of
19 particular concern to law enforcement."

20 Did I read that correctly, Mr. Tottenham?

21 A Yes.

22 Q In this letter Mr. Desmarais is also looking for
23 the CFSEU uniform division to act as first
24 responders when an individual listed on this
25 PTEP list, or associated with it, attended a

1 gaming facility in possession of a large amount
2 of cash that might have been criminally derived;
3 is that correct?

4 A Sorry, which paragraph were you referencing that
5 from?

6 Q I can read it to you. So in the second
7 paragraph, five lines from the bottom. It
8 states:

9 "BCLC is seeking support from the CFSEU
10 uniform division to act as first
11 responders in circumstances where a large
12 amount of funds are believed to be
13 criminally derived and in particular where
14 the individual in possession of those
15 funds is or is associated to a person who
16 is included in the PTEB program. BCLC is
17 aware that CFSEU is over tasked in many
18 respects and the attendance of the
19 uniformed division members would be
20 subject to other operational priorities."

21 Did I read that correctly?

22 A Yes, that's correct.

23 Q And then in the second to last small paragraph
24 here you were made the operational point of
25 contact for matters relating to the information

1 sharing agreement and people on the PTEP list;
2 is that correct?

3 A That's correct, yes.

4 Q So you discussed CFSEU's mandate last week with
5 commission counsel. Are you aware that the
6 mandate of the CFSEU in 2014 was to target,
7 investigate, prosecute, disrupt and dismantle
8 the organized crime groups and individuals that
9 posed the highest risk to public safety due to
10 their involvement in gang violence?

11 A Correct.

12 Q And the uniformed team that Mr. Desmarais
13 references in his letter, were you aware that
14 that was the CFSEU uniform division or the
15 uniform gang enforcement team also known as
16 UGET?

17 A I was not aware of that part of it, no.

18 Q Were you aware that CFSEU had a number of units
19 within CFSEU in 2014?

20 A My understanding at the time, my knowledge at
21 the time was they -- CFSEU had branched out to
22 other communities due to obviously traction and
23 trying to determine where crime trends were
24 shifting, so my understanding was they had other
25 kind of subbranches of their main group in

1 different cities, including in the interior.

2 That's what I understood. That's likely what
3 you're referring to.

4 Q Yes. And in this letter Mr. Desmarais is
5 reaching out to one of those subgroups, the
6 uniform division, to act as first responders for
7 BCLC; is that correct?

8 A Yes. I think this was one of a number of
9 letters that have sent out to all the
10 detachments and, again, I don't have direct
11 knowledge of this, but my understanding is it
12 was -- these letters were sent out to every
13 agency that had a casino within their
14 jurisdiction, and that was the intent of it, to
15 try and engage the CFSEU through that aspect of
16 having a casino in their system and we recently
17 had acquired an ISA, an information sharing
18 agreement, with the RCMP in direct relation to
19 the PTEB that we were working on for our
20 undesirable program.

21 Q Right. So that was all in relation to the PTEB
22 program as you've stated. And the uniform team
23 that Mr. Desmarais references here, were you
24 aware that their mandate was the prevention of
25 ongoing violence through disruption and/or

1 enforcement actions through a visible proactive
2 presence on streets and in communities?

3 A Yes, I believe so. That was.

4 Q So in general they were a uniformed team, they
5 had a visible presence and they were targeting
6 gang violence; is that correct?

7 A Yes. And that was the focus of that aspect of
8 what we were doing, so with the program they had
9 with the extreme risk program that we had just
10 initiated and set up, that was the focus of that
11 program with the undesirables looking at violent
12 offenders, prolific criminals, a broad category
13 of people associated with gang violence itself
14 and gang associations and the PTEB list with the
15 CFSEU.

16 MR. FRENCH: Thank you. Madam Registrar, can we turn
17 now to exhibit 44, please.

18 Q Mr. Tottenham, this is a document that you
19 created. It is a timeline of emails; is that
20 correct?

21 A Yes. Compilation of emails put together.

22 Q Just to orient us on the document, it starts on
23 April 2014 and then we go forward in time to the
24 spring of 2015 by the end of this document; is
25 that correct?

1 A That's correct, yes.

2 Q Staying on the first page, in the spring of
3 2014, as we have just been discussing, you and
4 others at BCLC were collaborating with CFSEU to
5 identify a list of patrons who may have posed a
6 safety risk to casino clients; is that correct?

7 A Correct.

8 Q And April 16th, 2014, the first entry on this
9 page, there was a meeting at the CFSEU Surrey
10 headquarters; is that correct?

11 A That was our initial meeting with CFSEU, yes.

12 Q And in attendance you note were inspectors Mark
13 Landry, superintendent John Grywinski, Corporal
14 Robert Grace; Brad D, who I assume is Brad
15 Desmarais; John K, who I presume is John
16 Karlovcec; and yourself Daryl T, Tottenham;
17 correct?

18 A That's correct.

19 Q Were you aware that the first three officers
20 mentioned here were all officers with the
21 uniform team with UGET whose purpose was to
22 provide the visible presence and deter gang
23 violence?

24 A Was I aware of that? No, I was not.

25 Q And then the next entry, May 6th, 2014, we see

1 here that CFSEU analysts are coordinating with
2 BCLC to provide BCLC with the PTEB list; is that
3 correct?

4 A Yes.

5 Q We will come back to this exhibit, so you might
6 want to hold on to it, but I just want to turn
7 for a moment to exhibit 25, please, Madam
8 Registrar.

9 Are you with me, Mr. Tottenham?

10 A Yep.

11 Q So this is an email from Corporal Kurt Bulow to
12 Mr. Karlovcec; is that correct?

13 A Correct, yes.

14 Q This is attached to your affidavit, so while you
15 were not copied on it, I presume you are
16 familiar with this document.

17 A I am, yes.

18 Q And in this email Corporal Bulow is designating
19 Constable Emmerson as the liaison between the
20 CFSEU uniformed team and the BCLC security and
21 compliance section; is that correct?

22 A Correct, yes.

23 Q And if we look at the subject line, it says:

24 "CFSEU uniform team BCLC."

25 Correct?

1 A Correct, yes.

5 A That is correct, yes.

9 A Not specifically UGET, no. I understood they
10 were all active within the CFSEU team that we
11 were looking at that we were meeting with
12 originally commonly known as a guns and gangs.

18 A Yeah, in terms of -- I don't profess to know the
19 breakdown of how CFSEU operates and what
20 divisions they operate in and how they work. I
21 don't have access to that information and I'm
22 not aware of it.

1 requesting was assistance, police assistance
2 from law enforcement, to target a group, a known
3 group that we had identified that were very,
4 very active in the -- bringing in cash
5 deliveries and supplying cash facilitation to
6 customers. So the group that we were looking
7 at, CFSEU, what we were asking was for somebody
8 that could basically do a project which included
9 surveillance, targeting and obviously charges
10 hopefully at the end of it.

11 So that was our expectation going in, what
12 we were looking for. Whether or not it's -- the
13 secondary group that you're talking about -- and
14 I don't know that it's a different group, but
15 the second part of this that you're referring to
16 which is the PTEB, was as a result of our
17 information sharing agreement, we identified a
18 list that CFSEU was using that worked in --
19 would work well in conjunction with something
20 that we had just started within extreme risk
21 program, so that was another avenue that we went
22 on to try and see if we would utilize that PTEB
23 list to identify people within our sites that
24 were attending that had extensive records.

25 So it's -- there's kind of like two

1 channels here, but our initial meeting in April
2 was to seek assistance to get targeting for the
3 Paul Jin group.

4 Q Thank you, Mr. Tottenham. Let's return, then,
5 to exhibit 44, please. So we're still on the
6 first page of that document, and just looking at
7 the email at the bottom, it goes over onto the
8 second page, so you may have to refer to that.

9 A Okay.

10 Q This is an email dated June 17th, 2014. Do you
11 see that?

12 A Yep.

13 Q And this is an email from the Constable Emmerson
14 to yourself and Mr. Karlovcec; is that correct?

15 A That's correct, yes.

16 Q And Constable Emmerson is asking for your
17 persons of interest list; is that correct?

18 A That's correct, yes.

19 Q And you provided him with that list; is that
20 right?

21 A I did.

22 Q Again, you don't have to go to it unless you
23 need to, but at paragraph 115 of your affidavit
24 you stated that in June 2014 CFSEU was given a
25 tour of the River Rock Casino; is that correct?

1 A That's correct, yes. I recall that.

2 Q And, now, last week you had discussed with
3 commission counsel, Ms. Latimer, that CFSEU
4 officers were also invited to attend casino
5 police working group meetings. Do you recall
6 that?

7 A Yes.

8 Q If we go over to the second page now of this
9 document, the email at the bottom. It starts
10 with "hi Daryl." Do you see that?

11 A Yes.

12 Q If you need to refer to the third age, this is
13 just an email from Mr. Karlovcec to yourself; is
14 that correct?

15 A That's correct, yes.

16 Q When you were speaking with Ms. Latimer last
17 week about the police working group meetings you
18 said that to the best of your recollection no
19 officers attended these working group meetings;
20 is that correct?

21 A Sorry, could you just repeat the question again.
22 I want to make sure I understand what you're
23 asking.

24 Q Yes, Mr. Tottenham. Last week when you were
25 discussing the police working group meetings

1 please, and see what we can set up."

2 So Mr. Karlovcec is asking you to reach out to

3 Constable Emmerson; is that correct?

4 A That's correct, yes.

5 Q And you did so?

6 A I did.

7 Q The next email below is from Constable Emmerson;

8 is that correct?

9 A Yes, that's correct.

10 Q And Constable Emmerson is providing you with his

11 availability and offering to meet up with you;

12 is that correct?

13 A Correct, yes.

14 Q And the last email on this page -- you might

15 have to turn over the page -- it is an email

16 from yourself to Constable Emmerson; is that

17 correct?

18 A That's correct, yeah.

19 Q And you write:

20 "Just wanted to touch bases with you and

21 see how things are shaping up with your

22 unit after the announced cuts that

23 government imposed on policing in general.

24 Hopefully you guys were not impacted too

25 severely in the end."

1 Have I read that correctly?

2 A Yep, that's correct.

3 Q And then at the bottom of this page and going
4 over to the next page you provide Constable
5 Emmerson with further information about the
6 person of interest; is that correct?

7 A That's correct, yep.

8 Q In the fall of 2014, as you state in your
9 affidavit, at paragraph 118, you were still
10 providing information about this person of
11 interest to Constable Emmerson; is that correct?

12 A Yes. Whenever we had the opportunity.

13 Q And in the fall of 2014 Constable Emmerson, who,
14 again, was with the uniform gang enforcement
15 team, explained to you that proceeds of crime
16 was not their focus; is that correct?

17 A Correct.

18 Q You may wish to refer to paragraph 118 of your
19 affidavit.

20 A Yes, yep.

21 Q Thank you. By this time you had provided --
22 CFSEU had provided you with the PTEB list;
23 correct?

24 A Yes, we had gotten the PTEB list quite earlier
25 in the year.

1 Q And --

2 A Actively working on that.

3 Q My apologies, and you had provided them with
4 BCLC's list of top 10 targets which Constable
5 Emmerson said he would circulate to his team; is
6 that correct?

7 A That's correct, yes.

8 Q And so at this time the uniform team had
9 assisted BCLC in exchanging information about
10 violent and gang-related individuals; yes?

11 A Yes. From the PTEB list.

12 Q Yes.

13 A Yes.

14 MR. FRENCH: Thank you. Madam Registrar, can we now
15 pull up BCLC document 0006753.

16 A And I'll give you a moment to find that,
17 Mr. Tottenham.

18 MR. STEPHENS: Mr. Commissioner, it's just
19 Mr. Stephens here, I just wanted to inquire at
20 some point if Mr. Tottenham could be asked if he
21 wants a break. I don't know what the schedule
22 is and how -- we've had some long stretches, but
23 we're getting close to an hour and 20 minutes.

24 MS. FRENCH: I have about five minutes remaining,
25 Mr. Commissioner.

1 THE COMMISSIONER: Thank you, Ms. French. I think if
2 Mr. Tottenham is able to continue for another
3 five minutes, we'll break then at the conclusion
4 of Ms. French's examination. Does that work
5 from your perspective, Mr. Stephens?

6 THE WITNESS: Absolutely, that's fine.

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

8 THE COMMISSIONER: Thank you.

9 THE WITNESS: I'm just trying to find the tab here.

10 MR. STEPHENS: It's tab 29.

11 THE WITNESS: Okay.

12 MR. STEPHENS: Sorry, what document number, pardon
13 me, Ms. French? Just for our reference here.

14 MS. FRENCH: It's BCLC0006753.

15 MR. STEPHENS: Okay.

16 THE WITNESS: I don't have them referenced like that
17 so I have to go through the tabs. Give us a
18 second here.

19 MR. STEPHENS: 91.

20 THE WITNESS: 91.

21 MS. FRENCH: I believe we can have Madam Registrar
22 zoom in. I only need to refer to the top half
23 of this page.

24 THE WITNESS: Okay.

25 MS. FRENCH:

1 Q Can you see that okay, Mr. Tottenham?

2 A Yes.

3 Q The date of this email is October 10th, 2017; is
4 that correct?

5 A Correct.

6 Q And in this email from 2017 it's an email from
7 yourself to Mr. Kroeker; is that correct?

8 A That's correct, yes.

9 Q And you are recounting events that happened
10 around May 19th, 2015; is that right?

11 A Correct.

12 Q Mr. Tottenham, do you agree that in April 2015
13 FSOC was conducting an investigation with
14 regards to money laundering and cash facilitation?

15 A That is correct, yes.

16 Q And officers within FSOC wanted this
17 investigation to continue; is that correct?

18 A That's correct, yes.

19 Q And so BCLC provided FSOC with some information
20 to assist them in making a presentation to
21 officers in charge at RCMP; is that right?

22 A Yes. We were asked to provide information for a
23 meeting within a 48-hour window to continue the
24 program. The indication I received was that the
25 project was looking at being stopped, and they

1 wanted information to help make their case to
2 have it continue, which is what we were asked
3 for and which we subsequently did and provided.

4 Q And last week you clarified with Ms. Latimer
5 that BCLC was not in fact in the room when this
6 presentation was made to RCMP; is that correct?

7 A That is correct. We were not -- we offered, but
8 no, we were not in the room. We provided the
9 PowerPoint in its entirety with an explanation
10 in advance, and then turned it over to them for
11 their meeting.

12 Q And after this meeting, sometime after this
13 meeting you were informed that the investigation
14 was going to continue; correct?

15 A That is correct, yes.

16 Q And the second full paragraph of this email you
17 then said that the project mushroomed from that
18 point; is that correct?

19 A That's correct, yes.

20 MS. FRENCH: Thank you. Mr. Commissioner, can I have
21 that marked as the next exhibit, please.

22 THE COMMISSIONER: Very well. That will be 171.

23 THE REGISTRAR: Exhibit 171.

24 **EXHIBIT 171: Email from Daryl Tottenham to Rob**
25 **Kroeker re Exhibit listing - October 10, 2017**

1 MS. FRENCH:

2 Q Mr. Tottenham, you've expressed some frustration
3 at a perceived lack of law enforcement action
4 prior to 2015; is that correct?

5 A That is correct.

6 Q And going back to a question that I asked you
7 earlier, in your experience as a police officer,
8 if a high-level investigation was underway would
9 you have been providing all details of that
10 investigation to some of your sources?

11 A Likely not, no.

12 Q And so most or some, if not most, of the details
13 of an investigation might be kept internal to
14 the law enforcement; is that correct?

15 A That's possible, yes.

16 Q So I would put to you, Mr. Tottenham, that the
17 fact that you did not personally know of an
18 ongoing investigation did not mean that there
19 was absolutely no action being taken by law
20 enforcement out of view of the public to address
21 the issue of cash facilitation, money laundering
22 and proceeds of crime in and around casinos.
23 Would you agree?

24 A Yes, and I believe in my evidence -- in my
25 affidavit I stated that from my perspective I

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

3 THE COMMISSIONER: Yes. Thank you, Madam Registrar.

4 I think Mr. Skwarok on behalf of the Great
5 Canadian Gaming Corporation is next, and he has
6 been allocated 35 minutes. Yes, Mr. Skwarok

7 MR. SKWAROK: Thank you, sir.

8 **EXAMINATION BY MR. SKWAROK:**

9 Q Mr. Tottenham, my name is Mark Skwarok. I'm one
10 of the lawyers for Great Canadian Gaming
11 Corporation.

12 I'd like to touch on briefly the respective
13 duties and powers of BCLC versus the service
14 providers. It's fair to say that BCLC is by
15 statute empowered to have control of conduct and
16 management of every casino in the province;
17 right?

18 A Correct, yes.

19 Q And under the operating agreement, they also
20 have the exclusive duty to operate the casinos.
21 Are you aware of that?

22 A That's correct, yes.

23 Q BCLC's also responsible for the oversight of the
24 service providers to ensure that they comply
25 with all applicable gaming laws and rules;

1 right?

2 A Yes.

3 Q Simply put, is it fair to say that BCLC is
4 responsible for all aspects of casino gambling?

5 MR. STEPHENS: Mr. Commissioner, this arose before,
6 and I'm not going to take a technical objection.
7 It's Mr. Stephens here. And I know Mr. Skwarok
8 is simply having a conversation with my client,
9 but we're getting into words like responsible
10 with all aspects that has a legal connotation to
11 it, and I would just ask Mr. Skwarok to not
12 phrase the questions in that way because
13 Mr. Tottenham's obviously not a lawyer.

14 MR. SKWAROK: But he is -- sorry, sir.

15 THE COMMISSIONER: No, I was just going to say, just
16 bear that in mind, Mr. Skwarok.

17 MR. SKWAROK: Yes.

18 Q But, sir, you are a manager of the anti-money
19 laundering group; correct?

20 A That's correct, yes.

21 Q And if I ask you a question that you feel is
22 beyond your comfort level, just let me know.

23 A Absolutely.

24 Q We're not trying to trick you or put you into a
25 position that you don't want to be in.

1 Basically speaking, service providers on
2 the other hand, they're simply contractors,
3 aren't they, with BCLC?

4 A Yes.

5 Q And they provide services such as casino
6 premises, they provide gaming employees and the
7 like; right?

8 A That's correct, yes.

9 Q And they're also obliged to comply with all
10 instructions and directions from BCLC relating
11 to gaming; correct?

12 A That's correct, yes.

13 Q Is it fair to say that in the case of service
14 providers, their primary job in the compliance
15 area is to identify and report events?

16 A Identify and report as their primary? I would
17 say that's one of the most important features,
18 yes.

19 Q And they have to file such things as LCTs and
20 UFTs; right?

21 A That's correct, yes. And document, yes.

22 Q They're not obliged to investigate illegal
23 activities such as money laundering, are they?

24 A No. That's not part of their mandate.

25 Q And in fact, they don't have the wherewithal,

1 the skills, resources to do it that a dedicated
2 police force, for example, might have; right?

3 A That's correct, yes.

4 Q There are an awful lot of reports filed by River
5 Rock over the past years. Isn't that true?

6 A It is true.

7 Q Would it surprise you if I were to tell you that
8 for the years 2014 to 2019 River Rock filed
9 approximately 125,000 LCT reports and
10 approximately 6,000 UFT reports?

11 A Would that surprise me? No, it would not
12 because their volume was very, very high.

13 Q Delving first into the LCTs and these are
14 reports that the service providers are obliged
15 to prepare when there's a buy-in of \$10,000 or
16 more; correct?

17 A That's correct, yes.

18 Q And the forms will have the identification of
19 the patron that's buying in, and the amount of
20 the buy-in and some other information; right?

21 A That's correct, yes.

22 Q What can you say about the quality of the LCT
23 reports that were prepared by River Rock?

24 A I would say by and large they were very good
25 overall.

1 Q When you say "by and large," would you say the
2 vast majority of the reports were done properly?

3 A Yes.

4 Q Moving on to unusual financial transaction
5 reports. BCLC standards provide criteria for
6 assessing suspicious transactions, a fairly
7 comprehensive list. They have to look at
8 factors like the amount of funds involved, the
9 patterns of patron play, locations of patron
10 play, time of day of transactions, use of cash,
11 identity and affiliation of patrons. Those are
12 some of the things that service providers are
13 obliged to look at; correct?

14 A That's correct, yes.

15 Q The UFTs go to BCLC for their assessment as to
16 whether or not an STR should be filed with
17 FINTRAC; right?

18 A Yes. That's correct.

19 Q So effectively the casinos are the first line of
20 attack on suspicious activities; right?

21 A That is correct, yes.

22 Q Now, with respect to the River Rock UFTs, were
23 they typically written when they were supposed
24 to be written, and did they contain the
25 information that was supposed to be in them?

1 A Yes. By and large they were completed properly.
2 There was -- I mean, just on the verge -- basis
3 of the volume that they were getting, it was a
4 lot of work. They had what I would say was a
5 very good quality in terms of content of the
6 information, and it continued as we went through
7 from the 2000, you know, '11, '12 period through
8 to 2015, '16, that got better over time. We
9 improved upon some things, so it was a good
10 quality and good standard product that they were
11 producing on a consistent basis.

17 A Yes, I do. The drop sheets availability on a
18 previous day, I'm not sure what he's referencing
19 there. But the log sheets, they would certainly
20 have access to the log sheets on a daily basis.

24 A I'm not going to say in every instance. I don't
25 know enough about how they managed their

1 information at that end, but generally that's
2 some of the information that we would see, that
3 we would expect to see.

4 Q Mr. Hiller indicated that he thought these
5 documents were given to BC investigators every
6 day. Can you confirm that?

7 A I don't want to say yes or no to this simply
8 because I'm not sure which documents he's
9 referencing and I don't want to make an
10 assumption and then give you an answer based on
11 that assumption. I'm not sure what documents
12 he's referencing.

13 Q The documents are the drop sheets and the master
14 log sheets.

15 A The master -- I mean, the master log sheets are
16 in their -- they're in the system and they would
17 be available at any time. In terms of the drop
18 sheets that they're referencing, I'm not
19 100 percent what he's referencing there. Table
20 drops are like in an internal system that are
21 they're working off that he's referencing,
22 or ...

23 Q They're hard copy documents that are prepared at
24 the cage. But in any event you're not --

25 A I'm just not comfortable enough to say, confirm

1 what he's talking about and say yes or no.

2 Q Sure. Let's move into an area that you
3 certainly have a great deal of knowledge about,
4 and that's the relationship between BCLC and
5 Great Canadian.

6 Can you characterize the nature of the
7 professional relationship between the two
8 organizations?

9 A I would say very good. I would say very strong.
10 And I'm speaking, again, from my perspective and
11 from the perspective of what I could see from
12 BCLC perspective. We had a very good
13 relationship with the staff that we worked with.
14 We had very strong communication channels year
15 to year, and it's not to say everything went
16 perfectly, but overall I thought it was very
17 good, what I would call a very strong
18 relationship with them.

19 Q I'd like to move to Ms. Lisa Gao. You gave
20 evidence about the events surrounding her.
21 Those events are at tabs 110 and exhibit 115 of
22 your affidavit. You don't need to go there, but
23 you're very welcome to.

24 Essentially what happened there was Ms. Gao
25 facilitated a third party chip buy-in for

1 \$200,000; correct?

2 A Yes. She was present in a part of that.

3 Q And this information was captured by Great
4 Canadian surveillance; right?

5 A It was -- well, it was -- what actually occurred
6 was under surveillance and it was under camera,
7 and there's video retention of it, yes.

8 Q And Great Canadian prepared a UFT about the
9 event; correct?

10 A Yes, that's correct.

11 Q And the next day after the event Mr. Ennis and
12 Mr. Greg Pattison called Mr. Alderson about the
13 event; correct?

14 A I don't think I could properly answer that. I
15 can tell you from my perspective what I know. I
16 wasn't part of that conversation. The original
17 file that was created on the Lisa Gao incident
18 was as a result of a \$200,000 buy-in by a patron
19 who then left with the chips. First thing in
20 the morning, at 7 o'clock in the morning, I read
21 that report. There was a number of things in
22 there that I was very concerned about, and as a
23 result, I sent out several emails directing
24 investigators at River Rock when they came in to
25 follow up immediately, get information and to

1 speak to Ms. Lisa Guo about that because it was
2 clearly documented in the report that I saw that
3 she was present during the -- whatever happened
4 in the initial incident.

5 As a result of that, there was a number of
6 things that happened, and subsequently that
7 morning I got information back from my
8 investigators that caused me enough concern that
9 I then contacted my boss to advise him that I
10 had concerns, and he contacted GPEB at one
11 point. Now, I don't know if he took any other
12 calls, but I certainly wasn't contacted by
13 anybody else at that point.

14 Q The original uncovering or recording of the
15 problematic events was done by Great Canadian;
16 correct?

17 A Yes, it was. It was for the \$200,000 buy-in of
18 Mr. Lu [phonetic].

19 Q Ms. Gao was subsequently relieved of her duties
20 as a rule of that transaction; correct?

21 A That's correct, yes.

22 Q You testified that she also tried to smooth over
23 an unfortunate event in which a VIP patron
24 grabbed the breast of a hostess. Do you recall
25 giving evidence about that?

1 A I can recall giving evidence that that was one
2 of the files that she was involved in. That
3 wasn't a file that I was investigating directly,
4 but it was a file that I referenced in my
5 evidence.

6 Q Sir, are you aware that Great Canadian contacted
7 the police right away and they attended at the
8 premises?

9 A Again, I [indiscernible] directly involved in
10 that file. I referenced it only because I was
11 asked if there were other incidents that Lisa
12 Gao with and I referenced that file. I suspect
13 that the police were and I do believe that the
14 police were contacted and I'm not sure who did.
15 But I'm quite confident they were contacted for
16 that file, but I can't confirm that 100 percent.

17 Q You're aware that Great Canadian personnel
18 escorted this VIP assailant out of the premises;
19 right?

20 A Yes. From what I read in the report, yes, I can
21 confirm that.

22 Q So undoubtedly this would have caused some angst
23 with the VIP patron; right?

24 A Yes. I would think so.

25 Q And this is an example of Great Canadian putting

1 compliance ahead of revenue, isn't it?

2 A Again, I don't want to speculate on what was
3 done and why it was done. I don't know enough
4 about that file to be able to provide that
5 information.

6 Q But certainly somebody that was subject to the
7 trauma of being thrown out of a casino might be
8 inclined to go to a competitor; right?

9 A Oh, no, absolutely. It's a consideration
10 absolutely that has to be taken into
11 consideration, yes.

12 Q And despite that possibility, Great Canadian
13 removed the individual; right?

14 A Again, I can't say 100 percent that that
15 happened, but I'm going to assume that yes, that
16 is correct -- in fact correct in that report.

17 Q I'd like to move into Mr. Jin. You testified
18 about how you were made aware in 2012 about some
19 investigation into his conduct. And you also
20 testified that that didn't -- my words -- set
21 off any alarm bells. Is that a fair restatement
22 of your evidence?

23 A I'm not sure what you're referencing here in
24 terms of the investigation into Mr. Jin, it
25 didn't set off any alarm bells?

1 Q No -- sorry, the advice you received from the
2 RCMP in 2012 that Jin was under investigation
3 for money laundering and proceeds of crime. Do
4 you recall that?

5 A Yes. I would think that came out in my -- in
6 one part of my evidence during cross that they
7 referenced a request from the RCMP. Is that
8 what you're referring to? I just want to
9 clarify.

10 Q That's later. I'm talking about 2012. If you
11 want to refresh your recollection, we can go to
12 exhibit 3, page 41.

13 A Yes.

14 Q Halfway down the page, file 201244958 BCLC
15 received a request from RCMP constable Eldon
16 Draude, IPOC advising that Paul Jin was under
17 investigation for money laundering.

18 A Yes.

19 Q Did that set off alarm bells for you?

20 A It set off alarm bells in the sense that no,
21 they were obviously asking for information and
22 there was something going on. I don't know that
23 it set off any alarm bells that anything was
24 happening, but they were certainly looking at
25 it.

1 Q It's been your experience in both your role as a
2 manager with AML and as a police officer that
3 the mere fact that police are investigating
4 something doesn't really get you terribly far in
5 an understanding of the evidence against the
6 individual; correct?

7 A I would say that's a correct statement, yes.

8 Q I'd like to take you to exhibit 43, if I may.
9 If you could turn to page 404.

10 A Okay.

11 Q On the right-hand side of the page there's an
12 entry for November 20th, 2014. Meeting at River
13 Rock with Terry Doyle, Walter Soo both of Great
14 Canadian; correct?

15 A Correct.

16 Q Brad, Kevin, Rob Kroeker at that time at Great
17 Canadian; correct?

18 A Correct.

19 Q The note continues:

20 "Lengthy discussions on Paul Jin problems,
21 cash deliveries. Concern over lack of
22 police activity."

23 That's indicative of the company being concerned
24 about improper conduct occurring on its
25 premises; right?

1 A That's correct, yes.

2 Q And Mr. Jin was suspected to be lending very
3 large sums of money to VIPs. That's right?

4 A That's correct, yes.

5 Q And nonetheless, Great Canadian is anxious to
6 get the police involved?

7 A Correct.

8 Q And if Mr. Jin's condition changed such that he
9 was no longer able to lend money, wouldn't it be
10 reasonable to suspect that the revenues at Great
11 Canadian would drop?

12 A I would suspect so, yes.

13 Q On the top of page 405 -- I'm not going to read
14 it, but this is an entry July 22nd, 2015, which
15 you later referred to as the crystallizing event
16 as indicating that there was some meat on the
17 bones regarding Mr. Jin's criminal organization;
18 right?

19 A Correct.

20 Q And you say at the bottom of 406:

21 "Prior to that date, there was no
22 information provided to BCLC of a
23 definitive link between Jin and organized
24 crime."

25 Right?

1 A Correct.

2 Q Moving on to the top of the next page, 407. At
3 the June 4th summit -- now, that was a
4 get-together of various police forces and
5 regulators on June 4th; right?

6 A Yes, it was.

7 Q At this meeting, which discussed source of
8 funds, there was no mention of criminality and
9 there was a group discussion centred on that no
10 one really knew where the money was coming from
11 and that there was a known underground banking
12 system in BC as well as the hawala systems in
13 place which may or may not be legal. Do you see
14 that?

15 A Yep.

16 Q So at least as of the date of this report, which
17 is two thousand and -- the reference date is
18 2015, it was still contemplated that the sources
19 of the large cash buy-ins could have been legal;
20 right?

21 A Yes.

22 Q I'd like to move on now to Mr. Cao. Could I
23 take you to exhibit 7 of your affidavit.

24 Page 61.

25 A Okay.

1 Q Do you have that, sir?

2 A I do.

3 Q And I'm not going to go into the nitty-gritty of
4 it, but the emails there set out concerns
5 relating to a series of large cash buy-ins by
6 Mr. Cao in the week of December 23rd to the
7 30th; right?

8 A That's correct, yes.

9 Q And you note that there were a couple of LCTs
10 and UFTs missed; right?

11 A Yes.

12 Q But on December the 24th, Great Canadian
13 recorded two cash buy-ins of \$450,000 each and
14 filed an LCT and a UFT for both of those
15 transactions?

16 MR. STEPHENS: I'm not sure Mr. Tottenham was on your
17 page, Mr. Skwarok. He's just catching up.

18 THE WITNESS: You're referencing page 61 of that
19 document?

20 MR. SKWAROK: Yes, half way down the paragraph that
21 starts "morning Brad."

22 A Yes.

23 Q And then five lines or so down:

24 "The 450K cash buy-in on the 24th was all
25 20s and the second 450K cash buy-in was in

1 various bills of 10 to 100."

2 A Yes.

3 Q And UFTs and STRs were filed for those
4 transactions. Is there anything in your mind
5 that would suggest Great Canadian's failure to
6 file an LCT or UFT with respect to the other
7 transactions, is there any reason to think that
8 was done for some type of coverup purposes or to
9 protect Mr. Cao?

10 A I'm just reviewing this for one second.

11 Q Sure.

12 A Sorry, could I have your question again, please,
13 now. I just want to make sure we're on the same
14 piece of this file here.

15 Q Well, my question essentially was that there's
16 no reason to believe that Great Canadian was
17 trying to conceal any misconduct by Mr. Gao in
18 failing to file the LCT or UFT? Would you agree
19 with that?

20 A I would agree with that. I would say it's my
21 interpretation it was more of a case of
22 communication challenges that caused that to
23 occur.

24 Q If Great Canadian wanted to hide an event that
25 could be troublesome for a VIP, they probably

1 wouldn't have filed the two LCTs and UFTs on
2 December 24th for 900,000; right?

3 A That is correct.

4 Q Gao was a major patron, you agreed with that?

5 A Yes, he was.

6 Q And on page 407 -- sorry, on page 647 of
7 exhibit 77?

8 MR. STEPHENS: Next binder, I think.

9 THE WITNESS: Exhibit 77 and, sorry, page ...

10 MR. SKWAROK:

11 Q 647.

12 A All right.

13 Q At the bottom right hand portion there's an
14 email dated April 24th, 2015 re Jia Gao update
15 from Ross Alderson. You saw that email roughly
16 around the time it purports to have been
17 written?

18 A That's correct, yes.

19 Q And if you look at the second line it says:

20 "On April 14th, 2015, certain conditions
21 were imposed on casino patron."

22 Then a name is given.

23 "That person was no longer permitted to
24 buy in at any BC casino with any unsourced
25 cash or gaming chips until further

1 notice."

2 Right?

3 A Correct.

4 Q If you go over to the bottom of the next page,
5 648, and going on to 649, this is an email
6 from -- take a moment to refresh your ...

7 A Yes.

8 Q This is an email from Mr. Beeksma referencing
9 the fact that the patron brought in chips,
10 cashed them out, left, came back with a bank
11 draft; right?

12 A Yes. That's correct.

13 Q And that activity is not contrary to the strict
14 wording of the prohibition, was it?

15 A No.

16 Q But nonetheless, Great Canadian contacted BCLC
17 and talked to them about it; right?

18 A That is correct, yes.

19 Q And then the next day, this VIP came in and
20 tried to do the same thing with \$300,000; right?

21 A That's correct, yes.

22 Q And Great Canadian Gaming said no; right?

23 A That is correct.

24 Q Isn't that an indication, sir, of putting
25 compliance ahead of revenue?

1 A I would say it's a good example of doing what
2 they thought at the time was the right thing to
3 do for the right reason.

4 Q And this particular patron, if he were
5 dissatisfied with the decision of River Rock,
6 could have gone to another casino; correct?

7 A Absolutely, yes.

8 Q I'd like to go to your reference to patron A.
9 That's at 198 of your affidavit.

10 MR. STEPHENS: In the body of the affidavit,
11 Mr. Tottenham. I think you have to go back to
12 the other binder. Paragraph 198 on page 41,
13 Mr. Tottenham.

14 THE WITNESS: Okay.

15 MR. SKWAROK:

16 Q And for that paragraph and the ensuing
17 paragraphs there's reference to the fact that
18 patron A is a very big player and Great Canadian
19 and BCLC kept a keen eye out for him?

20 A Yes.

21 Q There was a \$100,000 buy-in, but it was a
22 prearranged buy-in, wasn't it? It was
23 prearranged with Great Canadian staff?

24 A That's correct, yes.

25 Q I'm going to produce to you, sir, a document

1 that is GCGC0033977. Madam Registrar, would you
2 kindly put that document on the screen.

3 It's not in your materials, Mr. Tottenham.

4 A Oh, okay.

5 THE REGISTRAR: Mr. Skwarok, could you repeat the
6 number once again.

7 MR. SKWAROK: Yes. GCGCPROD0033977.

8 Q If you go to the second page, please.

9 MR. STEPHENS: He's just on a hard copy, Mr. Skwarok,
10 and I think Mr. Tottenham has just found it.

11 THE WITNESS: Yep.

12 MR. SKWAROK:

13 Q At the bottom of the second page there's a note
14 from a Wilbur Yang, who is a River Rock
15 employee, to Ms. Gao and Patrick Ennis
16 indicating that he has phoned patron A today
17 informing him of the required interview with
18 BCLC personnel. He will do his cash-in on
19 Monday morning and meet with BCLC then. So
20 there wasn't anything untoward about this.
21 There was permission to meet and a discussion
22 about the appropriateness of the buy-in; right?

23 A Yes.

24 MR. SKWAROK: Can we mark that as the next exhibit,
25 please.

1 THE REGISTRAR: The next number is 172,
2 Mr. Commissioner.

3 THE COMMISSIONER: Thank you, Madam Registrar.

4 **EXHIBIT 172: Email from Daryl Tottenham to**
5 **Patrick Ennis, re Mr. Rhee, Clifford's cash**
6 **buy-in - August 3, 2016**

7 MR. SKWAROK: Madam Registrar, could I kindly ask you
8 to bring up GCGCPROD0060340.

9 MR. STEPHENS: Next tab, Mr. Tottenham.

10 MR. SKWAROK:

11 Q Do you have it, sir?

12 A I do.

13 Q Halfway down there's an email from Pat Ennis to
14 yourself regarding a cash buy-in from patron A.
15 And it says:

16 "Hi Daryl. Please see activity below of
17 patron A's most recent visit. He'll be
18 returning on August 21st, and he will be
19 bringing --"

20 Additional cash and a bank draft. Do you see
21 that?

22 A Yes, I do.

23 Q And then your response was above that:

24 "That looks fine. Thanks for the
25 heads-up."

1 Right?

2 A Yes, that's correct.

3 Q Ultimately you decided those transactions were
4 not suspicious; correct?

5 A That's correct, yes.

6 Q And in fact you contacted GPEB about them. They
7 contacted the RCMP, FSOC, and a corporal there
8 got back to you saying there's nothing
9 suspicious about these transactions; right?

10 A That's a very condensed version, but yes, that
11 is correct.

12 Q Well, I don't want to over condense it. If you
13 need to elaborate, please do.

14 A In terms of what the chronology of this, I was
15 contacted by GPEB on this after the fact, and
16 met with them and had a discussion on the
17 contents of this file. Then they subsequently
18 had a -- or a member from GPEB had the
19 conversation with somebody from FSOC which
20 caused them to then do some investigations and
21 then I had a conversation with FSOC member
22 Corporal Lee about this file in terms of what
23 they came across and what they found.

24 Q All right. And what was their conclusion?

25 A Their conclusion that there was absolutely no

1 issues with this player or the funds that he was
2 using.

3 MR. SKWAROK: Could we please mark that document as
4 the next exhibit.

5 THE COMMISSIONER: That will be 173.

6 THE REGISTRAR: Exhibit 173.

7 **EXHIBIT 173: Email from Patrick Ennis to Daryl**
8 **Tottenham, re \$200K Cash from Mr. Clifford**
9 **Rhee - August 17, 2016**

10 MR. SKWAROK: And the last document, Madam Registrar,
11 is GCGCPROD0058204.

12 THE WITNESS: I have that one here.

13 MR. SKWAROK:

14 Q These are emails in June of 2017 and they
15 indicate, don't they, that both Great Canadian
16 and BCLC are still monitoring patron A's
17 conduct?

18 A Yes, absolutely.

19 Q And after reviewing his conduct, they approved
20 yet more buy-ins from this man; correct?

21 A That is correct.

22 MR. SKWAROK: May I mark that, please.

23 THE COMMISSIONER: That will be the next exhibit,
24 174.

25 THE REGISTRAR: Exhibit 174.

1 **EXHIBIT 174: Email exchange between Daryl**
2 **Tottenham and David Zhou, re Rhee SID 182916 -**
3 **June 5, 2017**

4 MR. SKWAROK: I'm finished with the document, thank
5 you, Madam Registrar.

6 Q I want to address the topic of favourable
7 preferential treatment being allegedly given to
8 patrons. You gave evidence that Terry Towns
9 made it clear eight years ago that BCLC
10 investigators shouldn't deal directly with
11 patrons at River Rock; right?

12 A That was the observation I had.

13 Q I beg your pardon?

14 A That was my observation, yes.

15 Q And the genesis of that directive as far as you
16 know was that BCLC investigators had pulled a
17 patron off the floor and apparently the patron
18 was embarrassed and then complained to Great
19 Canadian. Does that sound right to you?

20 A Yes, that does.

21 Q And Great Canadian said that they would prefer
22 to speak directly with the patrons; right?

23 A That's correct.

24 Q But that didn't impair BCLC's ability to get
25 information from the patrons, did it?

1 A It did -- sorry, your question is did it impair
2 our ability to get information?

3 Q Yes. About the patrons. Because you could ask
4 Great Canadian to get the information on your
5 behalf; right?

6 A Yes. There are other alternatives that
7 obviously could be utilized, yes, I would agree
8 with that.

9 Q And I think that your evidence was that if you
10 had questions -- by "you" I mean BCLC -- about
11 the activities of a particular patron, you would
12 ask Great Canadian to pose those questions to
13 the patron and then report back to you on the
14 answers; right?

15 A Yes.

16 Q And it was thought that that actually was a good
17 thing because of the close relationship between
18 patrons and Great Canadian. They might be able
19 to get more information than a BCLC
20 investigator; right?

21 A Yeah. And I found that to be true over time as
22 we got more of a sense of what that relationship
23 looked like between the service provider, VIP
24 staff and the patrons, that that was an avenue
25 that seemed to work very well when we went down

1 there and we utilized it more and more as we
2 proceeded.

3 Q And you also made it clear to Great Canadian if
4 you weren't happy, you would get into the
5 picture yourself and pose the questions
6 directly?

7 A Yes, absolutely. In the 2015 era, yes.

8 Q So there was no application of your
9 responsibility, it was just getting the
10 information in a slightly different way; right?

11 A Yes, I think it was just trying to get the
12 information that we required for our reasons in
13 a reasonable way and utilizing that relationship
14 that we had with the service provider to obtain,
15 if it was a normal thing that would happen in
16 the course of an investigation that's what we
17 would follow and do.

18 Q And you described that, sir, as a win-win
19 situation. Do you maintain that position?

20 A Yes. I think that we wanted to obviously -- we
21 wanted to get the information so that we can do
22 our job and ensure we know the client
23 information and source of wealth is solid, and
24 if we can do that in such a way that it doesn't
25 upset patrons that obviously is our number one

1 goal.

2 Q There has been evidence tendered that on
3 occasion Great Canadian staff would raise
4 questions with BCLC about decisions to ban VIPs
5 or place conditions on them; right?

6 A I would say that's a fair statement, yes.

7 Q And sometimes these questions were given quite
8 forcefully, weren't they?

9 A I would say yes, at times.

10 Q And on occasion an employee would say that if
11 you do this to a particular VIP person, that
12 would be bad for business; right?

13 A Yes.

14 Q But did Great Canadian ever fail to file reports
15 to gain favour from VIPs, to the best of your
16 knowledge?

17 A No.

18 Q And so if Great Canadian always filed the proper
19 reports, and if it always followed BCLC's
20 directives about BCLC's decision on a patron's
21 play, what's wrong with Great Canadian
22 expressing concern about a possible loss of
23 business?

24 A Well, I don't know that there's anything wrong
25 with them being concerned about the loss of

1 business. I mean, that's what they're doing,
2 essentially, and what they're in business for.
3 In the way that you pose the question, yes, they
4 made every effort to file all the reports
5 properly. Didn't always happen, but it was
6 human error kind of issues that generally
7 cropped up, but at the end of the day, I think
8 they were doing the best that they could in
9 terms of the reporting, so we had no issues with
10 that, and we had a good working relationship
11 with them, so I don't think there was any issues
12 on that front, so --

13 Q Sorry?

14 A So it's an expectation. I mean, obviously that
15 is one of their very big priorities in terms of
16 what they do as a company in order to survive is
17 make money, obviously, so ...

18 Q Mr. Hiller testified yesterday that he started
19 down a road where he was going to take action
20 against the patron, spoke with a Great Canadian
21 employee and that employee changed his mind, not
22 by force but by providing additional facts.

23 A M'mm-hmm.

24 Q Can you envision that type of situation
25 happening?

1 A Yes, absolutely. I've experienced that. I've
2 had times where we had concerns about patrons
3 and the majority of it was to do with source of
4 funds or source of wealth, mostly source of
5 wealth information when we're doing enhanced due
6 diligence, and as a result of that, I went to
7 staff and talked to staff, told them what my
8 concerns were. They then made an approach to
9 the patron because they had a relationship with
10 that patron and they were able to acquire the
11 information that we needed and conversely we
12 were able to confirm the documentation that we
13 wanted to find, and it effectively dealt with
14 the problem. So, I mean, that happened on more
15 than one occasion. I mean, again, that goes
16 back to what we were talking about earlier is
17 the win-win philosophy. We're trying to get our
18 job done and we utilize those relationships when
19 we can to do it the most effectively.

20 Q And Great Canadian was fully supportive;
21 correct?

22 A Absolutely.

23 Q You're aware that Great Canadian spent a great
24 deal of money on its camera system out in the
25 parking lot. It's a state-of-the art type of

1 project. Were you aware of that?

2 A Yes, I'm aware. It's pretty state of the art.
3 It's pretty good.

4 Q And it was above and beyond what BCLC would have
5 required; right?

6 A I don't think I'm in a position to quantify it
7 by saying what the policies were, but it was
8 obviously within compliance and requirements of
9 the BCLC policy for our guidelines, but it was
10 very good and there was the quality in terms of
11 the imagery and the video that we were getting
12 was very good.

13 Q And Great Canadian also encouraged significant
14 expense in putting cameras in the hotel; right?

15 A Yes, I believe so, but I'm -- I cannot -- part
16 of those discussions, so I can't say
17 100 percent.

18 Q But BCLC wouldn't have the jurisdiction to tell
19 Great Canadian to put cameras in a hotel, would
20 it?

21 A No. No, our concern is the gaming floor.

22 Q And so Great Canadian did it for the purposes of
23 potentially finding evidence of misconduct by
24 individuals; right?

25 A Correct?

1 Q That's the reason they did it. And that's the
2 reason why they had the expansive cameras in the
3 parking lot, was to gather evidence of potential
4 wrongdoing; right?

5 A I would say that's part of that, yes.
6 Absolutely.

7 Q If they gathered such evidence and it was given
8 to the appropriate authorities, the patrons
9 could be barred, couldn't they? Hypothetically.

10 A Yep, absolutely.

11 Q And that would result in a loss of revenue for
12 the company, wouldn't it?

13 A I would say so, yes.

14 Q So this is yet another example of Great Canadian
15 putting compliance ahead of revenue; right?

16 A I would say yes.

17 Q The last topic is in large cash buy-ins. You
18 agree with me, sir, that the mere fact to buy in
19 with large amounts of cash is not proof that the
20 money is proceeds of crime; correct?

21 A Correct.

22 Q And you'll agree that some large deposits are
23 suspicious, some of them might be extremely
24 suspicious, but that's all; right?

25 A That's a fair statement, yes.

1 Q Do you agree that BCLC, if it were so inclined,
2 could have directed Great Canadian not to accept
3 buy-ins from certain people at any time?

4 A I would say that we would be in a position to
5 give direction to the service provider in that
6 regard, yes.

7 Q So if BCLC said, don't allow Mr. X to buy in or
8 play, that would be within BCLC's authority;
9 right?

10 A Essentially you're talking about placing a
11 player on a ban, which we are able to do and we
12 do. Or we were able to place restrictions on
13 the players in terms of what they're allowed to
14 do which would be like sourced-cash conditions
15 that they would have to provide documentation,
16 so that would give us the authority, and yes we
17 do have the authority to do both those.

18 Q BCLC also could have, if it were so inclined,
19 have -- put a cap, a monetary cap, above which
20 an UFT would have to be filed, even in the
21 absence of other suspicious circumstances. Do
22 you agree with that?

23 A Put a cap. Sorry, could you just say that
24 again. I want to make sure I have it right and
25 you're referencing UFTs here.

1 Q Yeah. If BCLC had come up to Great Canadian and
2 said, I want you to file an UFT for every
3 transaction above \$25,000, say, that would be
4 within its authority; right?

5 A I would say that it would be within their
6 authority to make requests of them, but in the
7 sense of giving direction like that, the example
8 that you're using is not something that -- I
9 mean, for us to direct them to create a UFT
10 based on a threshold is not something that we
11 would do. Because UFTs, unusual financial
12 transactions, are based on indicators and
13 specifically FINTRAC indicators and suspicious
14 behaviour and activity, so that is what defines
15 whether a UFT should be created. So I would
16 be -- I would not be on behalf of the AML unit
17 and BCLC be insisting that they create a UFT
18 file based on any threshold number-wise because
19 that kind of flies in the face of what we're
20 trying to -- what the reports are used for and
21 what we're doing with them.

22 Q All right. Well, I'm not talking about a
23 situation where the provider would ignore all of
24 the other suspicious characteristics. I'm
25 talking about a unique rule that says, don't

1 worry about the other suspicious circumstances
2 you would normally employ with an UFT; I want
3 you to report every transaction at, say, \$25,000
4 and report it as a UFT.

5 A And your question is would we do that? No, we
6 would not. I would not do that.

7 Q But you could, couldn't you?

8 MR. STEPHENS: Mr. Commissioner, it's Mr. Stephens
9 here. Mr. Tottenham is answering these
10 questions with reference to what his practice is
11 and Mr. Skwarok is returning to legal
12 terminology in terms of authority, and you know,
13 again, I don't want to make an objection to the
14 extent that Mr. Skwarok is trying to asking
15 about practices or Mr. Tottenham's knowledge,
16 but I would just ask that we veer away from what
17 legal authorities may pertain, if that's where
18 Mr. Skwarok is going with this.

19 THE COMMISSIONER: Yeah, I think he's answered the
20 question, Mr. Skwarok.

21 MR. SKWAROK: Yes.

22 MR. MCGOWAN: Mr. Commissioner, I also note
23 Mr. Skwarok is well over the time he's been
24 allotted. I wonder if he's nearing the
25 conclusion of his examination because we do have

1 a number of other participants counsel that wish
2 to ask questions.

3 MR. SKWAROK: I have in fact come to the end. Thank
4 you. Thank you, Mr. Tottenham.

5 THE WITNESS: Thank you.

6 THE COMMISSIONER: Thank you, Mr. Skwarok. Next is
7 Mr. Gruber on behalf of Gateway Casinos &
8 Entertainment who has been allocated 10 minutes.
9 Mr. Gruber.

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

11 **EXAMINATION BY MR. GRUBER:**

12 Q Mr. Tottenham, I want to start by mentioning
13 some further evidence about something you were
14 asked about by Ms. Latimer on the 4th and by
15 Ms. Rajotte earlier, mainly the revenue impact
16 of putting VIP patrons on sourced-cash
17 conditions. And you said in your testimony on
18 the 4th that you were told that that had a
19 revenue impact of \$55 million in the next year.
20 Did I get that right?

21 A Yes. From BCLC you're referring to, I'm
22 assuming.

23 Q Yes.

24 A Yes.

25 Q And which fiscal years are you talking about

1 there?

2 A It was -- the reference I believe was in the
3 first fiscal year, and that was a figure that
4 was attached to that roughly and it wasn't taken
5 off a report. It was just from conversations
6 and discussions that we'd had.

7 Q So you started introducing these sourced-cash
8 conditions for patrons in 2015; right?

9 A Yeah. The very first patron we put on was at
10 the very end, the back end of 2014, and then
11 they started in 2015, and then a flurry in the
12 second and third quarter.

13 Q So the next year would have been the 2015/16
14 fiscal year; is that right?

15 A I would think so, yes, that would make sense.

16 Q So I've looked at BCLC's annual report, and it
17 appears that the net win from casino and
18 community gaming in that fiscal year 2015, 2016
19 was \$1,814,700,000. Does that sound about right
20 to you?

21 MR. STEPHENS: Mr. Gruber, it's Mr. Stephens. I
22 mean, if you're going to ask Mr. Tottenham that
23 question, I don't doubt that you're accurately
24 reading what you're reading. I think in
25 fairness he should be provided that report. I

1 just think that's a bridge too far to do on the
2 fly. Mr. Commissioner, that's my objection.

3 MR. GRUBER: Mr. Commissioner, I'm just asking
4 whether it sounds about right. It's a public
5 document. Anybody can look at it.

6 MR. STEPHENS: That may well be, Mr. Gruber. I just
7 think if you're going to be engaging in that
8 type of discussion with Mr. Tottenham, who is
9 the manager of the AML unit about a financial
10 matter and a financial statement, which is
11 outside of his bailiwick, I think you should put
12 that document to him and not simply read him
13 from the income statement. Mr. Commissioner, I
14 maintain my objection.

15 THE COMMISSIONER: Mr. Gruber, do you have the
16 document handy?

17 MR. GRUBER: It's a public document. It's available
18 on the internet. Madam Registrar may be able to
19 get it.

20 THE COMMISSIONER: Well, I don't think that is
21 probably terribly practical at this point, but I
22 think you can ask the question if he's read the
23 document and is aware of the figure, but if he
24 hasn't, he hasn't.

25 Mr. Tottenham, have you seen that document

1 and are you familiar with the figure?

2 THE WITNESS: I have not and I'm not familiar with
3 that, Mr. Commissioner.

4 THE COMMISSIONER: All right. Thank you.

5 MR. GRUBER:

6 Q When you were told about the \$55 million,
7 Mr. Tottenham, were you told that that was a
8 reduction in the net win from casino or
9 community gaming, or were you told that it was a
10 lesser increase in revenue?

11 A The way it was told to me was simply that in the
12 first year of implementation all our conditions
13 and bans that we were putting on, it cost losses
14 of 55 million to BCLC. And it was simply to
15 quantify obviously we're taking a hit, through
16 BCLC is taking a hit in this, but it was part of
17 a conversation that we were having in terms of
18 why we needed to be doing what we were doing and
19 that that wasn't a concern. If it was, that
20 certainly wasn't part of our concern from our
21 perspective in the AML unit.

22 Q I'm going to suggest to you, Mr. Tottenham, that
23 in fact BCLC's net win from casino and community
24 gaming went up year after year throughout the
25 period fiscal 2014, '15, '16, '17. Were you

1 aware of that?

2 A Again, I'm not aware of the statuses from year
3 to year, but from the knowledge that I have,
4 which is fairly basic and from the perspective
5 that I was talking about this 50 million that
6 was referenced, clearly the sanctions that we
7 were invoking on people and from the information
8 that I'm aware of, where by virtue of us either
9 banning patrons, and we're talking high-end,
10 high-value patrons, or we're putting them on
11 sourced-cash conditions which effectively saw
12 their reduction in play absolutely stop and
13 never continue at BCLC from back as far as 2015.
14 That is the revenue that I am having this
15 discussion about in terms of -- I know there was
16 an impact. There had to have been because we
17 had very, very large numbers of players that
18 decreased or disappeared absolutely, so there
19 was some kind of a very positive/negative
20 impact. Whether or not it's 55 million, that's
21 just the information I was told. But I don't
22 have obviously knowledge of the budgeting from
23 year to year over a five-year period to be able
24 to prove whether or not it's accurate.

25 Q So it's fair to say that you don't know whether

1 or not the net win actually went down from year
2 to year?

3 A I don't know what the actual net loss, no.

4 Q You don't know whether the net win went down or
5 up from year to year?

6 A Other than what I was told, no.

7 Q And were you told how that \$55 million of
8 foregone revenue was distributed among the
9 various casinos?

10 A No, I was not.

11 Q It's fair to say that it would have been
12 concentrated where there were the highest drop
13 from VIP players; correct?

14 MR. STEPHENS: Mr. Commissioner, I think we're well
15 outside the bounds of Mr. Tottenham's knowledge
16 about this. I appreciate that we're not bound
17 by the rules of evidence, but this is engaging
18 in a speculative exercise I don't think is fair
19 to the witness. I object.

20 THE COMMISSIONER: Very well. Again, if his answer
21 is I don't know, then that's his answer.

22 Mr. Gruber

23 MR. GRUBER: Yes. I'm seeking to clarify evidence
24 that was elicited from him by commission
25 counsel.

1 Q Do you know, Mr. Tottenham, whether that would
2 have been concentrated at the casinos that have
3 the highest drop from VIP players?

4 A I would say that would be an assumption you
5 could logically make, yes.

6 Q I'm going to turn next to the question of
7 service providers' reactions to the suggestion
8 that BCLC investigators might interview casino
9 patrons directly. And as I understood your
10 evidence last week, you said that service
11 providers didn't want that to occur because the
12 patrons might go to the competition. Did I get
13 that right?

14 A I believe part of my evidence was that if
15 patrons, if we approached patrons, if I recall
16 the evidence, if we approached the patrons and
17 they became upset, that was a possibility as the
18 question was put to me, that they may get upset
19 with the establishment they were in and go to
20 the competition.

21 Q But if BCLC had a general practice of
22 approaching patrons on the floor in those years,
23 there would have been no reason for a player to
24 drive down the highway and go to a different
25 casino; right?

1 A Well, we didn't have a policy initially when I
2 first started to approach patrons, and we didn't
3 have a practice of doing that. When we did
4 build out our programs and start to go down that
5 road where that became part of our protocols and
6 we established that in April of 2015, it was for
7 all sites across the board. So the intention
8 was it was going to be done in any instance, in
9 every instance regardless of location.

10 Q You've anticipated my next question a bit, which
11 was when you did that in 2015, did you see
12 patrons start to move from one casino to
13 another?

14 A There was -- I would say a very limited
15 incidents that we were aware of, and it was
16 through a series of conversations and/or
17 interviews with the patrons themselves that that
18 may have occurred or with staff. I would say it
19 didn't happen often, but it was something that
20 was out there that we were cognitive -- we were
21 aware of that it was a possibility, and it may
22 or may not be happening.

23 Q Well, when you say it's something that sometimes
24 happened, did it happen because of your new
25 practice of interviewing patrons directly?

1 A That's -- I mean, I don't know that I could
2 answer that question. When we started doing
3 player interviews, we didn't have -- it wasn't
4 specific to one site, it was specific to
5 incidents that -- and files that we were looking
6 at, so whatever -- wherever the occasion arose
7 that we were having problems with a player
8 regardless of the site, that would trigger us
9 placing them in a category in -- requiring them
10 to come in for interviews, so whether or not
11 they came in or not -- so it wasn't site
12 specific and it wasn't targeted at any one site,
13 so it's kind of hard to gauge. We have a lot of
14 players that visit multiple sites. They jump
15 around back and forth between the five majors
16 quite a bit, so I think it would be very hard to
17 be definitive on that.

18 Q When you did start interviewing patrons
19 directly, your focus, as I understood your
20 evidence, was on asking them where the cash they
21 were buying in with came from and educating
22 them. Did I get that right?

23 A Our focus was clearly on education and it was
24 also tied to incidents that had occurred,
25 previous incidents that they were involved with

1 where we wanted to get further information to
2 clarify and/or source of wealth information and
3 source of funds information. So it could be a
4 combination of any of those or all of them.

5 Q Okay. Was it your practice to ask them whether
6 they were aware of whether the money they were
7 receiving was proceeds of crime or dirty money?

8 A Was that part of the -- our practice?

9 Q Was that part of your practice?

10 A We didn't ask him that question specifically,
11 no. We asked him -- in some instances we asked
12 them where they were obtaining their cash from,
13 if that was part of the concern that we had with
14 that player.

15 Q Was there a particular reason that you didn't
16 ask them whether they were aware whether the
17 money was proceeds of crime or dirty money?

18 A Well, again, it's specific to each individual.
19 We've done, I'm going to say, a lot of
20 interviews, well in excess of a thousand
21 interviews and in every instance, it is quite
22 often -- and I would say the vast majority of
23 them are all behaviour based, they're incident
24 based. So it depends on what we're actually
25 dealing with that player for at that time. It

1 would be the focus of the interview. So we may
2 bring somebody in for an interview that has
3 absolutely nothing to do with their cash buy-ins
4 directly. It could be something else that we're
5 dealing with, so ...

6 Q But if the purpose of the interview was related
7 to an incident and a cash buy-in, was there a
8 particular reason why you wouldn't ask the
9 patron whether they were aware the money was
10 proceeds of crime or dirty money?

11 A Well, again, in terms of the phrase -- the
12 phrasing that you're giving it, we would not ask
13 them as you phrased it. We would ask them where
14 the source of the cash is and we were trying to
15 get information as to where they acquired their
16 cash from, yes.

17 Q But you weren't asking them about their
18 knowledge about the nature of the cash?

19 A We were asking them any information that we
20 could in terms of where they acquired the cash
21 from, and if it was from another person, where
22 that person acquired the cash from, so we were
23 trying to determine where the source of the
24 cash, whether it's legitimate or not, where that
25 was to document that information.

1 Q And that's as far as you went?

2 A I would say yes. I don't know what you're
3 asking for. Did we -- the way you phrase the
4 question is a little different. We didn't use
5 that terminology that you're referring to and
6 ask them, is this dirty money? We asked them
7 where the source of the cash was coming from and
8 tried to determine that.

9 Q What it seems to me, Mr. Tottenham, is that you
10 didn't make any effort to determine whether the
11 patrons themselves were complicit in potential
12 money laundering. Is that a fair statement?

13 A No, I would say not. We were trying to
14 determine where they got the cash from, and if
15 we -- if they gave us that information
16 indicating where they got the cash from, we
17 would follow that up, and the investigators that
18 would normally interview would follow that up,
19 would try and determine where they think they
20 got that cash from. So it wasn't just a case of
21 getting the question and answer. Sometimes the
22 answers came back very clearly that defined
23 where they got the cash from. They came back
24 and said, we got it from a money service
25 business on No. 3 Road in Richmond, and this is

1 the name of the business, and it was a result of
2 an EFT that was wired there. So I mean, that's
3 pretty definitive in terms of the questions we
4 were asking of where that cash came from. In
5 others, they would not give any information as
6 to maybe a third party interest.

7 MR. GRUBER: Thank you. Those are my questions.

8 THE COMMISSIONER: Thank you, Mr. Gruber.

9 Mr. McFee on behalf of Mr. Lightbody who
10 has been allocated 30 minutes

11 MR. McFEE: Thank you.

12 EXAMINATION BY MR. McFEE:

13 Q Mr. Tottenham, in 2011 you retired from the
14 New Westminster Police Department after -- if my
15 math is right, after 27 years of service?

16 A 28 and change, yes, that's correct.

17 Q And you immediately joined BCLC as a casino
18 investigator?

19 A Yes. Pretty shortly thereafter.

20 Q And you were stationed at the Starlight Casino?

21 A That's correct, yes.

22 Q Did you understand that stationing you at
23 Starlight was in part in the hopes of
24 facilitating your contacts with the
25 New Westminster Police Department?

1 A I'm going to suggest that probably played part
2 of that, yes.

3 Q And in your affidavit you indicated that in your
4 role as a casino investigator a large part of
5 your task was reviewing the STRs and then
6 bundling further information together -- I guess
7 it would be UFTs and bundling further
8 information together and if necessary producing
9 an STR?

10 A That's correct.

11 Q And you indicate in your affidavit that in terms
12 of the STR reporting, you prepared these STRs in
13 a way that would be useful to a police officer.
14 What did you mean by that?

15 A Essentially putting the information together in
16 such a way that we would acquire information not
17 only on the subject themselves, but associates,
18 vehicles, other associations with other groups,
19 any of the information that we could to get more
20 of a holistic view so that when it's being read
21 as an STR going back to Ottawa analytics that it
22 would be read with as much overall content as
23 possible.

24 Q And were you also doing that in the hopes of
25 attracting the attention of law enforcement to

1 investigate some of these incidents?

2 A Yes. And that was kind of a constant goal was
3 obviously over the course of two or three years
4 was to try and get some assistance to come in
5 because we obviously did not have the ability to
6 do that part of the investigation.

7 Q And you told the commission that when you
8 commenced your duties as a casino investigator
9 in 2011 you understood that it was not part of a
10 BCLC investigator's role to interview patrons at
11 the casinos?

12 A That's correct.

13 Q So when you joined BCLC in 2011 what was your
14 understanding as to the focus of BCLC's due
15 diligence when evaluating large cash buy-ins?

16 A From my experience, we were focused on the
17 observe and report mandate, and looking at
18 primarily the source of wealth of the players.
19 I mean, that was kind of our main focus, to
20 ensure that the players that were coming in
21 playing at that level had the source of wealth
22 to be able to be playing at that level, and
23 looking at the source of their funds as well.

24 Q As I understood your evidence, as a recently
25 retired police officer, when you joined BCLC as

1 a casino investigator you considered the volume
2 of cash coming into BC casinos that you observed
3 to be suspicious?

4 A That's correct, yes.

5 Q And although you had suspicions, did you as a
6 BCLC investigator have any ability to conduct an
7 investigation to determine the actual source of
8 the patrons' cash?

9 A No, we did not.

10 Q And so in terms of the agencies that you were
11 sending these STRs to, who did you understand
12 had the necessary mandate to conduct these sort
13 of inquiries to actually determine the source of
14 the patron's cash?

15 A Well, these files at that time were being sent
16 out to FINTRAC, to the regulator GPEB, to
17 proceeds of crime group and RCMP and to law
18 enforcement as well in some jurisdictions -- not
19 all, but some jurisdictions. So it was going
20 out to a number of agencies that have law
21 enforcement capabilities for police doing
22 conducting criminal investigations for this kind
23 of practice and work.

24 Q In the period of time from when you commenced as
25 a casino investigator until you became the

1 manager of the AML unit in October of 2013, did
2 you observe GPEB taking any steps to further
3 investigate the matters that had been reported
4 by you on these STRs?

5 A Specific to the money laundering side of the
6 investigation, no.

7 Q Similarly in that same period of time, did you
8 observe law enforcement doing anything in terms
9 of following up on these STRs?

10 A I did not see any evidence that would suggest to
11 me that there was something happening in the
12 background or something actively being
13 investigated by law enforcement.

14 Q In answer to Ms. French questions, I mean, you
15 fairly said you wouldn't necessarily know if law
16 enforcement was undertaking an investigation;
17 correct?

18 A Correct.

19 Q But in your 28-odd years as a police officer, if
20 an investigation was ongoing in the casino or
21 casinos that you were involved in with respect
22 to money laundering or proceeds of crime, what
23 would you expect to see, if anything?

24 A I would expect that we would -- there would be
25 some indications that something was happening.

1 There would be some sort of requests, there
2 would be some sort of activity that would be an
3 indicator that there was an investigation
4 ongoing.

5 Q And you saw none of that?

6 A I did not, no.

7 Q So what was your reaction to this apparent lack
8 of response from GPEB and law enforcement?

9 A Well, it was very concerning to me given that
10 the amount of information that we were sending
11 out, given the volume of cash that we were
12 dealing with and given the substance of the
13 information that we had in relation to a
14 specific group, individual and a group, it was
15 clearly involved in facilitating a large amount
16 of cash, I was quite surprised that we weren't
17 getting any kind of response back from law
18 enforcement to take this further.

19 Q In the face of this lack of response from law
20 enforcement, did the volume and size of these
21 large cash buy-ins at the casinos you were
22 involved in continue to increase?

23 A Yes.

24 Q And the --

25 MR. STEPHENS: Mr. Commissioner. Sorry, Mr. McFee,

1 to interrupt. It's Mr. Stephens. I just wanted
2 to inquire -- we're getting close to 12:30 --
3 whether we could look to getting Mr. Tottenham a
4 break. Perhaps even me a break. If that's
5 satisfactory at 12:30.

6 THE COMMISSIONER: Yes, that's fine. We'll take a
7 brief break then. We have several more
8 examinations to go.

9 MR. McFEE: I'll do my best to keep my eye on 12:30,
10 but if I go over I'm sure you'll let me know,
11 Mr. Stephens.

12 Q Mr. Tottenham do you recall my client,
13 Jim Lightbody, was BCLC's Vice President of
14 Casinos and Community Gaming in 2011?

15 A Yes.

16 Q And that Mr. Brad Desmarais was relatively soon
17 thereafter appointed BCLC's Vice President of
18 Compliance in February of 2013?

19 A Yes.

20 Q Now, with these changes in the BCLC executive,
21 what were your observations with respect to the
22 direction that BCLC took in terms of responding
23 to what I take it was then the increasing size
24 and volume of large cash buy-ins?

25 A As I described, I believe they were both fairly

1 pivotal moments in kind of our progression at
2 BCLC in our building in terms of how we
3 approached the problem and the direction that we
4 were taking from the previous Vice President and
5 the CEO.

6 Q And as I read your affidavit, one of the
7 proactive steps you took yourself during your
8 tenure as a casino investigator was to track all
9 of the known activities of Paul Jin, not just in
10 the Starlight Casino where you were but in all
11 casinos. Did I understand that correctly?

12 A Yes. That was one of my focal points that I
13 did. And there are several other investigators
14 that were kind of like-minded.

15 Q And as I understood your evidence, in October
16 25th, 2012, you initiated a request to extend
17 Mr. Jin's ban from casinos for a five-year
18 period?

19 A Sorry, in 2012?

20 Q Yes.

21 A That was a five-year ban that was actually
22 initiated and put into place by Mike Hiller.

23 Q And was your work in terms of assembling this
24 dossier on Mr. Jin's activities utilized in that
25 ban?

1 A I think it was. Yes, I was working with --
2 quite closely with Mike Hiller and I'm certain
3 that that played a role in it.

4 Q In light of what you perceived to be a lack of
5 follow up on GPEB and law enforcement agencies
6 to address the increase in the volume of large
7 cash buy-ins, did you come to any conclusion as
8 to what BCLC needed to do to address those
9 increasing amounts of suspicious cash entering
10 BC casinos?

11 A Well, I think at the time my boss was John
12 Karlovcec, who was a retired RCMP member, we
13 were both having the same conversations in terms
14 of trying to determine where we could get
15 assistance from, what law enforcement group we
16 could get assistance from, and we kind of went
17 down that road in terms of starting to, I'm
18 going to say, shop out a project to law
19 enforcement and trying to make connections to
20 get somebody from law enforcement to engage on a
21 project or a target, targeting of Jin's group.

22 Q And we heard in the evidence, in your evidence
23 that BCLC took steps on its own, including the
24 establishment of the dedicated AML unit?

25 A Yes, absolutely. That came at the end of I

1 think October, November. When they opened --
2 started the AML, I was involved with that along
3 with John Karlovcec and then two analysts that
4 we took on board that we work together. So it
5 was a team of four from that start and it grew
6 from there.

7 Q If I could ask you to refer to exhibit 12 of
8 your affidavit, please. Do you have that? It's
9 an AML chronology.

10 THE COMMISSIONER: We've hit 12:30 now. Mr. McFee,
11 is this an appropriate to take a brief
12 adjournment.

13 MR. McFEE: It is, Mr. Commissioner. Thank you.

14 THE COMMISSIONER: All right. Thank you. How long
15 do you need, Mr. Stephens. Would five minutes
16 suffice?

17 MR. STEPHENS: Yes, Mr. Commissioner. Thank you.

18 THE COMMISSIONER: Five minutes.

19 THE REGISTRAR: This hearing is stood down for five
20 minutes until 12:35 p.m.

21 **(WITNESS STOOD DOWN)**

22 **(PROCEEDINGS ADJOURNED AT 12:30 P.M.)**

23 **(PROCEEDINGS RECONVENED AT 12:35 P.M.)**

24 **DARYL TOTTENHAM, a**
25 **witness for the**

1 **commission, recalled.**

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

4 THE COMMISSIONER: Thank you, Madam Registrar.

5 Yes, Mr. McFee.

6 MR. McFEE: Thank you.

7 **EXAMINATION BY MR. McFEE (continuing):**

8 Q Just before the break, Mr. Tottenham, I'd
9 referred you to exhibit 12 to your affidavit?

10 A Yes.

11 Q And that's entitled "AML Chronology"?

12 A Correct, yes.

13 Q Did you prepare this document?

14 A I did by putting it together, most parts of it.
15 There was other people involved in the building
16 of it, but overall, yes.

17 Q Is it an effort to list BCLC's AML efforts
18 commencing 2012 through to January 2017?

19 A That is correct, yes.

20 Q And if you look on the first page, 2013, it
21 seems to omit from the list the establishment in
22 October of 2013 of the dedicated AML unit. Am I
23 correct about that?

24 A In this version, yes.

25 Q And that AML unit, as we've heard, expanded

1 significantly in 2016?

2 A Yes, that's correct.

3 Q And in April 2016 you were appointed the manager
4 of the AML unit?

5 A Correct.

6 Q And you told us you remained in that position
7 ever since?

8 A That is correct.

9 Q So during the seven years that you've been with
10 this dedicated AML unit, what can you tell the
11 commission about the level of support this unit
12 has received from the BCLC executive?

13 A I would say from day one we received excellent
14 support, resources, pretty well at every stage
15 of the growth that we've had. Any time that
16 we've had or voiced any resource issues or
17 concerns that we needed more assistance or --
18 that was very quickly dealt with. Yeah, it was
19 very positive and a steady growth all the way
20 through this entire period.

21 Q So was your unit supported in terms of the
22 people you needed?

23 A Yes. Absolutely.

24 Q Was it supported in terms of the funding you
25 needed?

1 A Absolutely, yes.

2 Q And when it came to resources such as analytics,
3 et cetera, were you given the support you
4 needed?

5 A Yes, absolutely.

6 Q To be clear, all of these enhanced anti-money
7 laundering procedures were implemented during
8 the time that my client, Jim Lightbody, was
9 either the VP or Casinos or subsequently the CEO
10 and President of BCLC?

11 A That's correct, yes.

12 Q And did you feel that the AML unit had his
13 support throughout?

14 A 100 percent absolutely without any hesitation.

15 Q In your evidence you described -- you just
16 alluded to it before the break -- the efforts
17 you and other members of the casino
18 investigation team and the AML team made to
19 engage law enforcement in pursuing
20 investigations into principally, I guess,
21 suspected cash facilitators in the BC casinos.
22 Was that the focus of these efforts?

23 A Yes.

24 Q And you've described those in your affidavit,
25 but just to summarize them, and tell me if I've

1 got this right, in the fall of 2014 BCLC reached
2 out to CFSEU?

3 A In the spring of 2000 and ...

4 Q I think it was the fall of 2014. Does that
5 match with your recollection?

6 A We certainly had -- we had a number of meetings
7 throughout 2014, and then subsequently with
8 other agencies in 2015, but I think our first
9 meeting was in early 2014 where we reached out
10 and engaged with CFSEU and then a number of
11 other agencies and CFSEU through that calendar
12 year basically off and on.

13 Q And in terms of the contact with CFSEU and what
14 you described as the guns and gangs unit, as I
15 understood it, you were told that they didn't
16 have the time to investigate proceeds of crime.

17 A It was -- there was various times that we had
18 discussions with them in terms of their
19 availability. We reached out to them simply --
20 I know that we've heard -- we referenced them as
21 the guns and gangs, but I know they've been
22 referenced as uniform division, but we reached
23 out as an organization, basically, because we
24 felt they had the capacity to do what we wanted
25 to do, which would be to conduct a project on a

1 target and be able to provide all the things
2 that would be required in that kind of an
3 investigation, including intelligence unit, as
4 targeting unit and maybe different components of
5 that to conduct a proper investigation. So
6 that's why we reached out to them in the first
7 instance. So we did have a number of meetings,
8 and during those contacts, subsequent contacts
9 into June, July, I think I met with them in --
10 conversation in August and then in October, and
11 then another one in November, at various times
12 the information we received back was consistent
13 that they had other things that they were
14 involved with that they weren't able to break
15 away and conduct any meaningful time on a
16 project that we were asking for.

17 Q So having not met with success in terms of
18 engaging with the CFSEU unit, as I understand
19 your affidavit in March of 2015 you met with the
20 RCMP Real Time Intelligence unit?

21 A Yes, we did.

22 Q And what came of that?

23 A Again, this was just kind of in our area of
24 shopping around trying to find resourcing that
25 would help us with the project and it was very

1 clear that after we went out and met with
2 RTIC -- we had a tour of their facilities and
3 got information on what they did, it was very
4 clear that they weren't set up to be able to
5 resource what we were looking for. That wasn't
6 their mandate and that was not something that
7 would be viable. So we continued on and, again,
8 went to other agencies.

9 Q And one of the other agencies you went to, as I
10 understand it -- correct me if I'm wrong -- was
11 the integrated proceeds of crime units?

12 A That's correct, yes.

13 Q And as I read your affidavit, and again, correct
14 me if I'm wrong, to summarize it you seemed to
15 have learned that this unit was effectively
16 withering on the vine, was it?

17 A I would -- my recollection of it was that it was
18 a luncheon meeting, basically, again, to
19 determine if they had the capability and
20 functionality to be able to help us. And it was
21 very apparent after within about a half an hour
22 of our discussions that their resourcing and
23 limitations were extremely tight, did not have
24 any of the necessary requirements that I would
25 expect or thought that they had in terms of

1 access to for surveillance and tracking teams
2 and intelligence gathering, so it was quite
3 clear that that was not going to happen. And
4 then the unit was getting smaller at that time,
5 so yeah, that was not something that panned out
6 for us at that point.

7 Q In your affidavit you indicate that you learned
8 from your policing contacts that the RCMP's
9 criminal intelligence service for BC and Yukon
10 was at least supposed to take over the work
11 previously done by the IPOC units. Did I
12 understand that correctly?

13 A Yeah. That's what it appeared, that they were
14 shifting. That's where the work was shifting to
15 from the proceeds of crime. The official IPOC
16 group was taken over by CSBCYT and that they
17 were in fact processing, getting the information
18 that we were sending, analyzing and processing
19 it out similar to what proceeds of crime were
20 doing prior to that.

21 Q Did you approach the RCMP's criminal
22 intelligence service to try and engage their
23 interest?

24 A They were essentially the same people. It was
25 the same group. They had essentially absorbed

1 what was left of IPOC after they disbanded and
2 slowly fragmented out their members. That was
3 where some of them went, so they did not have
4 resourcing that they could assist us with.

5 Q And you told the commission that you approached
6 the Richmond RCMP; correct?

7 A The Richmond RCMP were indirectly not -- not by
8 myself, but through other sources were
9 contacted, and it was clearly messaged back to
10 us that they did not have the capacity to be
11 able to assist with a project like that that
12 would assist us.

13 Q And in your evidence, as I understood it, BCLC
14 was finally able to make some headway with a
15 contact with the Federal Serious and Organized
16 Crime unit and you told us about this meeting
17 that was arranged in February of 2015?

18 A That's correct, yes.

19 Q And as I understood it, you and Mr. Alderson
20 attended that meeting.

21 A That is correct, yes.

22 Q And you made a presentation to the SOC members
23 at that meeting?

24 A Yes. Very similar to the same we did a year
25 earlier to the CFSEU group.

1 Q And just to be clear, what was the focus of your
2 presentation?

3 A The focus, again, was the Paul Jin group and
4 associates and request to have some assistance
5 for targeting of that individual and his group
6 for all the activities that we were -- had been
7 watching for the last two or three years and
8 asking them to basically come in and establish a
9 project.

10 Q And so what response did you get to the
11 presentation?

12 A We got good -- again, good at the front end.
13 They seemed very responsive to what we were
14 looking at and interested, and it was followed
15 up by other work that we jumped in with the
16 group to basically allow them to come out and
17 get some more -- get some training, going on
18 site, getting some familiarity with the casinos,
19 getting more information in terms of what we
20 were looking for and the targets and the
21 information. And ultimately were able to have
22 them engage on a specific -- not a specific
23 period, but a dedicated period of surveillance
24 and/or tracking to see -- basically to see how
25 the information that we were to provide them,

1 how that would break out.

2 Q And in your affidavit you indicate that after
3 that period of surveillance, the E-Pirate
4 investigation, as you understood it, was
5 launched?

6 A That's correct, yes.

7 Q And do you recall that a couple of months into
8 that investigation you were contacted by a
9 member of FSOC?

10 A That's correct, yes.

11 Q And you were asked to prepare a presentation?

12 A That's correct. We were asked to prepare a
13 presentation as it was possible that the project
14 was going to be stopped and they needed to have
15 something to present to try and establish the
16 need for that project to continue. Which is
17 what we provided them.

18 Q And that presentation was prepared, as I
19 understand your evidence, on quite short notice?

20 A We were told they had to have it within
21 48 hours. They were quite panicked when they
22 came to us. The timeline was very, very quick,
23 and I believe they said they had to have it
24 ready to go for a meeting on Thursday with their
25 bosses.

1 Q In that context, could I ask you to refer to
2 exhibit 40, 4-0, from your affidavit, please.
3 If I could ask you to go to the initiating email
4 in that email chain. It's at page 392 in the
5 top right-hand corner. Do you have that?

6 A Yep.

7 Q There should be an email from you, and it's to
8 the AML team and the subject is "FSOC request
9 short notice high priority." Do you have that?

10 A Yes, yes.

11 Q And this is your email advising your team of
12 this request from the FSOC representative to
13 prepare this presentation?

14 A Yes, it is.

15 Q And there's some redactions, but if you go to
16 the sentence after the -- which is a huge know,
17 k-n-o-w, and you see the sentence:

18 "They want to continue the project."

19 Do you have that?

20 A Yes, I do.

21 Q It reads:

22 "They want to continue the project, which
23 means time and money, and the bosses want
24 a presentation by their team leaders on
25 what they have."

1 And there's a redaction:

2 "Weekly or monthly, guesstimates are
3 reasonable and why money laundering is
4 important to target and harmful to
5 Canadians."

6 And you put in brackets:

7 "I kid you not, that is what the bosses
8 want to know."

9 Is that an accurate recitation of or an accurate
10 summary of your conversation with the FSOC
11 representative?

12 A Yes.

13 Q And what was your reaction here in the spring of
14 2015 to a need to explain to senior members of
15 the RCMP why money laundering is important to
16 target and harmful to Canadians?

17 A Shocked, confused. I would say from the
18 information that I had up to that date, things
19 were going very well very quickly. They were
20 making great headway, and we were very excited
21 about where things were going, that we were
22 getting the help that we asked for, and very
23 effectively. And then to all of a sudden be
24 told it's going to stop in two days based on it
25 costs a lot of money and -- yeah, it was very

1 concerning to me at the time. We scrambled, we
2 got the PowerPoint put together, and we
3 basically put it together the best we could
4 because we didn't know the parameters we were
5 working with. We weren't give any information
6 in terms of what we had to provide, and put it
7 through and then subsequently were told that the
8 project was going to be receiving more funding
9 and proceeding, so ...

10 Q In the same context, can I ask you to look at
11 exhibit 43, 4-3 from your affidavit, please.

12 A Yes.

13 Q The document you have is entitled "BCLC
14 Chronology re Paul Jin."

15 A Yes.

16 Q And it goes back to 2009 and seems to run
17 through to September of 2017, and do you recall
18 who prepared this document?

19 A I believe it was prepared by Ross Alderson.

20 Q Did you have input into it?

21 A I would have had some input into it in bits and
22 pieces, I'm sure, with pulling the information
23 together and supplying it, but he crafted it
24 based on some of the stuff that's in here.

25 Q The if I could ask you to look at the page

1 that's page 404 in the top right-hand corner,
2 please.

3 A Okay.

4 Q Middle of the page you should have an entry of
5 May 20th, 2015, FSOC requested BCLC to assist in
6 putting a PowerPoint together on the social
7 impacts of money laundering as per conversation
8 between Daryl Tottenham and FSOC sergeant. Do
9 you have that?

10 A Yes, I do.

11 Q Below that in quotes is a recitation of the
12 conversation. That would have been provided by
13 you?

14 A Yes.

15 Q If I could ask you to go to the last two
16 sentences of that, it says:

17 "The squad really wants."

18 Do you see that?

19 A Yes, I see that.

20 Q It says:

21 "The squad really wants to go further with
22 this, but the problem is the big bosses
23 don't see the overall downside of having
24 dirty money running through the casinos.
25 I believe the quote was 'so there's dirty

1 money running through the casinos, what's
2 the big deal with that?'"

3 Is that an accurate recitation of what you were
4 told by the FSOC sergeant in that conversation?

5 A That is -- yes.

6 Q Your capacity as BCLC's AML unit manager, what
7 was your reaction to that kind of attitude from
8 RCMP senior members, apparently?

9 A Again, just based on the information I was
10 getting, it makes it difficult to understand the
11 logic from my perspective at the time. Because
12 clearly we were pretty excited that we had
13 engagement from law enforcement. We were very
14 happy that we had that, and it seemed to be
15 accelerating very, very quickly, which was what
16 I expected would happen. To have this sudden
17 surge of brakes put on, and I don't profess to
18 know all the issues of what brought it on, but
19 clearly, you know, money was an issue in terms
20 of funding and relevance of what the information
21 that was coming out of this project was
22 applying. So we were asked to provide that
23 information, and we did it the best we could in
24 terms of putting it together and covering off
25 the salient points that were put to us. But

1 yeah, it was concerning at the time, and very
2 shortly thereafter, they obviously had their
3 meeting and it was determined that it was going
4 to continue, so deep sigh and we continued on.

5 Q Contemporaneously, as I understood your
6 evidence, BCLC and your AML unit continued with
7 efforts to address and curb the inflow of cash
8 into BC casinos?

9 A Absolutely, yes.

10 Q And one of those measures as we've heard about
11 was a sourced cash program, and we've heard a
12 fair bit about that, but I just want to focus on
13 one aspect of that. In your affidavit and we
14 saw some interview reports that were put to you
15 by counsel for BC, you state that in some
16 instances when the patrons were interviewed they
17 stated things to the effect such as, I got the
18 cash from home, or I kept cash in a safe at
19 home. Do you recall those instances?

20 A Yes.

21 Q Would BCLC just accept this type of explanation,
22 or did BCLC take steps to evaluate the
23 plausibility or otherwise of the patron's
24 explanation?

25 A I think that is illustrated when in 2016 in

1 about June, July, when we were doing the SOF
2 under the STR reduction program, that was our --
3 our core goal was to acquire information from
4 where they said, the patrons said they were
5 getting their cash from, do an assessment and
6 then applying logic and commonsense and all
7 other factors that we could and make a
8 determination. I think that was the basis of
9 that program, that's how we approached it and
10 that's what we did. Sometimes it was very, very
11 evident the information we were getting was not
12 solid, and we immediately moved to put them on
13 sourced-cash conditions. Other times the
14 information we were getting made sense. We
15 continued to monitor those reports that we were
16 getting as a result of that program, and
17 ultimately, then, took an action once we felt it
18 was necessary and required.

19 MR. McFEE: Those are my questions for you. Thank
20 you.

21 THE COMMISSIONER: Thank you, Mr. McFee.

22 Now I'll call on Ms. Mainville on behalf of
23 Mr. Kroeker who's been allocated 30 minutes

24 MS. MAINVILLE: Thank you.

25

1 whoever's in charge at the time, Peter Demonte
2 was one of the ones we dealt with quite a bit in
3 the past. So it was kind of at that level.

4 Q Can you just flip over to paragraph 87. There
5 you mention that from in or about July to
6 September 2015, the BCLC AML unit received names
7 of individuals from the FSOC "that were
8 apparently known to be receiving cash from Jin,
9 who FSOC had then reportedly linked to a
10 criminal organization, a cash house and
11 transnational organized crime."

12 "As a result of learning this information,
13 action was taken by BCLC against these
14 patrons, most of which came into effect on
15 September 11th, 2015."

16 Did I read that --

17 A That's correct, yes.

18 Q -- properly?

19 Was this the very first time to your
20 knowledge that BCLC received confirmation that
21 Mr. Jin was linked to organized crime?

22 A Yes.

23 Q And was this the first time that BCLC indeed had
24 obtained confirmation from the police of players
25 buying in with large sums of cash generally

1 being associated with organized crime and
2 criminality?

3 A Yes.

4 Q And so this was sometime in between July and
5 September 2015; correct?

6 A That's correct, yes.

7 Q And I understand that in or around that time the
8 cash conditions program took on some force?

9 A Yes, absolutely.

10 Q And did it from then on, September 2015 forward,
11 progress through the fall of 2015?

12 A It did.

13 Q And do you have knowledge of Mr. Kroeker's
14 intention of pushing that program further upon
15 his arrival in September of 2015? His arrival
16 at BCLC?

17 A Yes. Yes, it was continued movement forward in
18 terms of developing that program and other
19 programs like that, cash alternative programs
20 and building on what we already had in place.

21 MS. MAINVILLE: Could I ask that exhibit 170 be
22 brought up.

23 MR. STEPHENS: Pardon me, Ms. Mainville, what
24 exhibit?

25 MS. MAINVILLE: Sorry, not to your affidavit, but it

1 was filed as part -- during the province's
2 cross-examination.

3 THE WITNESS: Oh, that one. Okay.

4 MR. STEPHENS: Would you like a hard copy --

5 THE WITNESS: No.

6 MS. MAINVILLE:

7 Q You'll recall this email dated September 9th,
8 2015, when you were asked about cash drop
9 amounts in respect of the patron?

10 A Yes.

11 Q Had the decision already been made to ban or
12 cash condition this patron?

13 A I think at that point in time we were in the
14 build stage of just structuring how we were
15 doing it. Yes, the decision had been made we're
16 going to be taking an action on them, so it was
17 us just building out and preparing for that
18 launch there.

19 Q Do you have any knowledge of a discussion
20 between Mr. Kroeker and Mr. Alderson the day
21 prior to this, September 8th, 2015, which was
22 Mr. Kroeker's first day at BCLC where
23 Mr. Kroeker told Mr. Alderson to proceed with
24 these bans that were set to take place?

25 A I don't have any direct knowledge of that

1 conversation, but my recollection is that we
2 were basically green lighted to continue through
3 our process that we were doing. It didn't stop
4 during that time.

5 Q And there you -- in this email correspondence is
6 it fair to say to characterize your response
7 there, if we go back down a bit further down, as
8 you inferring what Mr. Kroeker's intention may
9 have been in respect of obtaining this data?

10 A Yes.

11 Q Did you in fact know what or have any discussion
12 with Mr. Kroeker about what his intentions in
13 fact were?

14 A Not that I can recall, no. I'm going by
15 recollection of -- after reading this email.

16 Q Do you know -- does BCLC have to notify the
17 Treasury Board of fiscal impacts of its
18 operations? Are you aware of that?

19 MR. STEPHENS: Pardon me, Mr. Commissioner,
20 Mr. Stephens here, and this may be more of an
21 issue for Ms. Rajotte, but if we have questions
22 dealing with BCLC communication with Treasury
23 Board, which I believe is a committee of
24 cabinet, then there may be public interest
25 immunity issues that I would ask the province to

1 speak to, if they arise.

2 MS. MAINVILLE: How about I rephrase my question.

3 Q Are you aware of BCLC keeping track of fiscal
4 impacts of any of its measures?

5 A I'm aware that it's done. Let's put it that
6 way. That's the probably as best I could give
7 you.

8 Q Sure. Do you recall if indeed the result of
9 this inquiry revealed that the impact or --
10 sorry, the drop by this player would be
11 significant or would have been significant?

12 A I don't know. I have not gone through the data
13 to look at it. I just recently got this and
14 kind of read through this in short preparation,
15 but I don't know what the actual results were.
16 I would anticipate that that would have been a
17 projection, though.

18 Q And did these sanctions in fact take effect a
19 couple days later?

20 A Yes, they did.

21 Q Did Mr. Kroeker ever ask that any players not be
22 banned or be subject to sanctions when the AML
23 unit had planned to sanction or ban a player?

24 A No, he did not, never.

25 Q You can take this document down, thank you,

1 Madam Registrar.

2 Now, BCLC's cash condition program included
3 player interviews as we've heard. Did BCLC ever
4 ask GPEB to assist with these interviews?

5 A Did BCLC ever ask for GPEB's assistance in this?

6 Q Yes.

7 A No, we did not.

8 Q Were there every conversations about them being
9 involved in player interviews?

10 A Later on in the program there were conversations
11 that popped up that -- where they may --
12 discussions that popped up basically talking
13 about the possibility of if that would happen or
14 could happen, and what that could look like.
15 Let's put it that way.

16 Q And did GPEB express any wish to get involved or
17 desire to get involved?

18 A Yeah, I think after the discussion we had, it
19 didn't proceed forward. There was -- I don't
20 think any movement. At that point in time we
21 were having reasonably good communication lines
22 in terms of the information that we were
23 requiring between the two groups, so I don't
24 think there was a real definitive need shown
25 that that would make a big difference in doing

1 that and moving forward that way, so we did not.

2 Q Were they -- did they take any position, were
3 they resistant to the idea or were they
4 interested or did they -- what was their own
5 expression in terms of whether that would be
6 something that they would do?

7 A Well, I think from my perspective, I think down
8 the road they would like to see that built out
9 and see that happen and would have liked to see
10 that happen a little bit more simply because we
11 were not coming from a position of authority
12 when we're doing the interviews, so we're not
13 walking in with law enforcement powers and a
14 badge. We were in doing our thing under the
15 guise of the -- obviously the AML in doing our
16 requirements for due diligence for source of
17 funds and source of wealth. So we tended to get
18 very good cooperation and lots of information,
19 which I think quite often you may not get if you
20 had people being interviewed by law enforcement.

21 Q Was that GPEB's perspective or is that yours?

22 A That's my perspective of how our conversations
23 were on this topic in terms of I think they were
24 interested in doing that but simply because we
25 were getting very good results from our

1 interviews, based on the fact that people
2 didn't -- they tended to open up more when law
3 enforcement, obviously, wasn't standing in the
4 room.

5 Q So your perception was that they backed off from
6 that and let BCLC handle it?

7 A Yeah, I think they just didn't -- they didn't
8 pursue it further and push it simply because
9 they were getting the information ultimately.
10 We were sharing information when it came up,
11 so -- and we had had those discussions and in
12 fact the discussions I had with several members
13 at the time was that if you introduced law
14 enforcement into that scenario, that it would
15 probably make it much more difficult for us to
16 conduct those interviews and do our job and
17 therefore it was probably a better thing not to
18 do.

19 Q Did GPEB have any part in building of
20 implementing the sourced-cash conditions
21 program?

22 A No. In terms of the actual build-out process,
23 no.

24 Q You've testified in respect of a directive from
25 BCLC in 2018 imposing a limit of \$25,000 on the

1 amount of cash that would be paid out to a
2 patron that you explained that -- you explained
3 BCLC tried to roll out on two occasions. Do you
4 recall that?

5 A Yes.

6 Q If I could take you to paragraph 179 of your
7 affidavit. So I understand, first of all, that
8 a bit higher up, at paragraph 179, BCLC tried to
9 roll it out a first time around March 1st, 2018?

10 A That's correct.

11 Q And do you recall that GPEB had been consulted
12 prior to then about this proposal?

13 A Yes, I believe they had been consulted at that
14 point in time.

15 Q And they had approved it in principle?

16 A That was my belief, yes.

17 Q And if I understood your earlier clarification
18 correctly, that is the roll out around March
19 2018 where you say there was some direction from
20 Minister Eby not to implement it until following
21 Mr. German's report; is that right?

22 A Yes.

23 Q And then do I take it, then, that Mr. German did
24 not make any recommendation in respect of this
25 directive or anything relating to it in his

1 report?

2 A No, I haven't seen anything that would cover
3 this.

4 Q So subsequent to the release of the report and
5 there not being a recommendation about it, do I
6 take it, then, that BCLC tried to roll it out a
7 second time?

8 A Yeah, it was rolled out through the -- with the
9 dates given as the August 7th.

10 Q Right. And then when you say the directive was
11 withdrawn, how was that done?

12 A It was through GPEB, through documentation that
13 obviously has been included in here and
14 directing us to not act on it and to recall it,
15 which we did, and we did it shortly thereafter,
16 like within two days it was done.

17 Q And so what I mean is the service providers had
18 to be notified that the directive was being
19 withdrawn?

20 A Yes. We had to send out a notification that
21 essentially cancelled it and advised them not to
22 implement the program or any of the changes.

23 Q Did this cause any confusion from --

24 A It caused a lot of confusion. Yes. I mean --

25 Q On the service provider's part?

- 1 A On the service provider's part in terms of -- we
2 know that when we put these things out and we
3 put something out, a directive like this,
4 there's a rollout process that has to happen.
5 So we don't just drop it out there to the
6 service providers because we know there has to
7 be an established practice figured out by the
8 service provider and then to drill down to the
9 staff. So by the time that works its way down
10 to frontline staff who are actually going to be
11 effecting this change, they were then getting
12 the receipt of rollback, the recall to cancel
13 that, so it caused us a fair amount of grief.
- 14 Q Were you advised whether this was supposed to be
15 a temporary suspension of the implementation of
16 the directive?
- 17 A That's what I -- I understood it was going to be
18 coming out but just not right away. It would be
19 put off and then come out through the
20 recommendations and through the Peter German
21 review.
- 22 Q Is it your understanding that this policy has
23 yet to be implemented?
- 24 A It is not, no.
- 25 Q Can you tell us a bit about your experience with

1 GPEB's review of BCLC's AML proposals. Perhaps
2 I can ask that a document be put up, so I can
3 frame what I'm asking about. It's BCLC5540. It
4 would be the second page. And just to start
5 refreshing your memory, this is a --

6 MR. STEPHENS: Sorry, Ms. Mainville, I think he's
7 still looking for the document.

8 THE WITNESS: These aren't sorted by document.
9 They're sorted by exhibit tabs. So I have to
10 have a reference tab to start with to find it;
11 otherwise it one of 3,000 pages.

12 MS. MAINVILLE: It's not part of your affidavit.

13 THE WITNESS: As an exhibit.

14 MS. MAINVILLE: It's not an exhibit to your
15 affidavit.

16 MR. STEPHENS: Tab 11 of the binder with the notice
17 documents. I believe it's this one,
18 Mr. Tottenham.

19 MS. MAINVILLE: Could we bring it up, Madam
20 Registrar, BCLC5540.

21 MR. STEPHENS: Tab 11.

22 MS. MAINVILLE:

23 Q And at the second page this is an email chain
24 regarding the source of fund declaration form
25 that was being devised following Mr. German's

1 interim recommendation, and you may recall that
2 GPEB came back with a request or demand that
3 the -- that there be a signature line for the
4 player on the form?

5 A Yes.

6 Q And so you'll see the last paragraph there you
7 say -- because you were asked -- do you recall
8 being asked for your thoughts or comments on
9 that from --

10 A Yes.

11 Q So in the last paragraph you say:

12 "The only other issue I am concerned about
13 is our ability to shape our programs and
14 effect positive change without being drawn
15 into a similar process with GPEB which
16 ultimately has brought this change to a
17 standstill. As you know, we have made
18 numerous changes over the past couple of
19 years to our programs, most by directive,
20 and GPEB has not been part of that
21 process. The wording in their last drafts
22 that states they will not support the
23 change without patrons' signature infers
24 the directive cannot proceed certainly
25 would set a precedent moving forward on

1 this and other changes we are considering.

2 I am confident that you're well aware of

3 this issue but just wanted to share my

4 concerns with you, as it may impact my

5 unit moving forward."

6 Can you explain what you mean by this paragraph,

7 or what you meant?

8 A Since we had gone through previous a number of
9 changes, a number of directives that we put out
10 on a number of different issues and have always
11 had the ability to put that directive out to the
12 service providers, provide training and anything
13 else that was required to support it, without
14 any issues or without any problems, and then as
15 a result of this issue coming up, when we were
16 preparing to put this -- make this change and
17 put it forward, that signature issue came out.
18 And simply put, without getting approval to
19 their point in terms of the signature, it was
20 made very clear that we could not go ahead with
21 the directive. That in itself would be a change
22 of -- a total change of practice in terms of
23 allowing us the ability to make changes to
24 directives as needed to strengthen our programs
25 and do our job and do our -- increase our

1 enhanced due diligence on the site. So that was
2 concerning to me that we could be held up for
3 that reason and not have the ability to move
4 forward on an issue that clearly was going to be
5 helpful.

6 Q And you had expressed some concern about the
7 functionality of this request and its
8 effectiveness in terms of -- including a
9 signature; is that right?

10 A That's correct, yes.

11 Q And do you recall that both Mr. Kroeker and
12 Mr. Lightbody subsequent to that in this email
13 chain indicate that they will proceed with
14 including a signature requirement despite those
15 concerns that you expressed and that they noted?

16 A Yes. Ultimately it caused obviously more work
17 and more -- it was more problematic for the
18 service providers because it largely impacted
19 them a lot more than at our end, but a decision
20 was made to go ahead with it. We were better to
21 have this in as a whole with the signature piece
22 in than to not have it, so it was moved forward
23 on that basis.

24 Q And in your experience, did BCLC comply with
25 demands or requests made by GPEB?

- 1 A Absolutely. I don't think there was any time
2 that we did not comply, but we've certainly had
3 discussions with them on a number of issues in
4 terms of what we're doing and why we're doing
5 it, to ensure that they understood what we were
6 doing. And we had those two-way conversations
7 to explain what we were trying to achieve, and
8 this was one of the points of this, was what we
9 were trying to achieve and the overall goal of
10 this directive.
- 11 Q Did you understand GPEB to be BCLC's regulator?
- 12 A Yes.
- 13 Q Have you ever heard anyone within BCLC take a
14 different view?
- 15 A No.
- 16 Q Did you ever witness or hear of anyone at BCLC
17 ignoring GPEB's General Manager John Mazure or
18 thwarting him in any way?
- 19 A Sorry, ignoring him, did you say?
- 20 Q Thwarting him.
- 21 A Thwarting him? No, I did not.
- 22 Q Do you recall Mr. Mazure indicating at some
23 point in time that BCLC no longer required
24 GPEB's approval for cash alternatives?
- 25 A Yes.

1 Q And up to that point in time approvals had been
2 sought from GPEB; is that fair?

3 A I would say yes, that was very fair. It was a
4 bit of a constant battle over the course of a
5 couple years going back and forth.

6 Q On cash alternatives?

7 A On cash alternatives. It was very clear from
8 what I was observing and seeing that without
9 their approval, we would not be able to go
10 forward with whichever directive proposed that
11 we were dealing with at the time.

12 MS. MAINVILLE: Could we please just file this
13 exhibit, Madam Registrar, or file this as an
14 exhibit.

15 THE REGISTRAR: The next number is 175,
16 Mr. Commissioner.

17 THE COMMISSIONER: Thank you, Madam Registrar.

18 **EXHIBIT 175: A chain of email re German**
19 **Recommendation #1 - Source of Funds**
20 **Declaration - December 28, 2017**

21 MS. MAINVILLE:

22 Q Mr. Tottenham, in your affidavit you describe
23 your investigation of an incident involving
24 Michael Mancini?

25 A Yes.

1 Q And you referenced in your affidavit being
2 interviewed by GPEB regarding this incident. Do
3 you recall that?

4 A That's correct, yes.

5 Q Can you just explain to me how that interview by
6 GPEB came about or what it was about?

7 A It was as a result of the Mancini file that was
8 brought to our attention through the RCMP that
9 they had pulled somebody over and as a result of
10 their investigation commenced upon a money
11 laundering investigation, and they subsequently
12 called us because it involved casino's cheques
13 and upon taking action from an AML perspective
14 and looking to further investigations on this, I
15 came to a conclusion as to whether or not it was
16 an AML issue, a money laundering issue. And
17 arising out of that whole sequence of events,
18 the issue of whether or not it had been properly
19 reported to GPEB by a Section 86 Report was
20 brought into play as well as whether or not it
21 was a money laundering case or not based on our
22 involvement and evidence.

23 Q So they were investigating effectively why a
24 Section 86 Report had not been filed. Were they
25 investigating -- were they trying to understand

1 what BCLC's evidence or BCLC's analysis was in
2 respect of Mr. Mancini, or was it investigating
3 BCLC? Can I just understand.

4 A My understanding when I was called in for the
5 interview, my understanding was it was in
6 regards to the money laundering aspect. They
7 believed he was money laundering and we were not
8 in agreement. But another part of that was that
9 if they had received the 86, the one-page
10 notification at the very front end advising that
11 there was an investigation underway by us, if
12 they had actually received that if it was done,
13 so that was a part of this interview.

14 Q So --

15 A [Indiscernible] interview.

16 Q So they were effectively investigating this
17 alleged or potential money laundering incident?

18 A Yes.

19 Q Do you recall learning that GPEB in 2016
20 conducted an audit of provincially banned cash
21 facilitators from 2015?

22 A Yes.

23 Q And you've included BCLC's review of that audit
24 as exhibit 82 to your affidavit, if it assists.
25 Did you receive a copy of that audit after it

1 was completed in 2016?

2 A We received it at some time, yes, after it was
3 completed, well after it was completed.

4 Q Well after. Did you receive it from GPEB?

5 A Yes.

6 Q Could I bring up BCLC9255, which is an email
7 from Ross Alderson to yourself and Mr. Kroeker.

8 A Okay.

9 Q Do you see there -- I'll allow you some time to
10 review it, but Mr. Alderson advises he just got
11 this internal GPEB report forwarded through
12 tonight from a contact at CFSEU?

13 A Yes.

14 Q So I take it you received the report at least
15 through this email in 2017 through Mr. Alderson.

16 A Correct.

17 Q Had you, then, seen this report prior to this
18 point in time?

19 A No, not prior to that point in time, no.

20 Q So you just indicated you received the report
21 from GPEB. Does this refresh your memory as to
22 how the report did or did not come to your
23 attention?

24 A Yes. It was through -- it was an internal GPEB
25 report and on -- according to this, that was

1 May 6th, 2017.

2 Q Yes.

3 A Yes. That would be correct.

4 Q So was that -- do you recall whether this was
5 the first time you were made aware of this
6 report or this audit?

7 A Yes. I believe that was the very first time I
8 had ever come across this.

9 Q And do you recall seeing any issues with this
10 audit?

11 A As a result of getting this report I went
12 through this report and I went through it in
13 great detail, and it was a fairly extensive
14 report, and broke it down case by case to try
15 and determine what it was saying and how it was
16 analyzed.

17 Q Do you recall that the auditor had assumed that
18 River Rock had been monitoring cash drop-offs?

19 A Sorry, I didn't hear the last part of your
20 question there.

21 Q Do you recall that the auditor had assumed that
22 River Rock was live monitoring cash drop-offs?

23 A Yes. By virtue of the way the report was
24 prepared and the language used, it was made very
25 clear that the results of this report were

1 allegations that through live monitoring,
2 through surveillance, that the River Rock staff,
3 and by extension BCLC, were aware that cash
4 banned patrons were supplying, in particular
5 Paul Jin, were supplying cash to other patrons
6 and were being allowed to just walk in and buy
7 in in any -- without hesitation and this was --
8 this happened -- essentially it implied it was
9 happening in real time, we were observing it and
10 they were letting it happen.

11 Q Was this an erroneous assumption?

12 A Absolutely. I mean, there was 45 incidents that
13 were recorded in this report spread over a
14 period of one year, from January 1st to
15 December 31st, 2015. The 2015 total was
16 45 files. They say 46 in the report, but it's
17 an error. It was actually 45. Almost half of
18 them relate back to Paul Jin himself, and in all
19 45 instances I went back and basically opened
20 each file and did a full review of the evidence,
21 and what I could find of the video, anything
22 that was in the file, and made a determination
23 that in not one instance out of 45 was that
24 information available and done in real time. It
25 was all done after the fact through

1 investigations. So the language used in the
2 report was absolutely erroneous and false.

3 Q And just before we file this, had BCLC taken
4 steps to address this issue of not being in a
5 position to live monitor cash buy-ins or
6 drop-offs prior to this point in time, in 2017?

7 A Sorry, I didn't hear the very first part of the
8 question there.

9 Q Had BCLC taken steps to address this issue of
10 not having live monitoring of cash buy-ins or
11 cash drop-offs prior to 2017?

12 A We took action that -- I think in probably 2016
13 in terms of directing staff of what they should
14 be watching for and what actions we wanted them
15 to take, and which they did take in terms of
16 trying to live monitor whenever possible, but I
17 mean, unless you have that information directly
18 available at the time, it's almost an
19 impossibility to live monitor incidents like
20 this and in this case yeah, there was -- there
21 was zero for 45 files were actually done in real
22 live and live monitored.

23 Q So when BCLC took these steps in 2016, do I take
24 it it was not as a result of GPEB's audit or
25 learning from the GPEB that they had concerns in

1 that regard?

2 A No, that was absolutely -- it was as a result of
3 the -- it was part of the programs in terms of
4 the sourced-cash conditions and what we were
5 observing was happening throughout that period,
6 and just an ongoing building out of our AML
7 programs.

8 MS. MAINVILLE: Thank you. Could we please file this
9 as the next exhibit. And, Mr. Commissioner, I
10 know I'm over time. I wonder if I could have at
11 most 10 minutes. I'm trying to -- cutting out
12 certain parts --

13 THE COMMISSIONER: Well, we'll mark as the next
14 exhibit.

15 THE REGISTRAR: Exhibit 176, Mr. Commissioner.

16 **EXHIBIT 176: Email from Ross Alderson to Daryl**
17 **Tottenham, re COMM-8669 Final Report -**
18 **Provincially Banned Cash Facilitators - May 6,**
19 **2017**

20 THE COMMISSIONER: I'm just a little concerned at the
21 time and trying to deal with Mr. Tottenham's
22 evidence today. We still have two more
23 examinees left for a total of nearly an hour, so
24 I think no more than five minutes for you,
25 Ms. Mainville.

1 MS. MAINVILLE: Okay. Thank you.

2 Q Mr. Tottenham, do you remember you testified
3 that a cash -- in response to question from
4 commission counsel, you testified that a cash
5 cap had been put out there and there had been
6 some discussion about it? Do you recall that?

7 A Yes.

8 Q We can remove this document from the screen.

9 Do you not recall BCLC putting forward a
10 cash cap proposal to government?

11 A A proposal for cash cap?

12 Q Yes.

13 A In ...

14 Q In 2017?

15 A In 2017? I don't recall the specifics of that,
16 no.

17 Q Do you recall Mr. Kroeker asking you to prepare
18 to impose a cash limit to be implemented in
19 January 2018?

20 A Oh, in -- for -- yeah, you just have to be more
21 specific what you're trying to --

22 Q A cash limit in terms of amounts to be -- for
23 buy-ins?

24 A For cash buy-ins for January of 2018?

25 Q Yes.

1 A Yes.

2 Q So do you recall preparing that policy?

3 A Yes.

4 Q Okay. Do you know what happened to it?

5 A Again, I'm going back to your referencing the
6 10K receiving policy that we put into play in
7 January.

8 Q No, an actual cash cap of \$25,000. You don't
9 recall that?

10 A No, I recall -- no, I don't recall that. I
11 thought you were talking about something else
12 here.

13 Q Okay. That's fine. You referenced an email
14 from Mr. Alderson in May of 2015 that was
15 brought up earlier, exhibit 118 to your
16 affidavit, where Mr. Alderson indicates -- or
17 directs that before we contemplate suspending,
18 barring or putting conditions on any of the VVIP
19 players to bring himself and Mr. Sweeney into
20 the loop, to notify them?

21 A Yes, yes.

22 Q Do you recall bringing this email to
23 Mr. Kroeker's attention after he became VP of
24 Compliance?

25 A Yes.

1 Q Do you recall Mr. Kroeker immediately restoring
2 the investigators' authority to do whatever they
3 felt was necessary in the circumstance without
4 needing to run it by BCLC leadership?

5 A I don't recall that absolute conversation, but I
6 recall that's the direction that we ultimately
7 went on.

8 Q And indeed as of September 2015, do you recall
9 that any decision made by investigators was only
10 reviewed by the AML managers or yourself?

11 A Yes. We went -- we transitioned to a much
12 easier smoother process to allow for that to
13 happen without a formalized process.

14 Q In terms of -- just about Mr. Ross Alderson and
15 his departure from BCLC, commission counsel
16 asked you whether he may have been frustrated by
17 the lack of action on BCLC's part. Based on
18 your working relationship with Mr. Alderson over
19 the years, had he expressed frustration with
20 GPEB?

21 A With GPEB?

22 Q Yes.

23 A Yes.

24 Q And he expressed frustration what he perceived
25 to be a lack of police action?

1 A Yes. Prior to the involvement of FSOC in 2015.

2 Q And you indicate that you were made aware at
3 paragraph 221 of your affidavit, you were made
4 aware of the allegations Mr. Alderson made in
5 respect of Mr. Kroeker; correct?

6 A Yes.

7 Q When did you first become aware of this
8 allegation?

9 A I don't recall the exact date, but it was
10 probably when I was given notification that it
11 was being investigated.

12 Q Was the first time that you ever heard
13 Mr. Alderson say anything regarding -- so let me
14 just first remind you. He indicated to you,
15 Mr. Alderson, that he wouldn't stop until
16 Mr. Kroeker, Mr. Lightbody and Mr. Desmarais
17 were gone; correct?

18 A Yeah, that was during our luncheon meeting,
19 goodbye luncheon meeting, yes.

20 Q So that was after Mr. Alderson had departed from
21 BCLC?

22 A Yes.

23 Q And was that the first time you ever heard
24 Mr. Alderson say anything along those lines
25 regarding Mr. Kroeker?

1 A Yes. That was immediately after -- BCLC as a
2 whole had been notified that he was leaving. It
3 was the lunch that followed about -- within
4 about two weeks of that, and it was just myself
5 and Ross. And that was the first time he had --
6 I had heard that kind of comment.

7 Q And so after his departure was that the first
8 time you heard him express such frustration
9 directed at BCLC as opposed to --

10 A Absolutely, yes.

11 Q After he was no longer with the company?

12 A Yeah. Absolutely. Up until then save and
13 except for an interview that I believe he did on
14 W5, which I heard comments on, but other than
15 that in person in terms of a working
16 relationship and at work, that was the first
17 time that he had thrown this out to me
18 certainly, and saying -- given this information
19 and providing the snapshot of what he thought
20 was happening.

21 MS. MAINVILLE: Thank you. Those are all my questions.

22 THE COMMISSIONER: Thank you.

23 MR. STEPHENS: Mr. Commissioner, I may be
24 anticipating you. I'm not sure -- it's
25 Mr. Stephens. I'm cognitive that Mr. Tottenham

1 has been testifying for four hours, and I think
2 we've had 20 minutes of break, and I'm just
3 wondering if you're inclined to continue, to
4 finish his evidence whether I could ask that
5 Mr. Tottenham be allowed to have a break. He
6 hasn't had lunch even. I realize we're on a
7 schedule, but this witness has been testifying
8 for quite some time.

9 MR. MCGOWAN: I wonder, Mr. Commissioner, if you
10 might inquire how long Mr. Stephens anticipates
11 being with the witness.

12 THE COMMISSIONER: Yeah, I think that's a good
13 question. I know Ms. Tweedie you have
14 10 minutes; is that right?

15 MS. TWEEDIE: Yes, Mr. Commissioner, and I anticipate
16 perhaps using five of those minutes.

17 THE COMMISSIONER: All right. Mr. Stephens, how long
18 do you anticipate being?

19 MR. STEPHENS: I would guess 25 minutes.

20 THE COMMISSIONER: All right. Well, I would like to
21 finish with Mr. Tottenham today. Unless there
22 is any contrary views, Mr. McGowan, any --
23 anything on that?

24 MR. MCGOWAN: Commission counsel is available. It's
25 the second day that Mr. Tottenham has attended

1 to give evidence. It may be that we could find
2 a few minutes Thursday, but we do have a fairly
3 full slate Thursday and Friday with the witness
4 with some significant time requests. I'm in
5 your hands. If you prefer to go over, we can
6 make efforts to accommodate that. But
7 commission counsel is certainly available and
8 willing to continue today.

9 THE COMMISSIONER: I should really ask Ms. Latimer as
10 well, as she has conduct of this witness.
11 Ms. Latimer.

12 MS. LATIMER: Thank you, Mr. Commissioner. I'm at
13 your disposal as well.

14 THE COMMISSIONER: Thank you. That's helpful. I
15 think what we will do, then, is take a brief --
16 no, here's what we're going to do. We're going
17 to hear from Ms. Tweedie and then we'll take
18 another brief adjournment to give the witness
19 a break, and then we'll conclude today if we
20 can. All right. Is that satisfactory,
21 Mr. Stephens?

22 MR. STEPHENS: Yes, Mr. Commissioner.

23 THE COMMISSIONER: You mentioned lunch. I don't know
24 if that gives you enough time for lunch or not.

25 MR. STEPHENS: If we have 10 minutes it might give

1 him a chance to have some lunch possibly.

2 Depending on how fast an eater he is.

3 THE COMMISSIONER: Ms. Tweedie, you go ahead.

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

5 **EXAMINATION BY MS. TWEEDIE:**

6 Q Mr. Tottenham, I will be brief. I just have a
7 few questions for you arising out of one
8 incident that you spoke about last week. So you
9 discussed a situation where Ross Alderson copied
10 his work computer to an external server and had
11 access to BCLC's confidential information,
12 including confidential patron information from
13 his home drive; is that correct?

14 A That is what I was informed by him, yes. I
15 don't have information that confirms that, but
16 that's what he informed me.

17 Q And to your knowledge this confidential
18 information that would have been contained on
19 this database would have consisted of names and
20 other identifying information of casino patrons
21 across the board. This could be from high
22 rollers and VIPs to ordinary members of the
23 public; is that correct?

24 A Yes. I would say that that's most likely. I
25 don't, again, have any knowledge exactly what

1 was on there, but the way it was explained to
2 him, it seemed to be an extensive amount of
3 information that he had downloaded.

4 Q So fair to say this information would also
5 likely contain third party information
6 identified in patron interviews?

7 MR. STEPHENS: Mr. Commissioner, it's Mr. Stephens
8 here. I believe Mr. Tottenham has said he
9 doesn't know what Mr. Alderson specifically
10 downloaded, so the question presupposes that
11 knowledge, and I object to that extent.

12 THE COMMISSIONER: Ms. Tweedie.

13 MS. TWEEDIE: If I might read from the transcript,
14 Mr. Tottenham's transcript from last week, I
15 suppose I'm just trying to nail down his
16 understanding of what was contained. He wrote:

17 "It's kind of a massive directory and it's
18 very personal to that individual user. It
19 contains a lot of information."

20 I'm just trying to gain Mr. Tottenham's
21 understanding of what that information consisted
22 of.

23 THE COMMISSIONER: All right. Go ahead.

24 MS. TWEEDIE:

25 Q Is it safe to say this information might also

1 contain third party information identified in
2 patron interviews?

3 A I would say there's a good chance that that
4 could be, yes.

5 Q Thank you. Can you confirm for me that BCLC has
6 in the range of 900 employees?

7 A It is roughly correct, yes.

8 Q And I assume that BCLC has an internal IT
9 department?

10 A Yes, we do.

11 Q And to your knowledge Alderson was able to clone
12 his work station, as he put it, without anyone
13 at BCLC being alerted to the fact that he had
14 done so at the time that it occurred; is that
15 correct?

16 A Yes, apparently that's what he did, but in terms
17 of what he suggested to me he did, it was taken
18 off his Z drive and put on to an external hard
19 drive, then the external hard drive was taken
20 home and dropped onto his home system, so that
21 is pretty basic function that I don't think
22 would trigger any alarms.

23 Q But you would agree this incident is a very
24 significant security breach for BCLC?

25 A Huge, yes. Huge.

1 Q And since this huge breach, to your knowledge
2 has BCLC implemented any new safeguards for
3 preventing such a breach from occurring in the
4 future?

5 A I don't know if there's been anything specific
6 to that event. I know that constantly they've
7 worked on security upgrades, but I don't think
8 there's anything that you could say specifically
9 to that simply because it's a very basic process
10 that I don't know that one could ever guard
11 against. It's taking information off a drive
12 and dropping it onto basically a USB or an
13 external hard drive, which is a 6-inch device.
14 I don't know how you could possibly outside of
15 strong approvals and regulations how you could
16 stop that from happening.

17 MS. TWEEDIE: Okay. Those are all my questions.
18 Thank you.

19 THE COMMISSIONER: Thank you, Ms. Tweedie. I think
20 we will take 15 minutes now to enable
21 Mr. Tottenham to have a break and if he can some
22 lunch. I do appreciate that he's been
23 testifying for a lengthy period. Thank you.

24 THE REGISTRAR: This hearing is adjourned for a
25 15-minute recess until 2:04 p.m.

1 **(WITNESS STOOD DOWN)**

2 **(PROCEEDINGS ADJOURNED AT 1:49 P.M.)**

3 **(PROCEEDINGS RECONVENED AT 2:04 P.M.)**

4 **DARYL TOTTENHAM, a**
5 **witness for the**
6 **commission, recalled.**

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

9 THE COMMISSIONER: Thank you, Madam Registrar. Yes,
10 now, we're about to resume with Mr. Stephens'
11 examination of Mr. Tottenham.

12 Mr. Tottenham, I think I was a bit remiss
13 in not ensuring that you feel sufficiently
14 revived to carry on with the balance of your
15 evidence today. I was working on the assumption
16 that you would prefer to finish today rather
17 than come back some other day. But I just
18 wanted to check in with you at this point

19 THE WITNESS: Yes, I'm fine to continue,
20 Mr. Commissioner, thank you.

21 THE COMMISSIONER: Okay, yes. Mr. Stephens.

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

23 **EXAMINATION BY MR. STEPHENS:**

24 Q Mr. Tottenham, could you turn up, please, tab 14
25 of your affidavit number 1, which is -- and

1 Madam Registrar, that's the first document I'm
2 going to go to.

3 Tab 14 at exhibit 14, Mr. Tottenham. Just
4 tell the Commissioner what that document is,
5 Mr. Tottenham.

6 A This is the AML manual that was put together
7 when we first started the AML unit. It's dated
8 here March 1st, 2019, but it's essentially the
9 seventh version of a manual that we started,
10 myself and John Karlovcec started to build when
11 we first started in the AML unit in 2013.

12 Q And could you go to page 23 in the bottom
13 right-hand corner. It should be the 23rd page
14 in the PDF, Madam Registrar. It will have
15 numbers 25 and 26 on it. I think you're one
16 ahead. Yes. We're looking for items 25 and 26.

17 A Okay.

18 Q And if I could just direct you to item 26,
19 Mr. Tottenham. There's a reference to the --
20 something called anti-money laundering
21 specialist training. I just wanted to ask you
22 about that.

23 First of all, in that item there's a
24 reference to something called the Association of
25 Certified Anti-Money Laundering Specialists.

1 What is that organization?

2 A It's -- ACAMS is an international organization
3 that has basically set up works worldwide to
4 support and provide documentation and training
5 and initiatives and information on money
6 laundering, files, training, crime prevention in
7 terms of fraud. So it's a global network of
8 trainers and information.

9 Q Does BCLC have a membership in that association?

10 A Yes, we do. We have an enterprise membership in
11 that organization and that's one of our key
12 points in terms of from my unit in particular,
13 but also other members to attend and then take
14 the training courses that ACAMS offers and one
15 of them is a certification program for a
16 certified anti-money laundering specialist. And
17 that is one of the requirements for my unit for
18 becoming a member of my unit.

19 Q Do you have -- are you certified as a --
20 certified anti-money laundering specialist with
21 ACAMS, Mr. Tottenham?

22 A Yes, I am.

23 Q For how many years have you had that
24 certification, approximately?

25 A Since 2014.

1 Q And you mentioned that others in your unit have
2 that certification; is that correct?

3 A That's correct, yes.

4 Q And has that training been offered to any other
5 participants in the gaming industry to your
6 knowledge, Mr. Tottenham?

7 A We've also offered it out to members of GPEB,
8 and to -- throughout our organization itself,
9 not just the AML unit, but other investigators,
10 casino investigators and through audit. So we
11 have a large number of people that have actually
12 taken the course and accreditation and become
13 certified.

14 Q And just in broad terms, Mr. Tottenham, what is
15 involved in getting that certification as an
16 anti-money laundering specialist with ACAMS?

17 A It's a fairly intensive course that you take set
18 over -- generally takes about two to three
19 months to properly go through and complete. And
20 at the conclusion there is a rather intense
21 examination with a requirement of 75 percent or
22 higher for a pass rate. And it's a combination
23 of information from around the world, but quite
24 centre focused in North America.

25 Q And you mentioned that members of GPEB have been

1 offered this -- or GPEB has been offered to have
2 this training, BCLC has offered that. To your
3 knowledge has there been any takeup on that?

4 A There was some interest in the beginning. I
5 don't know in terms of the course itself. I
6 believe there's been at least one, maybe two
7 people that have taken it since we offered it
8 way back.

9 Q Thank you, Mr. Tottenham. Madam Registrar, I'm
10 done with that particular exhibit, but I will be
11 going forward to exhibit 16 in Mr. Tottenham's
12 affidavit.

13 Mr. Tottenham, I can take you to exhibit 16
14 if you want going forward in the binder, please.

15 A Okay.

16 Q Just a couple forward. And exhibit 16 deals
17 with the PGF accounts?

18 A Yes.

19 Q And just before I ask you a question about
20 exhibit 16 specifically, I mean, can you tell
21 the Commissioner from an AML perspective is a
22 PGF account a good thing?

23 A Yes, absolutely. It's one of the cash
24 alternative programs that we put together early.
25 It's probably what I would say is our most

1 well utilized cash alternatives and most
2 effective. And it's essentially an account that
3 is held at the service provider level where
4 players can use funds that they bring in via
5 bank draft so it's not cash driven, it's
6 alternatives. They stock their funds into an
7 account, essentially, and then play off that
8 account, so they're able to move funds back and
9 forth from the tables to the account, and then
10 when they're finished, put the funds back into
11 the account and then leave it there for their
12 next visit and not necessarily have to be paid
13 out in cash and take large sums of cash in and
14 out of the casino every time they attend.

15 Q On exhibit 16, Mr. Tottenham, what is that
16 document there?

17 A This is an overview of the process, so it's not
18 specific to our policy. It's kind of an
19 overview of what our policy looks like and with
20 an overlap of what happens when somebody wants
21 to come into a service provider and open what
22 the requirement is for a player to open an
23 account, what the casino is required to do at
24 the front end to open that account and what the
25 requirements are in terms of verification,

1 information, and then it moves through to what
2 the investigator at the casino would do in the
3 first instance, and then there's an automatic
4 alert in this process that when somebody opens
5 an account, my unit, the AML unit, gets a
6 notification, an automated notice basically that
7 an account has been opened which triggers then
8 the next part that is outlined here, which shows
9 you all the different things that we look at and
10 how we review the client, their background,
11 their history, source of wealth and all
12 information that we have known on them. And
13 then it goes through the entire process right to
14 the end of what we look at in terms of right
15 down to criminal record and adverse media,
16 FinScan reports that we do. It's kind of a
17 top-to-bottom look at what it takes to actually
18 have a PGF account opened, approved and then be
19 able to utilize it for a player.

20 Q And what you're describing is that when a PGF
21 account is opened, your unit does some due
22 diligence on the person applying?

23 A Yes. We do extensive due diligence on that
24 person, so we will look at -- we build a dossier
25 on that player. It's an automatic. And we look

1 at every aspect of -- from home ownership to
2 job, any companies they own, board of directors,
3 any information at all that connects them to
4 occupation and/or ownership of companies as well
5 as adverse media hits. We have large monitoring
6 for our HRP players, so through a service that
7 if anything comes up across the world, that will
8 hit on that name and give us an alert. So we do
9 a lot of that work, the analytics back end of
10 it, and it's a continual thing after a PGF is
11 opened and monitored.

12 Q Thank you, Mr. Tottenham. Moving forward -- and
13 I'm going to try to say more or less
14 chronological. If I could ask you to go to
15 tab 46 in your affidavit number 1, please.

16 A Okay.

17 Q And, Mr. Tottenham, this is a BCLC
18 investigations protocol for educating warning,
19 sanctioning or barring patrons of April 16th,
20 2015, and I think you've had some questions
21 about this topic, but my note is you haven't
22 gone to this document. Can you tell
23 Mr. Commissioner what this document is, please.

24 A This is the actual document that -- when this
25 was being built in the front end in early 2015,

1 this was the document that was put together by
2 BC corporate security that outlined what the
3 actual process is for how we would be -- once
4 it's put into effect, how we would be treating
5 patrons in terms of education, warning, sanction
6 and barring, so it outlines the steps that we
7 would take and the expectation on the service
8 providers that we would take so that when an
9 issue is identified with a patron that it would
10 follow this plan of attack, basically. And that
11 goes back to my earlier evidence, where our
12 expectation is that if it was appropriate, we'd
13 allow the service provider to start with that
14 patron for an education session or a warning
15 session as it escalated. So this just basically
16 maps out that part of the process and then when
17 it reverts over to us where we would take it
18 over and move it through the same system in
19 terms of education, warning, pending interview,
20 if that's where it escalated from, depending on
21 what our results were, right up into and
22 including sanctions, which could include
23 sourced-cash conditions or other sanctions and
24 barring, up to five-year barrings. So it
25 basically spells out the entire process. And

1 then there's the rest of the -- the back end of
2 this is all a breakdown of what the expectation
3 is for each stage of that process.

4 Q Just given your evidence already about the
5 timing, Mr. Tottenham, is it fair to say that
6 this April 2015 is sort of at an early stage in
7 the BCLC cash conditions initiatives?

8 A Yes.

9 Q If I can ask you to go to tab 9, please, which
10 is a little bit later in 2015. This is an email
11 dated September 15th, 2015, Mr. Tottenham, "re
12 priority 1 interview project." Do you see that?

13 A Yes.

14 Q And you were asked some questions about this,
15 but I just wanted to clarify. At this stage and
16 September 2015, the cash conditions program had
17 progressed somewhat; is that correct,
18 Mr. Tottenham?

19 A Yes, that's correct.

20 Q And you had said that in August there were
21 10 persons put on cash conditions, August of
22 2015, and then September of 2015 another 36; is
23 that correct?

24 A No. We started -- the initial tranche came in
25 September, so the first one is the information

1 was provided and then as we worked through that,
2 they were actually placed on sourced-cash
3 conditions in September, and then it was
4 followed by another kind of group of 10 and then
5 it was a group of about 35, 36 right after that.

6 Q This document here at exhibit 9 is -- has to do
7 with interviews, and could you tell
8 Mr. Commissioner what the purpose of this
9 document was, then, and the priority 1
10 interviews.

11 A The priority 1 interviews, this is, again, going
12 into by extension the plan, the earlier plan
13 that we had talked about, where we set up a
14 process where we would bring players in to
15 interview them. Most often it was as a result
16 of identified incidents or files that were
17 brought to our attention or activities, which
18 could include information that we also were
19 looking at in terms of suspected activities on
20 the gaming floor or with -- in terms of bringing
21 cash in. So we basically built this plan out to
22 map out how we were going to bring people in for
23 interview, built out a template for conducting
24 these interviews. We had two people within our
25 unit that started on it originally and then it

1 kind of expanded to probably four of our people
2 who were involved and then it was just a series
3 of expansions as we built up through that
4 priority 1 interview paper, we built onto that
5 and expanded outwards in terms of the program
6 itself and the interviews.

7 Q And were these interviews that were taking place
8 as contemplated September 2015 and onward, did
9 those involve service provider participation?

10 A No. Originally when the first part of the
11 program came out and we were having -- we had
12 some assistance in terms of getting information
13 through service providers and that was kind of
14 part of the strategy of asking them to be
15 involved. When we got into the second layer of
16 the interview process, that was when we weren't
17 able to get the information and we were in the
18 first instance from -- through the service
19 provider, and we had to escalate it as a result
20 of the incidents that were happening or these --
21 and once we got to that stage, we conducted the
22 interviews. And when I say "we," the AML unit
23 members conducted the interviews. The service
24 providers were not able to -- or were not
25 allowed to have people sit in on those meetings

1 from that point on.

2 Q Okay. So these interviews that you're talking
3 about at this time were done by BCLC and AML
4 investigators; is that right?

5 A That's correct, yes.

6 Q Okay. Now, before I move forward in the
7 chronology, Mr. Tottenham, I just want to pause
8 and Madam Registrar, I'm going to call up a
9 document that's BCLC16582, which is an April
10 2015 document.

11 Now, Mr. Commissioner, I think I need leave
12 to ask Mr. Tottenham about this document because
13 I believe we noticed it on Friday. I haven't
14 heard any objections, but I just wanted to note
15 that.

16 THE COMMISSIONER: Okay.

17 MR. MCGOWAN: No objection from commission counsel.

18 MR. STEPHENS: Thank you.

19 Q And, Mr. Tottenham, if I could ask Madam
20 Registrar to go to the second page of this
21 document, we can read it back to front just for
22 your reference. If I could ask you to scroll
23 up. Mr. Tottenham, are you okay to read it off
24 the screen?

25 A Yeah, we'll go with this. If they can make it

1 bigger.

2 Q The email at the very top is an email from
3 Mr. Gade in regard to an April 25, 2015 incident
4 in regard to a certain patron whose is in the re
5 line. Do you recall Mr. Lath took you to that?

6 A Yes.

7 Q Okay. And this is about a 300,000 chip buy-in.
8 Do you recall that evidence?

9 A Yes, that's correct.

10 Q Okay. And, Madam Registrar, if I could ask you
11 to scroll forward to the first page, scroll up,
12 I guess, to the first page, and if I could ask
13 you to go to the middle email. It's one from
14 Mr. Alderson to Mr. Ennis, and if perhaps if
15 that email can be put at the bottom so that the
16 top email shows as well, please. You'll see
17 there, Mr. Tottenham, that Mr. Alderson sent a
18 followup email to Mr. Ennis about this incident.
19 Do you see that?

20 A Yes.

21 Q And then that was in turn forwarded onto you and
22 some others, Mr. Beeksma, on April 27th, 2015?

23 A Yes, that's correct.

24 Q All right. You remember Ms. Latimer asked you
25 some questions about this particular incident,

1 but this email wasn't available to you at the
2 time in regard to the \$300,000 chip buy-in.
3 Does this help refresh your memory at all about
4 this incident and the questions that you were
5 asked by Ms. Latimer?

6 A Yes.

7 Q Can you tell Mr. Commissioner how that refreshes
8 your memory and what your evidence is.

9 A The reference on this email is going back to the
10 initial buy-in, which is the 200,000 of chips,
11 and then the appearance that he had another --
12 on second appearance he had 300,000 in chips
13 that he had brought back in and their dealings
14 with him at that time, that second amount.

15 Q Right. And, Mr. Tottenham, at this time -- the
16 date of this --

17 MR. STEPHENS: Perhaps, Mr. Commissioner, if I could
18 ask that this be marked the next exhibit, just
19 before I ask another question.

20 THE COMMISSIONER: Very well. I think we're at 177,
21 Madam Registrar.

22 THE REGISTRAR: That's correct, Mr. Commissioner.
23 Exhibit 177.

24 **EXHIBIT 177: Email from Ross Alderson re Jia**
25 **Gao - April 27, 2015**

1 MR. STEPHENS:

2 Q Mr. Tottenham, at this period of time, in April
3 2015, I think you've said earlier in my
4 questioning that this is a very early stage in
5 the sourced-cash conditions initiative by BCLC.
6 Is that right?

7 A That's correct.

8 Q And was there any directive or direction by GPEB
9 about how BCLC should implement a sourced-cash
10 conditions program at this time?

11 A At that point in time, no.

12 Q And was there any precedent in the industry for
13 this at all in the casino industry?

14 A No, there was not.

15 Q Was there any FINTRAC guidelines to say how a
16 casino operator would implement a sourced-cash
17 conditions program?

18 A No, there was not.

19 Q So is it fair to say at this point in time, in
20 the AML unit this was a novel creation by BCLC?

21 A Yes.

22 Q That the -- that it was forming for the first
23 time an initiative that did not have any
24 president in the casino industry in British
25 Columbia?

1 A Yes, that would be correct.

2 Q Did it have any precedent in the casino industry
3 in Canada to your knowledge at this time?

4 A To my knowledge, no. It was first off the
5 shelf.

6 Q If I could ask, then, if another document be put
7 up, Madam Registrar, which is BCLC16584. And
8 this is an email from October of 2015, and if I
9 could ask you to go to the second page of that,
10 Madam Registrar, there's an email from Brandon
11 Norgaard to Bruno Gatto that you're not copied
12 on at the bottom. You recall that? When I saw
13 you recall that, this portion of the email was
14 in your rolling document that Ms. Latimer took
15 you to. Do you recall that?

16 A That's correct, yes.

17 Q This email was not available at the time, and
18 Mr. Commissioner, I believe, again, this one we
19 provided notice of on Friday, and I'd ask for
20 leave to be able to refer to this and ask
21 Mr. Tottenham a question about it.

22 MS. LATIMER: Mr. Commissioner, commission counsel
23 does not object, but just for the record, to
24 note that the record was disclosed to the
25 commission after Mr. Tottenham testified. So we

1 don't object, but it's not only late notice on
2 the document, but also very late disclosure of
3 the document.

4 THE COMMISSIONER: Thank you, Ms. Latimer.

5 You may introduce the document, then,
6 Mr. Stephens

7 MR. STEPHENS: Thank you, Mr. Commissioner. If I
8 could ask Mr. Tottenham -- so just if we could
9 scroll up Madam Registrar to the front page of
10 it.

11 Q And there's an email from -- at the very top
12 there's an email from you to Mr. Norgaard and
13 others about this particular patron's
14 \$25,000 buy-in. To be fair to you, this wasn't
15 available when you gave your evidence initially.
16 Does this help you refresh your memory about
17 this incident at all, Mr. Tottenham?

18 A Yes, it does.

19 Q Could you just tell Mr. Commissioner any -- your
20 evidence on this, having had an opportunity to
21 look at it.

22 A The action that was taken for this in regards to
23 Mr. Gao was simply the chips he was bringing in
24 could not be properly sourced back, so the site
25 took a position that because they were not

1 sourced, they couldn't provide the source and
2 the tracking of the chips, that they would
3 refuse them. But however, they cashed them out
4 as a result of his request, simply based on the
5 fact that they were his chips, so they didn't
6 allow him to cash them out and then utilize them
7 for play. They cashed him out as an owner of
8 the chips, but that then made the cash
9 unsourced, and with him having an order on him
10 where he's on sourced-cash conditions, then it
11 would preclude him from being able to use that
12 cash to buy in because he would not be able to
13 source it, so they denied the buy-in after the
14 fact with the cash, which was the proper thing
15 to do.

16 MR. STEPHENS: Mr. Commissioner, could I ask that
17 this be marked the next exhibit, please.

18 THE COMMISSIONER: Very well. That will be 178.

19 THE REGISTRAR: Exhibit 178.

20 **EXHIBIT 178: Email from Daryl Tottenham re Jia**
21 **Gao - October 5, 2015**

22 MR. STEPHENS:

23 Q Mr. Tottenham, if I could ask you, then, to
24 go -- just staying with the chronology -- and
25 I'm finished with that document, Madam

1 Registrar, thank you very much.

2 If I could ask you to go back in the
3 affidavit that you're in, affidavit number 1.
4 And I'm just going to direct you to tab 46.
5 Pardon me. I misspoke. Tab 49. Tab 49. My
6 apologies.

7 Now, you've been asked some questions about
8 this topic, but I just want to return to it.
9 This document is entitled "Reduction in STR
10 Initiatives"?

11 A That's correct.

12 Q And Ms. Rajotte took you to this and asked you
13 some questions which I won't repeat about this
14 process, which as I understand it involved a
15 service provider asking questions at the cash
16 cage to certain patrons upon buy-in. Do I have
17 that right?

18 A Yes, that's correct.

19 Q And the questionnaire, the format of the
20 questionnaire is at page 448 in the top
21 right-hand corner in this, if you want to turn
22 it up, but I'm sure you probably recall it.

23 A Yeah, I recall that, yes.

24 Q So what I wanted to do was I wanted to make sure
25 you had an opportunity just to explain to the

1 Commissioner how this process here, which was a
2 service provider questioning at a cash cage,
3 relates, if at all, to the patron interviews or
4 the intelligence interviews that BCLC was doing
5 starting September 2015. Are they related at
6 all, or are they distinct processes,
7 Mr. Tottenham?

8 A This is part of that process that we were
9 working through that in terms of doing the
10 interviews, we -- it was a series of
11 progressions as we were putting information from
12 subjects that we had that involved in cash
13 facilitation with our patrons, our VIP patrons
14 that we saw out there. We had gone through a
15 whole series of placing people on sourced-cash
16 conditions through 2015 late into early 2016 and
17 then through 2016, and they all had a lot of
18 commonality with one group of people, including
19 the Paul Jin group, and that was kind of the
20 target of the -- that program at that point in
21 time.

22 Then as we covered that off, we then went
23 back and we're looking at now other people where
24 we didn't have definitive links to that group
25 but were involved in high volumes of STRs,

1 obviously large cash transactions that were
2 happening, but we didn't have connectivity to
3 the group that we were associated to for Jin,
4 but we had obviously concerns about the source
5 of their funds and where that information was
6 coming from. So we developed this initiative
7 and program and embarked on basically the --
8 asking that the service providers would provide
9 us information based on each buy-in per buy-in
10 to allow us to do an assessment as to where that
11 player was saying they were getting their cash
12 from, make a determination, and then based on
13 the outcome, we could take an action, which
14 included sanctions and/or bans based on the
15 information that we were gathering from each
16 buy-in.

17 Q So, Mr. Tottenham, just to break that down, so
18 the -- if you could go to page 448 of this
19 document. It's a sample questionnaire.

20 A Yep.

21 Q Just so it's clear for Mr. Commissioner and for
22 us, is this document that the cash cage would
23 do, is that -- was that something that BCLC
24 would take as proof for a person who was under
25 sourced-cash conditions?

1 A That is something that if somebody was coming in
2 with cash to buy in with cash, but they were not
3 under sourced-cash conditions, so it's somebody
4 that's shown up with large amounts of cash,
5 buying in, small bills, where we did not have
6 any absolute knowledge where their source of
7 funds were, we ask that this be filled out, ask
8 them that specific question for the source of
9 funds and basically a declaration, and then
10 utilize the information that was provided to
11 make a determination whether or not they should
12 be placed on sourced-cash conditions or any
13 other sanction that we deem necessary.

14 Q So would these forms go to you once they were
15 filled out, Mr. Tottenham?

16 A Yes. I would get an alert and it they would be
17 sent to me for review, which I did.

18 Q Is it fair to say from your evidence, then, what
19 you just described, this is a supplement to the
20 existing sourced-cash conditions? It's
21 something that assisted you determine whether
22 other people should go on sourced-cash
23 conditions?

24 A That's correct. It was like a progressive
25 action following that, I can now target another

1 group of individuals and kind of keep working
2 through our VIPs to assess.

3 Q Okay. Just moving forward in the chronology,
4 Mr. Tottenham. Could you go to exhibit 4,
5 please. Just -- it's a document dated
6 October 7, 2016, "refused cash buy-in by site
7 directive." What's that document,
8 Mr. Tottenham?

9 A This, again, is another extension kind of
10 falling right behind what we were also doing
11 with the last one we just talked about where we
12 were taking -- asking the sites to take an
13 action when we got -- when they had large cash
14 buy-ins presented at the cage, we asked them to
15 essentially look at all the circumstances and
16 basically try and weave it into a real time
17 scenario so that while the player is standing
18 there trying to buy in to use every opportunity
19 they could to go backwards, follow the actions
20 of that player prior to attending at the cage
21 with the cash, backwards to make a determination
22 of where that player came from and/or where they
23 obtained the cash from and trying to do that in
24 every instance in terms of anything that was a
25 large cash buy-in from a --

1 Q And this directive is saying that if it was
2 determined from that real time review that there
3 was suspicious circumstances, what was this
4 directive directing?

5 A It was essentially to -- it would be refused
6 certainly if there was any suspicious activity
7 or if that money that was being used for buy-in
8 was found to have been delivered, dropped off or
9 any suspicious circumstance like that, the
10 transaction was to be refused, and it set out a
11 whole process where they would be required to
12 create an UFT file, make notification to us.
13 The player in question, their buy-in attempt
14 would be put right on the system, on our iTrak
15 system. The player was refused a buy-in, and it
16 allowed -- basically in the comments section
17 that allowed in real time to be seen by other
18 casinos so that a person couldn't then leave the
19 casino with their money that's been refused and
20 drive for a half an hour to another casino and
21 then buy in at that casino under a different set
22 of circumstances. And we would then, AML unit,
23 BCLC would then follow up with the investigation
24 and then that player remains banned pending
25 interview, so it allows us now to control that

1 part of the investigation and bring the person
2 in for an interview to determine where his funds
3 came from and take any actions that we would
4 want to take on him. Which would include
5 sanctions or up to and including banning.

6 Q In your evidence you referred multiple times to
7 the process of building out your AML program.
8 Is this another part of the build-out,
9 Mr. Tottenham?

10 A Yes, it's another extension of the build-out
11 that we're doing continuously.

12 MR. STEPHENS: Madam Registrar, I'm done with that
13 part of that document, but I would like to take
14 Mr. Tottenham to BCLC8958.

15 Q Mr. Tottenham, if you open that binder to your
16 right. The very small one and you just go to
17 tab 2. That should be that document.
18 Mr. Tottenham, if I could just ask you to
19 identify what that document is, please.

20 A This is a copy of a couple of back to back
21 emails that we got back in January 24th, 2017,
22 from Ross Alderson.

23 Q Madam Registrar, if you could go to the bottom
24 of that first page, it's an email -- I believe,
25 Mr. Tottenham, you're referring to an email from

1 Mr. Alderson to Rob Kroeker January 24th, 2017,
2 and it flows over to the next page on a list of
3 AML initiatives since January 1st, 2016?

4 A That's correct, yes.

5 Q And, Mr. Tottenham, is this to your
6 understanding -- you've had a chance to look at
7 this document before, have you, sir?

8 A Yes, I have.

9 Q And does this fairly summarize the things the
10 AML group had done in 2016 in Mr. Alderson's
11 email in this document?

12 A Yes. I would say that's a pretty accurate
13 overview of it.

14 Q And just not to go through the list because it
15 speaks for itself, but if I could direct you to
16 the second last bullet above the word
17 "continued." It says "met with OLG and AGLC"?

18 A Yes.

19 Q Just describe for the Commissioner, the OLG is
20 Ontario?

21 A Yeah, Ontario gaming.

22 Q And AGLC?

23 A Is Alberta gaming.

24 Q And do you have knowledge that you could advise
25 the Commissioner about the meetings that you did

1 with those two other lottery corporations or
2 lottery groups?

3 A Yeah. We've met either in person or on phone
4 with these organizations over time on many
5 occasions. Quite often by phone, conference
6 calls. It's a practice that we have in terms of
7 sharing information from provincial associations
8 in terms of casino actions, trends, issues,
9 problems. We have a lot of discussions back and
10 forth and stay current in terms of anything and
11 everything right up to the legislative
12 requirements when changes come in and of how we
13 address the changes and between the different
14 provinces to ensure we're compliant.

15 Q And so you keep apprised of what those other
16 jurisdictions are doing in terms of
17 AML initiatives?

18 A Yes, I do.

19 MR. STEPHENS: Mr. Commissioner, could I ask that
20 that be marked the next exhibit, please.

21 THE COMMISSIONER: Very well.

22 THE REGISTRAR: Next number is 179, Mr. Commissioner.

23 **EXHIBIT 179: Email from Ross Alderson re AML -**
24 **January 24, 2017**

25 THE COMMISSIONER: Thank you.

1 MR. STEPHENS: Madam Registrar, if I could ask that
2 you please turn up BCLC6996, please.

3 Q It's tab 1 of your binder, sir.

4 A Small or big.

5 Q Small. And this document largely speaks for
6 itself, Mr. Tottenham, but could you just tell
7 Mr. Commissioner what this is.

8 A This is the email that I received from Ross
9 Alderson on Thursday, December 21st, 2017, and
10 it's subject title is "Resignation" and it's
11 addressed to myself, Bal Bamra and Kris Gade.
12 And it was essentially a short encapsulation of
13 the fact that he was leaving BCLC and what he
14 was doing and where he was going for his other
15 bits and pieces and "regards, Ross." So it's
16 basically I have just been informed -- a
17 resigning notification.

18 MR. STEPHENS: Could we mark that as the next
19 exhibit, Mr. Commissioner, please.

20 THE REGISTRAR: Next exhibit number 180,
21 Mr. Commissioner.

22 THE COMMISSIONER: Thank you.

23 **EXHIBIT 180: Email from Ross Alderson, Subject:**
24 **Resignation - December 21, 2017**

25 MR. STEPHENS:

1 Q Mr. Tottenham, again, I think we're just about
2 done, but I'd like to take you to a document
3 which is in your big binder in the affidavit.

4 I'm going to go to Mr. Tottenham's
5 affidavit, exhibit 54, please.

6 THE COMMISSIONER: I'm sorry, did you say 54,
7 Mr. Stephens?

8 MR. STEPHENS: 54, Mr. Commissioner.

9 THE COMMISSIONER: Thank you.

10 MR. STEPHENS:

11 Q And it's tab 54, Mr. Tottenham. Very deep in
12 the binder. Just about at the end.

13 A Thank you.

14 Q And you've been asked about MSBs and initiatives
15 on that. I just wanted to advise
16 Mr. Commissioner what that document is at
17 tab 54.

18 A This is the directive that we put out on -- for
19 an effective date of March 15, 2018, and it was
20 directed out to the service providers advising
21 that we were no longer going to allow the
22 patrons to use any MSB, money service business,
23 as proof of source of funds receiving. So
24 basically this sets out the rules that we have
25 applied and it's across the board, so we would

1 not allow it to be used in any way, shape or
2 form from an MSB for sourcing out cash buy-ins
3 at any casino in British Columbia.

4 Q And this was implemented after BCLC had done
5 some investigations into MSB activity; is that
6 right?

7 A Yes. We had looked into this from a number of
8 different issues, including our enhanced due
9 diligence and some work that we went in and
10 actually attended on site with MSBs and then
11 made a business decision on behalf of the
12 corporation and a proposal which was accepted to
13 stop using -- allowing MSBs, their funds to be
14 used in our sites.

15 Q Thank you, Mr. Tottenham. That's all I wish to
16 ask about that document. And I'm done with that
17 document.

18 Mr. Tottenham, just towards the end of your
19 testimony with Ms. Latimer, she asked you about
20 what the focus was of your anti-money laundering
21 work today, if you recall she asked you about
22 that. Do you?

23 A Yes.

24 Q Can you tell the Commissioner if BCLC is looking
25 at any software enhancements to improve its AM L

1 programs?

2 A Yeah, on a number of fronts. We're looking
3 at -- basically a case management system that is
4 going to give us fairly intensive automation
5 from an AML perspective for monitoring and case
6 reporting right top to bottom. That was done
7 through a process that we're involved with right
8 now. I think we're in negotiation stage with
9 the company that's been chosen, so that is
10 probably our biggest priority right now and our
11 biggest project. We also are looking at a
12 couple of other areas, including chip counting,
13 basically tracking mechanisms and programs.
14 There's something that we've been interested in
15 quite some time and it's -- at this point in
16 time it's difficult to come up with. It's a
17 very expensive process, so that's a very slow
18 build-out, but we are still following that up
19 quite intensely.

20 Q And just with the software, the first one that
21 you mentioned how would that be used? How is it
22 contemplated that would be used in your
23 day-to-day duties?

24 A I mean, it's basically an advancement of the
25 system that we have now. It automates the

1 system. It's going to allow us much better
2 player tracking, just an overall view of what we
3 do on a day-to-day basis with alerts, setting
4 thresholds, setting things that we want reported
5 on and allows for a kind of one-stop process
6 where we'll be able to monitor all players
7 across all sites, create our own alerts, create
8 very definitive programs and alerts, alertings
9 that we want for money laundering controls, and
10 it allows us through that process -- process
11 reports, CLCs to CTRs, CBRs, as we go through
12 and complete some kind of an end to end, so we
13 would be able to go through and actually
14 complete the STR filings through the system
15 automatically, so it's a huge, huge advantage
16 for us overall.

17 MR. STEPHENS: Thank you, Mr. Tottenham. Those are
18 my questions for Mr. Tottenham, Mr. Commissioner.

19 THE COMMISSIONER: Thank you, Mr. Stephens.

20 Anything arising, Ms. Tweedie?

21 MS. TWEEDIE: Nothing arising. Thank you.

22 THE COMMISSIONER: Thank you. Ms. Mainville?

23 MS. MAINVILLE: No, thank you, Mr. Commissioner.

24 THE COMMISSIONER: Mr. McFee?

25 MR. MCFEE: Nothing arising Mr. Commissioner. Thank

1 you.

2 THE COMMISSIONER: Thank you. Mr. Gruber?

3 MR. GRUBER: Nothing arising, thank you.

4 THE COMMISSIONER: Thank you. Mr. Skwarok?

5 MR. SKWAROK: Nothing, sir.

6 THE COMMISSIONER: Thank you. Ms. French?

7 MS. FRENCH: Yes, Mr. Commissioner. I have a couple
8 questions arising.

9 THE COMMISSIONER: Thank you.

10 MS. FRENCH: Madam Registrar, can we pull up
11 exhibit 43, please. This is to the first
12 affidavit of Mr. Tottenham.

13 MR. STEPHENS: Tab 43, Mr. Tottenham.

14 **EXAMINATION BY MS. FRENCH:**

15 Q And we'll go to the second page of that
16 document, please. Mr. McFee took you here
17 earlier, Mr. Tottenham.

18 A Yes.

19 MS. FRENCH: Madam Registrar, have you located that
20 document? Thank you. And the second page,
21 please.

22 Q So near the bottom of this document you can see
23 a paragraph in italics. Are you with me,
24 Mr. Tottenham?

25 A Yes.

1 Q And this is your recollection of a conversation
2 you had with an FSOC sergeant; is that correct?

3 A Yes.

4 Q And he is recollecting to you a conversation
5 that he had with his bosses at the RCMP; is that
6 right?

7 A That's correct. He was I think phrasing the
8 information that he received and was passing on
9 to me as to why this was needed.

10 Q And at this time you yourself did not have any
11 conversations about this investigation directly
12 with the so-called big bosses; is that correct?

13 A That's correct. Absolutely none.

14 Q And so you yourself have no first-hand knowledge
15 of what they -- the bosses at RCMP may have said
16 with respect to this investigation; is that
17 right?

18 A That's correct. Absolutely none.

19 Q And Mr. McFee also asked you if you were
20 surprised by this request from FSOC members for
21 information from BCLC that they could provide to
22 their bosses in order to maintain their
23 resourcing; is that correct? You were
24 surprised?

25 A Yes, I was surprised. And surprised simply the

1 way it was kind of phrased to me why they wanted
2 to know. Because to me it was pretty obvious.
3 But again, the information I'm getting I'm not
4 getting it firsthand. I'm relying on hearsay
5 obviously for what the reason was. Knowing the
6 way projects work and my experience in police
7 agency, doing a lot of projects, I know that
8 that's not always the big picture. The big
9 picture is in terms of logistics and there's a
10 lot of other things that come into play in terms
11 of how long you're going to extend a project and
12 what you're going to do. So I wasn't aware of
13 that and certainly none of that was put forward
14 to me, but this was the way it was kind of
15 passed down to me, so that seemed kind of
16 surprising to me. The answer was pretty clear
17 that this needed to be extended and carried on.

18 Q So as you say, from your experience as a police
19 officer, you know that sometimes these kinds of
20 presentations are required in order to continue
21 or seek more resources for an investigation; is
22 that correct?

23 A Yep, absolutely.

24 Q Thank you. And, Madam Registrar, can we now go
25 to exhibit 40, please. That should be tab 40

1 for you, Mr. Tottenham.

2 A Okay.

3 Q Excellent. So, Mr. Tottenham, this is an
4 internal email exchange between yourself and
5 others at BCLC about this FSOC request; is that
6 correct?

7 A That's correct, yes.

8 Q And near the bottom of this first page is an
9 email from yourself to Ross Alderson and others
10 at BCLC. Do you see that?

11 A Yes.

12 Q And you write:

13 "This is an intell only PPET --"

14 Which I take to mean PowerPoint:

15 "-- that they will be giving to their
16 bosses. They just need the material. It
17 is not for the file and will not be
18 utilized in an affidavit for warrants, so
19 does not need to be court proof. They
20 believe it is just a formality required to
21 get approval to keep the project going and
22 likely enlarge their targets and goals."

23 Is that right, Mr. Tottenham?

24 A Yes.

25 MR. FRENCH: Thank you. I have no further questions,

1 Mr. Commissioner.

2 THE COMMISSIONER: Thank you, Ms. French.

3 Ms. Rajotte?

4 MS. RAJOTTE: Yes, Mr. Commissioner. I do have a
5 question or two if I may.

6 THE COMMISSIONER: Okay.

7 **EXAMINATION BY MS. RAJOTTE (continuing):**

8 Q Mr. Tottenham, could you please turn to
9 exhibit 16 of your affidavit. Mr. Stephens took
10 you to that earlier today. Tab 16. And you'll
11 see -- so these are the player gaming fund due
12 diligence process steps as of October 6th, 2017,
13 I understand.

14 A Yes.

15 Q And if you look under the heading "Casino
16 Employee Number 4" is a declaration of source of
17 funds is completed; correct?

18 A Correct.

19 Q And my question is has this step been part of
20 the PGF due diligence process since 2012, to
21 your recollection?

22 A I couldn't say absolutely what year it started.
23 I know it's been -- part of that process
24 required some time. They have to ensure that
25 the source of funds is completed on that step.

1 Q Because I understand the PGF account as you know
2 it -- I understand there was a prior pilot
3 project with respect to PGF accounts, but the
4 PGF account project as you know it began in
5 2012; is that right?

6 A That's correct, yes.

7 Q And so do you recall whether this step of
8 declaration of source of funds was added at some
9 point or whether it was implemented from the
10 beginning of the project in 2012?

11 A I'm not 100 percent of what time it was put in,
12 this was put in and what time it was
13 implemented, at what stage. I believe it's
14 been -- I know it's a requirement, I know it has
15 been a requirement it has to be sourced. So my
16 inclination would be that it would be from day
17 one, but I don't want to say absolutely and
18 unequivocally in case it's not. The rule has
19 been since 2012 you have to have sourced funds
20 going into a PGF account. You can't be
21 unsourced. Therefore it would stand to reason
22 that it would be from day one that you would
23 either have to have it sourced through a bank
24 draft or sourced cash.

25 MS. RAJOTTE: Thank you, Mr. Tottenham. Those are

1 all my questions.

2 THE COMMISSIONER: Thank you, Ms. Rajotte.

3 Ms. Latimer?

4 MS. LATIMER: Yes, just a couple questions.

5 **EXAMINATION BY MS. LATIMER:**

6 Q Can you hear me okay, Mr. Tottenham?

7 A Pretty good, yeah.

8 Q Okay. You'll recall that Mr. Stephens asked you
9 some questions about an email from Ross Alderson
10 dated January 2017 in which a number of AML
11 initiatives were listed that dated back to
12 January 2016?

13 A Yes.

14 Q And one of those initiatives that was noted in
15 that email as I understood your evidence
16 concerned an initiative to refuse the suspicious
17 cash deliveries; is that correct?

18 A Sorry, the very last part was hard to hear.

19 Q One of those initiatives was to refuse cash
20 buy-ins that stemmed from suspicious cash
21 deliveries; is that correct?

22 A Correct.

23 Q And did you expect by that initiative that a
24 patron who attempted to buy in with \$50,000 in
25 \$20 bills would have that buy-in refused?

1 A Would my expectation be would it be refused?

2 Q Yes.

3 A No.

4 Q How about \$100,000 in 20s?

5 A If the -- at that point in time if the -- again,
6 your time frame I'm assuming is -- you're
7 referencing 2015?

8 Q The email is about initiatives that were
9 implemented between January 2016 and January
10 2017. And my question is in the wake of that
11 particular initiative would you expect those
12 buy-ins to be refused?

13 A I would say at that point in time if the player
14 was not on sourced-cash conditions, that they
15 were obviously and they didn't have receipting
16 it was going to be refused. If the player was
17 not on sourced-cash conditions, that it would be
18 something that would -- in that sense would have
19 triggered an action within our unit, more than
20 likely elevation to interview. So there were
21 actions that would have been taken at that point
22 in time or could have been taken during that
23 time. And, again, it's going to probably be
24 dependent on the amount of funds that you're
25 talking about. Certainly anything at that point

1 in time over \$100,000 would have been referred
2 off if the player wasn't already on sourced-cash
3 conditions. And that would be our goal. But it
4 was -- there's nothing in there at that point in
5 time that would say it would be refused if there
6 were no suspicious indicators happening.

7 Q Because it wasn't thought to be suspicious just
8 that volume of money in 20s?

9 A It was -- I mean, yes, it was suspicious, but
10 not to the point where we would have it refused.

11 MS. LATIMER: Okay. Those are all my questions,
12 Mr. Commissioner. But I did -- before we ended
13 today I wanted to ask, there's been a large
14 number of names that have been referred to
15 orally in questioning this witness, patron names
16 and I have a list here. And commission counsel
17 suggestion is that for Mr. Tottenham's
18 affidavit, and indeed for other such documents
19 moving forward, that those names -- those are
20 names for which ruling 13 approach of redacting
21 the names is not needed. In other words, that
22 we ask that you direct that where a casino
23 patron's name is given orally during evidence at
24 the hearing we would not redact the name from
25 the version of the exhibit that gets posted

1 online.

2 THE COMMISSIONER: All right. Are there any contrary
3 submissions to that from any of the parties?

4 MR. STEPHENS: Mr. Commissioner, it's Mr. Stephens,
5 and I don't want to descend into formalism, but
6 that's the first I heard that commission counsel
7 was going to be asking for that direction. I
8 would like an opportunity to confer and seek
9 instructions and make a submission on that.
10 That seems to be contrary, on first blush
11 contrary to what was ruled in ruling 13. So
12 I -- my point is one of process.

13 THE COMMISSIONER: Well, I don't think it in fact is
14 contrary to ruling 13, which dealt with a vast
15 number of documents with a vast number of names,
16 some of which may be germane to the commission
17 and many of which may not, but without the
18 ability to distinguish between them, the order
19 was made to redact all of the names subject to
20 further application.

21 The ruling did not, however, extend to oral
22 evidence. And where counsel -- commission
23 counsel or any counsel are of the view that the
24 name of the person is germane to the
25 commission's mandate, then I don't see any

1 foundation for omitting it from discussion, nor
2 do I see any justification for continuing to
3 redact it.

4 However, having heard you, and if you do
5 wish to make some formal submissions I will hear
6 you further on that, but my inclination is very
7 much aligned with that of commission counsel.
8 And that is if the names are sufficiently
9 germane to the commission's mandate to be
10 referred to in viva voce evidence, then that
11 would obviate the need for their redaction in
12 the future. All right. I'll leave that until
13 Thursday. And if you want to make further
14 submissions on that, Mr. Stephens, or for that
15 matter, if anyone else does, I'll entertain them
16 at that point.

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

18 THE COMMISSIONER: All right. Thank you.

19 Mr. Tottenham, thank you for your stamina. It's
20 been a fairly long day. I recognize that, and
21 I'm appreciative of the fact that you stuck with
22 it.

23 So you are now excused, and we will adjourn
24 now to Thursday at 9:30 unless there's another
25 matter that needs to be dealt with either as far

1 as you're concerned, Mr. McGowan, or
2 Ms. Latimer.

3 **(WITNESS EXCUSED)**

4 MR. MCGOWAN: Nothing further, Mr. Commissioner.

5 THE COMMISSIONER: All right.

6 MR. STEPHENS: Mr. Commissioner, it's Mr. Stephens.

7 Could I confirm my understanding is
8 Mr. Tottenham can now watch the proceedings
9 online. I understand that's the default,
10 Mr. McGowan. I just wanted to be clear.

11 MR. MCGOWAN: Yes. There's no need to check with
12 each witness. Unless commission counsel has
13 notified a witness that they may be required to
14 testify again, they are exempt from the witness
15 exclusion order once they've completed their
16 evidence.

17 MR. STEPHENS: Okay. Thank you very much.

18 THE COMMISSIONER: We'll adjourn until Thursday at
19 9:30.

20 MR. MCGOWAN: Thank you.

21 THE REGISTRAR: This hearing is adjourned until
22 November 12th, 2020.

23 **(PROCEEDINGS ADJOURNED AT 3:05 P.M. TO NOVEMBER 12, 2020)**

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