

**PROCEEDINGS AT HEARING
OF
MARCH 29, 2021**

COMMISSIONER AUSTIN F. CULLEN

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March 29, 2021

(Via Videoconference)

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

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

THE COMMISSIONER: Thank you, Madam Registrar.

Yes, Mr. Davis, do you have conduct of the examination of Mr. Chrustie?

MR. DAVIS: I do, Mr. Commissioner. And you seem to already know that the next witness will be Mr. Calvin Chrustie.

And, Madam Registrar, he will affirm to give his evidence today.

**CALVIN CHRUSTIE, a
witness for the
commission, affirmed.**

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

THE WITNESS: Calvin, C-a-l-v-i-n. Middle name William. Surname Chrustie, C-h-r-u-s-t-i-e.

THE REGISTRAR: Thank you.

THE COMMISSIONER: Yes, Mr. Davis.

MR. DAVIS: Yes, Mr. Commissioner, before I begin with Mr. Chrustie I'd just like to flag for you and participants at the outset that there are

1 approximately two hours and 20 minutes of
2 proposed examinations by participants. There
3 are nine participants who have made those
4 requests. I'll endeavour to be around or just
5 less than two hours in my examination of
6 Mr. Chrustie but wanted to flag at the outset
7 that there is a potential as the schedule sits
8 to run long today, in the event that you or
9 participants took any issue with that.

10 THE COMMISSIONER: All right. Thank you. That is
11 helpful to know and we will take breaks
12 accordingly so that we don't sit for any one
13 time for an inordinate stretch. Thank you,
14 Mr. Davis. Carry on.

15 MR. DAVIS: Thank you.

16 **EXAMINATION BY MR. DAVIS:**

17 Q Mr. Chrustie, can you see and hear me okay?

18 A Perfect.

19 Q Thank you. I'm going to begin today with some
20 questions related to your experience in
21 policing, some of your more recent work
22 experience and your education. Mr. Chrustie.
23 You currently act as a consultant or senior
24 associate for four separate organizations and
25 those organizations are the critical risk team,

1 InterVentis Global, the Negotiations Collective
2 and CC Resolve. Do I have those right?

3 A Correct.

4 Q How long have you held those positions?

5 A Upon my retirement I engaged with several of
6 those, and the most recent one being the
7 Negotiation Collective probably about a month
8 and a half ago and the others over the course of
9 the last year or two.

10 Q And what can you tell the Commissioner about
11 your work as a consultant and/or senior
12 associate for these organizations? What sorts
13 of work are you doing?

14 A Essentially I would say it's probably in the
15 area -- best articulated in the area where
16 security, risk and crisis converge. A lot in
17 the area of transnational crime, national
18 security and then as well as also in the
19 negotiation conflict area as well.

20 Q And, Mr. Chrustie, from 1985 until late 2017 you
21 were a member of the RCMP; is that right?

22 A Correct.

23 Q To be more specific, from 2015 through 2017 you
24 held the rank of Superintendent and you were the
25 Officer in Charge of major projects overseeing

1 groups 4, 5 and group 6 of the federal Serious
2 and Organized Crime Unit, or FSOC. Do I have
3 that right?

4 A That's correct, sir.

5 Q And prior that from 2012 to 2015 you were the
6 Operations Officer for group 6 within FSOC major
7 projects; is that right?

8 A That's correct.

9 Q And prior to the re-engineering from 2010 to
10 2012, you were an Operations Officer within the
11 Integrated Proceeds of Crime Unit, or IPOC?

12 A That's correct.

13 Q And I'm not going to take you through the rest
14 of your RCMP history in great detail, but is it
15 correct to say, Mr. Chrustie, that you've worked
16 for a number of other departments which would
17 include Division BC Intel, you've been seconded
18 to the federal government and you've worked
19 through various sections, including
20 anti-corruption, national security, serious
21 crime, peacekeeping and drug sections. Do I
22 have that right?

23 A That's correct.

24 Q And in terms of academic qualifications,
25 Mr. Chrustie, you hold a masters of law and LLM

1 from York University Osgoode Hall?

2 A Correct.

3 Q And bachelor's degrees from the University of
4 Winnipeg and Carlton University?

5 A That's correct.

6 Q And you received throughout your policing career
7 a number of awards. I won't highlight them all
8 but one. In 2016 you were the recipient of the
9 international policeman of the year, the
10 Canadian Chiefs of Police award; is that right?

11 A That's correct.

12 Q And, Mr. Chrustie, what contributions or efforts
13 did that award recognize?

14 A I work in the federal policing specifically
15 probably in two areas, is my understanding. One
16 is in terms of transnational organized crime
17 operations working with the international
18 partners as well as in responding to kidnapping
19 situations of Canadians in terrorist incidents.

20 Q Thank you. And, Mr. Chrustie, we are now going
21 to turn to some bigger picture questions before
22 I get into your RCMP experience. To what degree
23 were you exposed to money laundering files
24 during your time with the RCMP?

25 A I probably first got exposed to them when I was

1 in the intel role and in 2007 onward. At that
2 time we had -- underneath my management was 13
3 what we refer to as probe teams, which were
4 intelligence teams looking at various organized
5 crime issues in the province. And two of the
6 teams in particular were focused at a higher
7 level. One in Middle Eastern organized crime
8 and one in Asian organized crime, i.e.,
9 triad-related activities. And at that time I
10 first was encountering more in terms of seeing
11 the current visibility in terms of money
12 laundering activities, particularly in the
13 Middle Eastern communities with money service
14 businesses.

15 Historically kind of going back before that,
16 you know, back in the early 90s when I was
17 working, you know, simple drug sections we were
18 working on OMG type files, biker-related files,
19 I had some exposure to proceeds of crime and
20 money laundering back then. And then when I was
21 in Vancouver drug section in the early 90s
22 working mothership operations within the
23 international community, many of our files had a
24 money laundering component of it or proceeds of
25 crime component of it. And then obviously back

1 following working groups that took place that
2 gave me an additional visibility on them outside
3 just the investigations and that was on the
4 outlaw gang working group that was held in the
5 province. I was a member of that. The national
6 working group of money laundering that I
7 participated in. That was back when I was in
8 IPOC and carried on in terms of my FSOC days.

9 I was a member of the national cartel
10 working group during my time in FSOC. Also part
11 of the national-transnational organized crime
12 working group. Also I was the national cartel
13 ops officer/coordinator for cartel operations in
14 Canada back in the mid 2000s for about a year
15 and a half as we coordinated numerous
16 cartel-related operations.

17 A member of the north Pacific marine
18 security working group that composed of China,
19 Russia, South Korea, the US, Canada. I think I
20 mentioned them all. And I was the -- for Canada
21 the rep for illicit trade for that group.

22 I may have missed one of two, but the other
23 one that gave me extremely unique visibility was
24 a group called the AGEO, the Attorney General
25 exempt operations working group held by the US

1 that focused on the illicit movement of funds
2 around the world looking at transnational crime
3 groups moving money.

4 Q So, Mr. Chrustie, to your recollection how
5 common would it have been for someone in your
6 position to have access that level of
7 information? Was it all of the officers that
8 you worked with in IPOC and FSOC or was that
9 sort of a unique situation?

10 A I'd say it was very unique. I had access to one
11 group I didn't mention was the tri-city
12 operational working group which was several
13 select officers from Montreal, Toronto and
14 Vancouver. And usually each city had a rep of
15 two and we would get into the sharing
16 exclusively the most sensitive information to
17 attempt to collaborate and strategize, you know,
18 nationally. I don't know too many people,
19 maybe -- probably could count them on one hand,
20 max two hands that had that access.

21 Coupled with -- what I also had access to
22 was the Marine Security Operation Centre fell
23 underneath myself when I was the superintendent
24 which also provided me access to extremely
25 sensitive information that I had, for lack of a

1 better term, unusual, rare access to the highest
2 level of intelligence in Canada.

3 Q Mr. Chrustie, the Commissioner has heard a fair
4 bit of evidence about information sharing and
5 information channels related to these sorts of
6 information. What can you comment on the value
7 from the policing perspective, of having access
8 to all of those information channels?

9 A It was priceless. In the absence of
10 participating particularly in the international
11 community, it was extremely important,
12 particularly dealing with the transnational
13 networks. And I differentiate those at this
14 time from the -- from organized crime and then
15 just light transnational organized crime being
16 somewhat different. And you can ask me further
17 questions, if you want, after.

18 It gave me the insight to see how these
19 Canadian networks or related Canadian networks
20 were operating in other jurisdictions. It gave
21 me opportunities to engage and strategize in
22 investigations, disruptions and enforcement
23 opportunities with our international partners.
24 It also allowed me to have a better
25 understanding in terms of what my priorities

1 should be, you know, based on not the
2 information that was coming through, you know,
3 the volumes of information sometimes coming
4 through the municipal, provincial and federal
5 policing where there was just volumes and
6 volumes and volumes of information. And quite
7 often this exposure to this other would clarify
8 the highest level threats much easier than I
9 think most people even in intelligence function
10 that don't have access to that information were
11 allowed to. So yeah, again, priceless.

12 Q Mr. Chrustie, drawing on that, how did you see
13 the two -- so money laundering and organized
14 crime, how did they interact? How did you see
15 that in your time at the RCMP?

16 A Well, I see money laundering and transnational
17 organized crime and I appreciate sometimes in
18 interests to differentiate the two -- just my
19 experience in operations I struggle with being
20 able to differentiate the two. It's like the
21 same coin, heads or tails. There's no
22 difference on the coin. You know, I see money
23 laundering purely as a legal term and just part
24 of the illicit activity, but transnational
25 organized crime being the broader threat that

1 captures that activity and the other activities.

2 Q And how -- Mr. Chrustie, if you can comment
3 generally and perhaps a little briefly, how did
4 you see these sort of networks and the threat of
5 money laundering evolve from the early 2000s,
6 your time in policing until you retired in 2017?

7 A I'd say starting in the when I first got
8 involved in it in the early 90s, there was
9 obviously a significant triad component to
10 transnational organized crime and then there was
11 significant players domestically that were
12 controlling the distribution, sales of drug
13 trafficking in the 2000s. And then we
14 encountered something that I'm not sure if the
15 commission has heard, but a project called
16 Project Scrapyard that's in the open source
17 arena that was the unprecedented gang violence
18 that hit Vancouver and then spread throughout
19 Canada.

20 And at that particular time I had again
21 unique insight, being in the intelligence role,
22 to have access to sensitive information that
23 perhaps others didn't have access to and I saw
24 the emergence and the continually evolving of
25 the threat to be more inclusive of transnational

1 groups and less inclusive in terms of power and
2 importance of the local players. And in --
3 particularly as it evolved in the late 2000s
4 continuing into the 2010, '11, '12, and
5 definitely confirmed in that time where it was
6 first saw through intelligence, human source
7 reporting, and then through operations and
8 investigations.

9 Essentially the convergence, what I would
10 describe as three main networks. The cartel
11 network. Mexican with some inclusion of
12 Colombian cartels. The Middle Eastern networks
13 and particularly networks associated to Iran,
14 inclusive of the money service businesses. And
15 then the inclusion of the triads from China and
16 the related networks, inclusive of the
17 Vietnamese crime groups and others in Vancouver.
18 And basically I saw the -- those crime groups
19 evolving and more importantly collaborating as a
20 collective.

21 Q Mr. Chrustie, that's a good time to ask you
22 about a document.

23 MR. DAVIS: Madam Registrar, if I could ask at this
24 time that you please pull up CAN1117 from the
25 list of documents, please. I'm omitted the

1 zeros.

2 Q Mr. Chrustie, just let me know when you see that
3 document on screen, please.

4 A I do, sir.

5 Q And I appreciate you didn't author this
6 document, but have you had a chance to review
7 this undated RCMP "E" Division memo titled
8 "Transnational Organized Crime in 'E' Division"?

9 A I did.

10 MR. DAVIS: Mr. Commissioner, I'd ask that be marked
11 as the next exhibit, please.

12 THE COMMISSIONER: Yes, very well. That will be 757.

13 THE REGISTRAR: Exhibit 757.

14 **EXHIBIT 757: Transnational Organized Crime -**
15 **FSOC Major Projects (redacted)**

16 MR. DAVIS: Thank you. Madam Registrar, if you could
17 please scroll to page 4 of the PDF. There's a
18 header about halfway down the page says "Mexican
19 TNOC presence in Metro Vancouver."

20 Q Mr. Chrustie, let me know when you see that on
21 screen, please.

22 A I do.

23 Q There's a paragraph here, Mr. Chrustie, and I'll
24 read it to you. It says:

25 "Metro Vancouver is a major hub utilized

1 by Mexican TNOC groups --"

2 I'll pause there. Is that transnational
3 organized crime to your knowledge?

4 A Correct.

5 Q "-- to import drugs into Canada. Mexican
6 TNOC groups have worked with various
7 criminal groups in Metro Vancouver to
8 import and distribute cocaine,
9 methamphetamine and heroin into Metro
10 Vancouver to distribute locally,
11 interprovincially and internationally."

12 What comments can you offer on that,
13 Mr. Chrustie, based on your experience? Is that
14 consistent with what you were seeing?

15 A Yes. I would add fentanyl as well in that. And
16 I think it's worthy to share, and I don't see
17 any sensitivity of it, but as I was reflecting
18 last night on my experience to expand and
19 provide clarity on these networks, I wrote a
20 list to myself of the cartels that were
21 operating here -- and again I don't think
22 there's any secret relative to it -- and that
23 was the following: the La Familia Cartel, the
24 Sinaloa Cartel, the Los Zetas Cartel, CJNG
25 Carte, Gulf Cartel and the Knights Templar and

1 Guadalajara. All those cartels to my
2 recollection were active and operating in
3 Vancouver.

4 MR. DAVIS: Thank you. And, Madam Registrar, if you
5 could please scroll to page 7 of the PDF.

6 Again halfway down the page there's a header
7 there says "Asian TNOC Money Laundering."

8 Q AND, Mr. Chrustie, I'll ask you again for you to
9 let me know when you see that.

10 A I see it.

11 Q The second paragraph there under that header
12 before the redactions reads, Mr. Chrustie:

13 "Asian TNOC groups in Metro Vancouver are
14 involved in laundering very large amounts
15 of cash for a variety of criminal
16 organizations and transferring the money
17 to various locations around the world,
18 including many drug source countries."

19 Again what can you comment on that? Is that
20 something that's consistent with your
21 experience?

22 A It is. And it's worth clarifying it just on a
23 timeline. What we were seeing was particularly
24 in the late 2000s, early 2000s was often -- and
25 we continued to see it up until roughly -- well,

1 we saw it thereafter but it seemed it was --
2 dominated the cartels and the relationship with
3 the Iranian networks in Vancouver. That is what
4 we saw when we saw the Sinaloa operating and
5 others in the Vancouver area.

6 In 2014 when I was in attendance at an
7 international meeting on the illicit finance
8 movement of money around the world, I was asked
9 to attend a private meeting with a senior
10 Colombian law enforcement official who was in
11 charge -- I believe the unit was the officer in
12 charge or the commander in charge of special
13 investigations for the Colombian police. And at
14 that time in partnership or with -- or in
15 conjunction with DEA, I was taken out of the
16 meeting and had a meeting that was going to
17 describe a very concerning threat to us, i.e.,
18 to Canada.

19 And in that meeting I met with the Colombian
20 authorities, the DEA and was advised that they
21 were seeing activity from the Colombian lens
22 relative to activity in Canada. Specifically it
23 was extreme volumes of money that were being
24 moved around the world related to a phone number
25 with a prefix of 604.

1 We then engaged in terms of an operation,
2 you know, within hours to try to identify the
3 networks. And what we learned shortly
4 thereafter was that these were Chinese/
5 triad-related networks operating in Vancouver
6 that were, to the concern of the Colombians,
7 extremely concerning regarding the amount of
8 money and where they were moving the money to.

9 Q And prior to that meeting was this intelligence
10 that had been on your radar before in your role
11 with the RCMP or was this news to you?

12 A This was news. It was unique and I think it --
13 from the discussions I've had with others that I
14 consider experts globally in money laundering,
15 particularly from our US partners that
16 specialize purely in this area, it was the
17 beginning of a new trend of activities that they
18 too began seeing increased visibility on that
19 was inclusive, not exclusive to eventually the
20 casino issues.

21 Q And so if I have this right, you were informed
22 by other international partners before you were
23 aware that there were -- they had located issues
24 in Vancouver that might be related to money
25 laundering? Is that a fair summary?

1 A No. For clarity, just the magnitude of the
2 level and the volume and the regularity of
3 movements of money from Vancouver associated to
4 the triads, that was new. Quite often the
5 previous discussions often surrounded Iranian
6 networks. MSBs affiliated to Middle Eastern
7 networks were always considered very top tier,
8 but at this particular time in 2014 there seemed
9 to be the emergence within this international
10 working group that the Chinese networks were
11 having a significant role in the movement of
12 money with the cartels.

13 MR. DAVIS: Thank you. Madam Registrar, I don't need
14 that document displayed for the time being.

15 Q Mr. Chrustie, you made reference in your
16 testimony to a convergence between some of the
17 actors that you've described. What can you tell
18 the Commissioner about that convergence? What
19 does that look like?

20 A I would say that often, you know, we look at
21 these crime groups in terms of limited or linear
22 type of interactivity amongst them, but what we
23 saw of interest was the certain crime groups had
24 unique relationships that appeared to be
25 significant based on the timing of the meetings,

1 the level of the meetings and the sensitivity of
2 the meetings.

3 So, for instance, when top Sinaloa Cartel
4 members arrived in Canada or arrived in
5 Vancouver, say, theoretically at 10 o'clock at
6 night, at 11 o'clock at night showing up at the
7 residence would be Iranian networks showing up.
8 Then the next morning at 8 o'clock in the
9 morning the next target would be an Iranian
10 network showing up. And then when we saw
11 cartel or -- yeah, so we saw that quite a bit.

12 And then we also saw periodically the
13 convergence with the Chinese networks, say, for
14 example, dropped calls and then when we looked
15 at dropped calls on digital number recorders we
16 would see that some of the dropped calls came
17 from somebody that was formally known to be
18 affiliated closely with a Hezbollah-related
19 network, i.e., Iranian proxy network. We would
20 see some triad networks receiving security from
21 Iranian networks.

22 So we saw the convergence. We weren't too
23 sure if this was by coincidence, so we worked
24 with our international partners and obviously
25 extremely sensitive in terms of some of the work

1 that we did with our international partners,
2 just to verify this, but we worked with them to
3 research if this was coincidental engagement or
4 if there was something more significant to it.
5 And our partners involved in the intelligence
6 work globally confirmed with us repeatedly that
7 there appeared to be a convergence of these
8 three networks dominating the Vancouver area
9 becoming a very significant threat.

10 Q So your conclusion was then that it's not a
11 coincidence?

12 A Correct. Absolutely.

13 Q And so what, Mr. Chrustie -- and we are going to
14 somewhere I'd hoped to touch later, but what did
15 this convergence mean from an investigative
16 standpoint? What's the impact of discovering
17 that all of these groups are working together,
18 transnational grounds? What does that -- what
19 did that mean for the RCMP?

20 A Not sure where to begin on that one. I mean,
21 overwhelmed. Challenging. I think the thing
22 that I haven't raised was the challenges
23 associated to this and something I haven't
24 raised was the coincidental emergence of
25 encryption companies based out of the Vancouver

1 area. I think in open source material,
2 inclusive of just reporting in the last week or
3 two, with a 17-ton seizure in Europe again
4 identified, I think minimum of three encryption
5 companies based in Vancouver. I know based on
6 former testimony prior to receiving my notice
7 not to listen that international experts talked
8 about the similarities of Vancouver to other
9 global centres.

10 That wasn't my experience working with the
11 international community. My insight and my
12 perspective was that Vancouver was somewhat
13 unique and I think reflective of the encryption
14 companies that were based here that appeared to
15 be strategically placed here to work with the
16 transnational groups. I'm not familiar with any
17 other city globally that at the turn of the
18 2010, '11, '12, in that time frame and onward
19 had the number of encryption companies aligned
20 to national security entities and transnational
21 organized crimes. Vancouver was unique in that
22 way.

23 Q And beyond the presence of encryption companies
24 either operating or incorporating here, was
25 there anything else about Vancouver that was

1 unique and different from those other kind of
2 major global cities?

3 A Yes. I think a lot of people don't realize that
4 the Port of Vancouver is the fourth largest port
5 in North America in terms of volume. The other
6 ports are Long Beach, LA, and New York. So it
7 made Vancouver a significant place in terms of
8 its capacity for a redistribution hub. I know
9 in some previous reporting and I think one of
10 the former exhibits entered talked about -- in
11 the Chapo Guzman case about how Canadians
12 liked -- I think they referred to the term "high
13 test" but higher quality cocaine. And there was
14 a presumption by -- I think the author of the
15 book within the exhibit that it was because of
16 Canadian consumers.

17 I'd suggest that it could also be
18 potentially because of the interest to bring
19 high quality cocaine here because they were
20 looking at redistributing it inclusive of
21 redistributing it through the Port of Vancouver
22 into the Asian Pacific market.

23 Q Right. So was that -- that wasn't just being
24 distributed in Vancouver. Was that more
25 broadly, or ...

1 A Yeah, the same networks were being reported in
2 the late 2000s, early 2000s, particularly to the
3 Asian Pacific region, you know, ranging from
4 Australia to the Philippines and likewise
5 throughout the Asian Pacific areas. We were
6 considered, I think at one time, the number one
7 distributor and organized crime threat to
8 Australia at that time. I think we went down to
9 number 2, maybe number 3. And China is --
10 currently the Chinese networks are number 1
11 there. But yeah, we saw a lot of activities
12 during that time with Australia and the Asian
13 Pacific Rim countries.

14 Q Mr. Chrustie, before I move on to go through
15 somewhat chronologically your experience in the
16 RCMP, is there anything else that you'd
17 highlight for the Commissioner that he might do
18 well to know about, you know, this transnational
19 threat of money laundering? Are there any other
20 points that you'd like to highlight?

21 A Just -- I guess I'd just highlight that we did
22 see at the ports as well -- and it's open source
23 material some of this, some of it is not but
24 general trends. I know it's well documented in
25 open source about the OMG groups involved

1 historically at the ports, but I would turn the
2 attention to the commission to ensure that the
3 most obvious threats, i.e., people wearing
4 patches on their back saying "I'm a criminal"
5 don't dominate the perspective. And that if we
6 look at say Project Ink, which is on open source
7 and so are the transcripts, you'll see on
8 Project Ink in I think around 2011, 2012, which
9 was high-level Italian organized crime, OMG and
10 others that they admit -- during the discussions
11 one of the Vancouver targets that they at least
12 acknowledge that the Middle Eastern networks
13 control the city.

14 And I'm not saying they do. I am sure again
15 it's more of a collaboration. But you'll see
16 transcripts from very high-level targets
17 indicating they do and, I would suggest from
18 what I saw also, the Chinese networks too. So I
19 would just see it kind of cascades from this
20 convergence of these three networks there that
21 also include in that particular area.

22 And I would just say just in the -- just
23 going back to the cartel threat, it wasn't as if
24 it was, you know, a cartel file every three
25 months or every six months. It was almost a

1 cartel issue coming through my office door like
2 on a weekly basis, every two weeks with another
3 cartel initiative or operation. And that's how
4 frequent it was at that particular time.

5 Q And when you say that -- maybe I'll just follow
6 up on that -- do you mean that it would be a new
7 incident related to, you know, perhaps a cartel
8 that you're familiar with? Are these all --
9 like, is it just that's the volume of kind of
10 suspicious transactions that were going on
11 almost weekly?

12 A No. We would get almost weekly a request
13 that -- could you assist us in a covert
14 operation to repatriate cartel funds back to
15 Colombia and/or Mexico. Or we would get hey,
16 we're having senior represent -- you know, we'd
17 hear from our international partners, we're
18 getting a senior rep from Colombia flying into
19 Vancouver airport tonight at 9 o'clock; can you
20 pick him up and see what he's up to. And we
21 would get that almost on a weekly basis.

22 And not wanting to be dramatic, but once the
23 TV show *Narcos* came out it was extremely
24 concerning seeing many of the subjects of the
25 *Narcos* shows were some of the same subjects,

1 family members and families that were arriving
2 in the Vancouver area during this period.

3 Q Did any of those international partners indicate
4 what made Vancouver or British Columbia
5 particularly attractive to these networks? I
6 mean, you've mentioned the ports, but was there
7 anything else?

8 A Well, I mean, I have my own assessment. I think
9 they would probably agree with me that, one,
10 definitely the ports, but it is, from a number
11 of complex issues, a safer place to operate due
12 to a complex web of factors which I'm more than
13 willing to discuss if you're interested in them.

14 Q And maybe we can turn to that in a little bit,
15 Mr. Chrustie. What I wanted to talk about right
16 now on this work with international partners,
17 you were involved -- during your time with FSOC
18 involved in operations known as money pickups;
19 is that right?

20 A That's correct.

21 MR. DAVIS: Madam Registrar, if you could please --
22 and I apologize this is a bit out of order --
23 pull up document 1296, CAN1296, from the list of
24 documents, please.

25 Q Mr. Chrustie, do you see that there on the

1 screen?

2 A I do.

3 Q And acknowledging again that you weren't the
4 author of this document, have you seen it
5 before?

6 A Just in the last week or two, yes.

7 Q And this document speaks to events that you
8 would have been involved in during your time
9 with FSOC; is that right?

10 A Yes. Yes.

11 MR. DAVIS: Mr. Commissioner, if I could ask that
12 this please be marked as the next exhibit. I
13 think that's 758.

14 THE COMMISSIONER: Yes, that's correct, it is.

15 MR. DAVIS: Thank you.

16 THE REGISTRAR: Exhibit 758.

17 **EXHIBIT 758: Overview of FSOC Bulk Cash/Money**
18 **Pick up Contracts - FSOC - January 18, 2018**

19 MR. DAVIS: Madam Registrar, if you could please
20 scroll to the second page of the PDF. Thank
21 you.

22 Q Mr. Chrustie, I'll read here. It says:

23 "In 'E' Division, FSOC special projects
24 group 6 is the primary point of contact
25 for money pickups involving the Drug

1 Enforcement Administration and Homeland
2 Security investigations."

3 Mr. Chrustie, what is a money pickup?

4 A It's a collaborative operation, a covert
5 collaborative operation with international
6 partners that includes focusing on the bulk cash
7 movement of money around the world and engaging
8 in covert operations to track these movements of
9 money and to identify enforcement and/or
10 disruption opportunities associated to these
11 activities.

12 Q And so why would the RCMP participate in these
13 sorts of operations as opposed to, for lack of a
14 better term. Kind of domestic investigations?

15 A Well, I see these -- I don't think -- if we're
16 going after the highest level, the highest level
17 is transnational organized crime. And these
18 represented an opportunity to identify the
19 highest level within Canada and also to identify
20 the highest level of threat outside Canada
21 posing a threat to Canada because the criminals
22 don't respect any boundaries. So in an attempt
23 to mitigate the threat to Canada, they were
24 probably, in my humble opinion, taking into
25 consideration the legal framework that we were

1 operating in, the most effective means to, one,
2 understand the threats; two, to identify the
3 threats; and three, to mitigate the threats of
4 transnational organized crime to Canada that we
5 had in terms of options.

6 Q You mentioned -- I have some other questions,
7 but you mentioned in your answer there the legal
8 framework. Perhaps you can briefly describe
9 what you mean by that. How does the legal
10 framework in Canada impact the ability or the
11 willingness of the RCMP to undertake money
12 laundering investigations as opposed to these
13 sorts of money pickups?

14 A Well, if I may just make reference to an earlier
15 comment that I made relative to money laundering
16 and transnational organized crime in terms of
17 being the same coin heads or tails. If I could
18 just kind of frame it using that coin rather
19 than one side of the coin or the other, it's
20 just easier to articulate for myself from an
21 operational perspective versus a legal
22 perspective.

23 But with the current legal framework that we
24 were working in -- and I'm always reluctant,
25 semi-hesitant to discuss this because I do not

1 want to make -- be perceived or indicating
2 any -- what is the word I'm looking for? Let me
3 just gather my thoughts. Excuses, for lack of a
4 better term, in terms of, you know, the
5 challenges that we had. But it's -- rather --
6 I'd just rather identify it as a reality of the
7 system that we had.

8 And most of the international operations
9 that were being run around the world at the
10 highest levels required the sharing of
11 information and collaborating with our partners.
12 And many of our partners used human sources and
13 those, we know from a legal perspective. Agents
14 that were directed and would generate
15 significant opportunities in that.

16 So we were bound to disclose that
17 information through *Stinchcombe* and others
18 whether we had those sources and/or agents here,
19 which made it somewhat challenging and
20 problematic to protect their identity and the
21 security of them during our operations. And
22 that same went with our partners. When we were
23 working with our partners. That was one of the
24 challenges we always had because the other
25 systems that we were working with, other legal

1 systems, were able to protect them in a timely
2 manner and in an operational setting.

3 The other challenge that we also had outside
4 the *Stinchcombe* one was the *Canada Evidence Act*
5 is that different systems that we were working
6 with, whether it be the American, British,
7 Australian, you know, partners and that would
8 have sensitive information. And the *Canada*
9 *Evidence Act* and in particular I think it's
10 section 37, 38 would only allow the court, i.e.,
11 judge to make the final decision whether to
12 protect the information.

13 So, for example -- and the -- to protect it
14 under the auspices of it impacting international
15 relations. But at the outset of a joint
16 collaborative operation, our international
17 partners were asking us to provide them some
18 degree of assurance but if -- from a legal
19 perspective the *Canada Evidence Act* would say,
20 Calvin, I didn't have any authority to do that,
21 nor would even a prosecutor have an authority to
22 do that, it would be something determined by the
23 judge, one year, two years later. Well, our
24 international partners quickly realized that it
25 was problematic for them if they couldn't get

1 that because they had obligations to the
2 sources, to their partners and everybody else.
3 So that became an extra problem for us.

4 So those are just two. They were able to
5 overcome some of them sometimes and the money
6 pickup operations allowed us to work globally
7 within other legal frameworks that allowed us to
8 mitigate the threat sometimes more effectively
9 than our own system would.

10 Q And, Mr. Chrustie, what sorts of resources -- I
11 mean, the Commissioner has heard evidence that
12 money laundering investigations are time,
13 resource, everything intensive. Expertise
14 intensive. What sorts of resources were
15 required for a money pickup? Was it more or
16 less?

17 A They -- I would say it was much less resources
18 because it was, for lack of a better term, a
19 collaborative effort with multiple agencies
20 participating in these. So, say, if we were
21 involved in an operation of this sort,
22 theoretically we could have -- you know, the
23 participants of the collaborative operation
24 would be the Colombian police, the DA, say,
25 theoretically in Miami, maybe the DA in Chicago,

1 an HSI in LA, us in Vancouver and maybe our
2 partners in Toronto. And so it was a shared
3 responsibility in terms of resources. So it was
4 much easier to take on multiple files when there
5 were more of a team play and people were
6 contributing to these collaborative
7 international operations.

8 Q Is it fair to say, Mr. Chrustie, that these
9 money pickups would have been unlikely or were
10 unlikely to lead to Canadian charges or
11 convictions?

12 A I would say maybe the best way, if I answered
13 that, would be describing how we would decide
14 where those charges --

15 Q Well, Mr. Chrustie, maybe I can reframe my
16 question so it will -- it might point you in the
17 right direction. What's your view, absent a
18 charge or a conviction in Canada, of the value
19 of these money pickups to tackling transnational
20 organized crime networks?

21 A Well, when I -- I always used the following lens
22 in terms of the operational -- here's the
23 operational lens I looked at in terms of making
24 decisions in terms of enforcement and
25 disruption, and that was, you know, the public

1 safety implications of the decision, the social
2 harm implications of the decision in terms of
3 how I can mitigate social harm, the national
4 security and then the fourth one being the
5 financial integrity.

6 And I didn't -- when I looked at it from a
7 Canadian interest perspective I saw that from a
8 Canadian interest perspective and representing
9 the Canadian interest in terms of my
10 decision-making that it was quite often not
11 relevant where the person was charged and/or
12 convicted. If I allowed the person and focused
13 on charging them in Canada, quite often that
14 would mean that I would almost have to allow the
15 continuation of the offence, i.e., the
16 importation of drugs.

17 And obviously at that time, not all the
18 time, but sometimes it was fentanyl, sometimes
19 it was coke, often, and meth. And I didn't know
20 what it was, but from a social harm perspective
21 my strategic approach was to try to keep the
22 networks as far as possible away from us and to
23 keep the products away from the vulnerable
24 people in society. So quite often when the
25 opportunity presented itself to take enforcement

1 and disruption activity away from Canada or away
2 from Vancouver, I would choose that as a
3 preferred option in support of protecting the
4 vulnerable within our society.

5 MR. DAVIS: Madam Registrar, I don't need that
6 document displayed any longer. Thank you.

7 Q Mr. Chrustie, I would like to ask you now, we're
8 going to start somewhat chronologically in your
9 time in the RCMP, starting around 2005. And,
10 Mr. Chrustie, in and around 2005 you had just
11 left the RCMP Burnaby detachment; is that right?

12 A Yes.

13 Q And at that time you were aware that the
14 Integrated Illegal Gaming Enforcement Team --
15 that's IIGET -- was operational; is that right?

16 A That's correct.

17 Q And what can you tell the Commissioner about any
18 interactions you had with the IIGET unit,
19 whether it be the officers or organizationally?

20 A Well, at that time I was approached by the OIC
21 of major crime in the province, Superintendent
22 Larry Killaly, and asked if I was interested in
23 taking a role as the MC OIC in charge of that
24 unit, and it was under development and it was
25 going to commence operations, you know, in the

1 near future. I was asked to do that, I think,
2 while I was still at Burnaby in charge of the
3 plain-clothes department there. And at that
4 time the conversations were basically a
5 recruiting effort to see if I was interested in
6 taking that position.

7 Q And you didn't take the position, did you?

8 A I decided not to take the position.

9 Q And I suppose I won't ask why, Mr. Chrustie.

10 I'll move on to ask you, do you have a view as
11 to whether IIGET was effective in fulfilling its
12 mandate? Did you have any insight into that?

13 A I mean, I had periodic conversations with some
14 of my peers, Staff Sergeant Tom Robertson, who I
15 recommended for the job, and then later Staff
16 Sergeant Pinnock, both who I had familiarity
17 with and had worked with previously. And I --
18 my understanding at that time was there was some
19 challenges that they had encountered at the time
20 and they had had some successes as well at the
21 time.

22 Q And that would have been the extent of your
23 knowledge about IIGET; is that fair?

24 A Yeah, I wasn't that involved in it other than
25 casual conversations with associates of mine.

1 Q Mr. Chrustie, moving on from that. From 2010
2 until its disbandment in 2012, you served as the
3 operations officer of "E" Division IPOC; is that
4 right?

5 A Correct.

6 Q And what's the role of an operations officer?

7 A Overseeing and monitoring operations,
8 facilitating the support, the resources, the
9 coordination of international partners and
10 domestic partners. Basically giving the tools
11 and the support to the investigative teams as
12 required and ensuring -- you know, looking at
13 the risk issues, monitoring the investigations
14 and supporting the investigations where
15 possible.

16 Q And what was your organizational relationship
17 with the money laundering team, which I
18 appreciate was called C22, in IPOC?

19 A It was one of the units that reported up to me.

20 Q And more generally, Mr. Chrustie, before we get
21 into specifics of your time in IPOC, what was
22 your -- or what is your view on the IPOC model,
23 whether it was effective, this idea of
24 integrated policing? Was it more effective than
25 the model that followed in FSOC, or what's your

1 view on that?

2 A Well, I know there has been and I anticipate
3 there will be different perspectives on this. I
4 think -- from my early days where I was exposed
5 to it in the 90s, I think there was significant
6 success and the expertise was significant.

7 Knowing that that was coincidentally also
8 the beginning of the evolution of *Stinchcombe* --
9 and the full extent of *Stinchcombe* I don't think
10 impacted operations in transnational organized
11 crime to the full extent as it continues to
12 be -- evolve and making investigations,
13 enforcement and disclosure even more complex
14 until, you know, current times.

15 But when I got there, while it was called an
16 Integrated Proceeds of Crime Unit, I don't
17 remember there being a lot of integration. I
18 saw obvious gaps where -- you know, one of the
19 discussions was PPSC wasn't embedded in the unit
20 where there was funding for that. So that was
21 problematic when there wasn't that daily
22 interaction that was probably required from the
23 legal perspective. So that was problematic in
24 my eyes.

25 I would also say that the evolution of

1 *Stinchcombe* when I spoke and engaged with my
2 peers and other managers in federal enforcement
3 in terms of doing collaborative operations with
4 them so that we could be inclusive of predicate
5 offences, i.e., dealing with Vancouver drug
6 section at that particular time, they justly
7 identified a major concern in terms of resource
8 and capabilities was that if they got the
9 predicate offence and were able to get the
10 evidence on it, the cost-benefit analysis in
11 terms of getting a secondary proceeds crime and
12 possibly seizing, you know, some assets didn't,
13 you know, from a cost benefit analysis make
14 sense because of the extensive work on the back
15 end of the file in terms of the forensic
16 analysis of the financial material, the massive
17 amounts of documentation that would be required
18 to proceed. And then the time delay, you know,
19 obviously as it evolved with *Jordan* and other
20 cases in terms of then trying to prosecute it
21 all.

22 And I think it's really important, you know,
23 that post-Project Scrapyard, the flurry of
24 transnational organized crime files that were
25 emerging through international partners taking

1 place in Vancouver is the capacity to take on
2 long drawn out ones versus trying to get in and
3 out of files as quick as possible knowing that
4 our true intent, as least mine, was to, again,
5 public safety, social harm, financial integrity
6 and national security. If those were my -- if
7 that was my mission, taking on long files such
8 as these that were complex came into conflict
9 sometimes with the actual mission. And I know
10 it's always something that was difficult to kind
11 of make those decisions, but those were the
12 decisions I made at the time focused on those
13 four pillars.

14 Q And thinking about IPOC around this time in
15 2010, what can you tell the Commissioner about
16 the operational approach to identifying files?
17 Was it reactive or was it a proactive approach?

18 A At the time I got in there there was a
19 significant -- I would say there was -- it was
20 more, I sensed -- and this is -- I could be
21 wrong, so I defer to contrary testimony down the
22 road possibly if I've missed something. I
23 sensed it was more a reactive role with proceeds
24 of crime being a focus versus money laundering,
25 and there was a lot of support being provided by

1 a very small unit called IPOC to the substantive
2 enforcement units, whether they be border
3 integrity, whether they be CFSEU, whether they
4 be the drug section to, you know, second two
5 people, you know, with proceeds experience to
6 assist in support, you know, identifying assets,
7 doing civil forfeiture work, et cetera,
8 et cetera.

9 But at 2010, for lack of a better term, the
10 direction that I was provided was from Chief
11 Superintendent Mark Fleming, who was the federal
12 criminal operations officer -- it was his
13 expectation that I was going to come in and
14 attempt to facilitate and support our teams to
15 be more proactive, more global, and targeting
16 higher level networks than what he had seen was
17 taking place within the "E" Division policing
18 model.

19 To that effect I had met with Brad Desmarais
20 at that time who was with Vancouver City Police.
21 I believe he was with their gang unit at that
22 time and he had a unique relationship with DEA
23 at that time. And I met with US consulate
24 officials here upon my outset and we had a
25 significant discussion, a memorable discussion,

1 relative to the challenges working with the RCMP
2 overall historically by international partners.
3 Some of the concerns they had with the legal
4 framework working with us that posed a threat to
5 them, their assets and their operations. And
6 they were looking at revisiting the relationship
7 they had with federal policing and seeing if we
8 could enhance it by more collaborative
9 operations and one that included perhaps --
10 probably the best way to describe it, a more
11 global perspective of enforcement and disruption
12 versus what they would have probably described
13 as a more linear Canadian perspective on it.

14 Q And on investigations, getting a little more
15 specific, Mr. Chrustie, were you involved in an
16 investigation beginning in late 2010 by IPOC
17 into certain patrons frequenting Lower Mainland
18 casinos?

19 A I was.

20 Q And what can you tell the Commissioner about
21 your involvement in that file?

22 A We had been exposed to, and I can't remember how
23 many times but several times, I would say,
24 meetings between myself with my supervisor,
25 Inspector Barry Baxter, with GPEB officials -- I

1 can't remember if it was once or twice, maybe
2 three times -- where they had identified through
3 suspicious transactions through FINTRAC of large
4 sums of cash going through the casinos. They
5 expressed their concern relative to this.

6 At that particular point I do recall they
7 shared some names. I just don't recall a lot of
8 specifics at this time. And we agreed at one
9 point in time that we would try, based on the
10 information that we had available, to basically
11 look at it, you know, as an intelligence probe,
12 enforcement accessibility, and look for an
13 opportunity for enforcement or disruption by
14 targeting some of the individuals they
15 identified at some of the casinos.

16 MR. DAVIS: Madam Registrar, if I could ask that you
17 please pull up CAN001275 from the list of
18 documents, please.

19 Q Mr. Chrustie, appreciating you again did not
20 author this document, do you recognize it as one
21 provided to you? This would be a December 2011
22 casino summary and proposal?

23 A I do.

24 MR. DAVIS: Mr. Commissioner, if I could I'd ask that
25 this be marked as exhibit 760, please.

1 THE REGISTRAR: I think it's 759.

2 MR. DAVIS: It is. Sorry. I'm just seeing that now.

3 Thank you, Madam Registrar.

4 THE COMMISSIONER: Very well, exhibit 759.

5 **EXHIBIT 759: Casino Summary & Proposal - IPOC -**

6 **December 2011**

7 MR. DAVIS: Thank you.

8 Q Mr. Chrustie, it says -- I'm going to take you
9 halfway down -- Madam Registrar, perhaps you
10 could zoom in on that first lengthy
11 paragraph there if you are able.

12 Mr. Chrustie, it says -- about halfway
13 through the paragraph the line starting with "in
14 taking an interest in these files." Do you see
15 that?

16 A Could you please repeat that.

17 Q So it's about halfway down the paragraph.

18 Perhaps I'll just read the whole half of the
19 paragraph and you can comment on it,

20 Mr. Chrustie. So it says under "Introduction":

21 "The 'E' Division IPOC money laundering
22 team (MLT) and intel section have compiled
23 intelligence on activities occurring in
24 the Lower Mainland casinos that have
25 resulted in a significant number of

1 suspicious transaction reports being
2 submitted to FINTRAC and the RCMP."

3 And I'll pause there. That's what you were just
4 describing where you had received intelligence
5 and subsequent meetings took place?

6 A That's correct.

7 Q Thank you. And, Mr. Chrustie, the document goes
8 on to say:

9 "As outlined below, the River Rock Casino
10 Resort and the Starlight Casino
11 statistically produce the bulk of the
12 reports that are made."

13 And this was the quote that I'll ask you about.

14 "In taking an interest in these files, and
15 having noted that they have not been
16 previously investigated (due to
17 resourcing), the [money laundering team]
18 expressed an interest in identifying the
19 frequent players - those with the largest
20 number of large or suspicious cash
21 transaction reports at the casinos."

22 And pausing there, Mr. Chrustie, what can you
23 tell the Commissioner about that point there
24 that these types of files weren't previously
25 investigated due to resourcing?

1 A Well, I would say that -- I can't recall and I
2 can't comment obviously before the time I showed
3 up there, which was, if I remember correctly,
4 roughly date of this. I'd only been there for
5 perhaps a year or so. You know, in
6 previous years I can't comment on that. I do
7 know at the time that I arrived there was a
8 multitude of other operations that were ongoing,
9 i.e., those that I generically referred to in
10 terms of supporting other units where we were
11 seconding people to other substantive
12 enforcement units that were working high-level
13 targets, which then didn't leave us a lot of
14 resources, i.e., to take on a file like this.
15 Obviously you need massive surveillance
16 capabilities to undertake something like this at
17 that time.

18 So I would say resourcing definitely came in
19 as a challenge, if that answers your question.
20 I'm not sure if I answered it properly.

21 Q You did, thank you, Mr. Chrustie. And
22 appreciating that my question was couched in the
23 erroneous assumption that you were there before
24 2010. So thank you for clarifying that on the
25 record.

1 What happens, Mr. Chrustie, with this
2 proposal? Are you aware?

3 A I am aware generically, and I apologize for my
4 memory. Lots of files since that time. I do
5 recall that it was supported amidst numerous
6 other operational obligations that we had and
7 obligations with partners and other units within
8 federal policing. That we attempted, based on
9 the intelligence that we had, to identify an
10 enforcement or disruption opportunity.

11 But I do recall, and I can't remember the
12 time period that was given, if it was -- I don't
13 know. Yeah, I wouldn't want to guess. But we
14 did give it an attempt, but I do recall that in
15 the time frame that we gave it, we weren't able
16 to identify an enforcement and disruption
17 opportunity.

18 Q And that is where I was going to go next,
19 Mr. Chrustie. Is it fair to say that this
20 proposal was eventually formalized in the form
21 of an investigational planning and report?

22 A Yes. That's my recollection.

23 MR. DAVIS: And, Madam Registrar, if you could with
24 that please pull up CAN001274 from the list of
25 documents, please.

1 Q Mr. Chrustie, are you able to see that document
2 there?

3 A I am.

4 Q And would this have been the formalized version
5 of that previous exhibit, the December 2011
6 proposal? You can take a moment to review it if
7 you'd like?

8 A I can tell just from the caption that -- and the
9 timing of it, yes.

10 MR. DAVIS: Mr. Commissioner, if I could ask that
11 this be -- I believe this is exhibit 760. If
12 this could be marked, please.

13 THE COMMISSIONER: Yes, very well. 760.

14 THE REGISTRAR: Exhibit 760.

15 **EXHIBIT 760: Casino - Investigational Planning**
16 **& Report - IPOC - January 30, 2012**

17 MR. DAVIS: Thank you.

18 Q Mr. Chrustie, the document says, it's about
19 halfway down the page, "monitoring officer,
20 Inspector Cal Chrustie." Do you see that there?

21 A I do.

22 Q What does that mean in relation to this
23 proposal?

24 A That my responsibility for this operation is to
25 function as -- the monitoring officer, which I

1 alluded to before, has the responsibility of
2 oversight, ensuring compliance with reporting
3 law, all the other operational things, assessing
4 risk and most importantly ensuring that the team
5 members have the support, managerial support,
6 tools, resources to carry out the task and also
7 to monitor it in terms of comparison to other
8 priorities and other operational needs.

9 Q And, Mr. Chrustie, I'm looking now -- again at
10 the first page here there's -- right above where
11 your name appears as monitoring officer there's
12 a paragraph there. And it says "synopsis of the
13 investigation." And I'll read this quote to
14 you. It says:

15 "Tens of millions of dollars in large cash
16 transactions (many transactions well over
17 \$100,000, much of it in \$20 bills) are
18 funneled through several of the larger
19 casinos in BC on an annual basis.

20 Intelligence has revealed that the origin
21 of much of these funds are derived from
22 criminal activity and are the proceeds of
23 crime."

24 Is that, Mr. Chrustie, an accurate statement of
25 what the RCMP IPOC unit was seeing during your

1 time in its intelligence and surveillance?

2 A To be honest I can't remember what was being
3 seen or what was being assessed. I do recall
4 upon my arrival there and I -- my -- you would
5 have the reports to clarify if my dates are
6 correct, but my recollection was there had been
7 ongoing discussions prior to my arrival relative
8 to the concerns with the casino issues. In
9 particular I think there had been some analysis
10 done by my supervisor at the time, Inspector
11 Barry Baxter, relative to his engagement with
12 GPEB where there was, I believe, a public
13 statement relative to this being the proceeds of
14 crime or believed to be the proceeds of crime.
15 And I defer to Mr. Baxter to elaborate on that
16 down the road.

17 But because this was the first time looking
18 at the casinos myself, I don't recall what all
19 the information was at the time relative to its
20 association with criminal activities. I do
21 remember the issue of 20s and the packaging
22 being something that those that had more
23 experience in actual, quote/unquote, expertise
24 in money laundering from a forensic analysis
25 perspective were advocating were indicative of

1 criminal activity. Particularly the 20s.

2 MR. DAVIS: Madam Registrar, if we scroll down to
3 page -- the bottom of page 3 of the PDF please.
4 There's a section. There it should say "J,
5 Proposed Investigation Summary." It's at the
6 very bottom of the page. There we are.

7 Q Mr. Chrustie, do you see that there before you?

8 A I do.

9 Q It says here, Mr. Chrustie:

10 "Although intelligence gleaned to date
11 indicates that these bags of cash involved
12 in these large buy-ins have their ultimate
13 origins in street-level criminal activity,
14 drawing a concrete link to those
15 activities has thus far been an elusive
16 goal. In order for IPOC to pursue a
17 successful prosecution for possession of
18 proceeds or money laundering, it is
19 essential to show a definite link to
20 criminal activity. IPOC will task "E" Div
21 CIS to provide this missing link to
22 criminal activity."

23 What did can you tell the Commissioner about
24 that intelligence gap here, Mr. Chrustie,
25 drawing a link between the cash and the

1 street-level activity?

2 A Well, I think at that time my recollection is
3 that GPEB came in with the sheets in terms of
4 the transactions, the calculations on the
5 transactions, and naming some of the people.
6 But from an evidentiary perspective we were
7 still missing the evidentiary perspective, you
8 know, from -- as I'd alluded to, from the
9 streets, from surveillance and other
10 observations that would support that the actual
11 20s were affiliated with drug networks or
12 others; right?

13 And I guess on a continuum what we had was
14 here's the information from GPEB and FINTRAC,
15 now we were looking at okay, well, who are all
16 these people and what are all their activities.
17 And I do recall that there was an initiative to
18 secure the support of "E" Division CIS at that
19 time.

20 Q And CIS stands for?

21 A Criminal Intelligence Service. They had an
22 Asian probe team that was familiar obviously
23 more with the triad-related activities in the
24 city.

25 Q And was that ever a gap that IPOC or CIS was

1 able to address in relation to this
2 investigation, that missing link?

3 A I can't recall what specific information was
4 provided thereafter that tasking. I do recall
5 they were familiar with some of the targets but
6 I don't remember exactly what was provided.

7 MR. DAVIS: And, Madam Registrar, you can take that
8 document down for now. Thank you very much.

9 Q Mr. Chrustie, what's your view on whether or not
10 IPOC had the capacity, the resources or the
11 expertise to be taking on this sort of
12 investigation in 2010? Was it equipped to do
13 so?

14 A If it was going to take it off -- take it on,
15 something like this, it would more than likely
16 require all hands on deck based on the limited
17 capacity that we had, i.e., from a surveillance
18 perspective. I also think from a surveillance
19 perspective we would have required additional
20 support, i.e., surveillance support from other
21 sections.

22 I don't think in particular IPOC was
23 equipped to have perhaps the skill set required
24 for high-end targets on surveillance. That
25 wasn't their skill set. Their skill set at that

1 particular time was probably more the technical
2 side in terms of proceeds of crime
3 investigations in terms of knowing the legal
4 processes, the familiarity with the management
5 of the files and the investigations in this. So
6 this was -- I'm not sure. If we tried to take
7 on something like this, it meant shutting down
8 the other operations at that time.

9 Q Well, Mr. Chrustie, maybe you can elaborate on
10 that. You mention that the other IPOC officers
11 had the technical skills down. What is it about
12 or what was it about this investigation that
13 required a different skill set that you're
14 implying? One that's kind of outside of the
15 books, so to speak?

16 A Well, surveillance would probably be the most
17 obvious one. You know, possibly then, you know,
18 having -- you know, depending on who the target
19 would be, then having, you know, significant
20 undercover capacity would be another
21 investigative technique. I think we had -- I
22 mean, we did have some at that time. But once
23 we get involved in the financial investigations,
24 then you need the whole infrastructure behind
25 that and that includes having the infrastructure

1 for financial crime operations and that means
2 having the financial infrastructure for covert
3 operations, including having shell companies and
4 having all of the other aspects behind it to
5 conduct a global money laundering operation and
6 I don't think we were prepared at that time to
7 undertake something like that without
8 significant support from others.

9 Q And what happened to the investigation when IPOC
10 was disbanded in late 2012?

11 A I can't recall. I do recall even at that time
12 we were inundated with other operations with our
13 partners. I remember being involved in a very
14 high-level Middle Eastern money laundering
15 investigation targeting a money service business
16 in Vancouver that was probably, at least at that
17 time, assessed as a higher priority based on the
18 volume of money that we were seeing that was
19 alluded in the billion range, if I remember
20 correctly. And the fact that it was tied to the
21 Middle East was an extreme concern.

22 We were then dealing with your international
23 partners in several other operations and we had
24 just begun some operations engaged with cartel
25 operating in Vancouver that looked like it was

1 extremely concerning relative to the volume of
2 money and the volume of drugs that was flooding
3 the streets at that time.

4 Q And so moving along chronologically,
5 Mr. Chrustie, we -- you remained a member of the
6 RCMP during the federal re-engineering in 2013
7 and you became the operations officer for group
8 6 within FSOC major projects. Do I have that
9 right?

10 A That's correct.

11 Q What happened to the officers working on, like
12 yourself, proceeds of crime and money laundering
13 cases in IPOC when it moved to FSOC?

14 A I would say there was probably -- well, maybe
15 I'll just take it back. When we were doing the
16 transition, I remember in terms of the
17 discussions we were trying to, through the
18 change of management process for lack of a
19 better term, perfect the transition in terms of
20 the structure and ensuring no slippage taking
21 place. But we quickly realized when we were
22 doing the reorganization and the transition that
23 there was obviously going to be some slippage
24 and that not all things were going to be done
25 perfectly.

1 So we advanced the change management aspect
2 of it. And at first I would say a good portion
3 of that responsibility rested with myself in
4 group 6 to continue on with some, some of the
5 operations involving money laundering
6 opportunities and as we went through the
7 evolution of changed management that it
8 transitioned and included to a greater degree
9 with the financial integrity unit. There was
10 just a general interest for those that had the
11 skill set to be, for lack of a better term, in a
12 setting that perhaps wasn't as -- I'm trying to
13 think of the wording here.

14 Q Well --

15 A Traditional. Maybe traditional proceeds of
16 crime type of work where the money laundering
17 operations we were involved in were very
18 demanding, very dynamic, very fluid and very
19 unpredictable. And had, I would say, a
20 significant impact on people's lives because of
21 the extensive travel that was required and the
22 extensive hours that were required to work
23 these. The bad guys didn't stop their money
24 pickups at 3:00 in the afternoon, and we had to
25 work -- yeah, there was a lot of pressure, I

1 think, so ...

2 Q Did that make it hard to keep people, the fact
3 that there was those sorts of challenges in
4 lifestyle differences?

5 A I would say to -- on one hand maybe yes for the
6 proceeds of crime. But then for those that were
7 interested in the transnational organized crime
8 money laundering global operations, it was
9 easier to track people because we were providing
10 other opportunities and some significant
11 exposure to global operations and that. So
12 there was definitely -- there was definitely
13 some challenges but there was also equal
14 opportunities. And if I was to weigh out the
15 pros and cons -- and I think you asked me and I
16 didn't answer earlier, is, you know, the whole
17 restructuring, I think it was complete necessity
18 in light of what I saw when I walked into
19 Proceeds of Crime.

20 I think historically it was an extremely
21 robust, effective unit, but I think with the
22 complexities and influence of *Stinchcombe*, and
23 that was even before *Jordan*, with PPSC not being
24 engaged, I think this allowed for a more
25 flexible, dynamic opportunity to impact the

1 target groups.

2 Q And, Mr. Chrustie, I'd like to turn next to ask
3 you some -- about the events that led to the
4 start of the investigation known as E-Pirate.
5 In 2015, Mr. Chrustie, you were promoted to the
6 rank of superintendent and you became the
7 officer in charge of major projects at FSOC,
8 overseeing three groups. That would be 4, 5 and
9 6. Is that right?

10 A That's correct.

11 Q And what briefly was the role of groups 4, 5 and
12 6?

13 A Well, when I took over that role, we did some
14 slight modifications, not a lot but basically
15 group 4 I tried to align and focus activities
16 on what I referred to as the choke points coming
17 into BC or Canada, i.e., the ports and the
18 border. So those units were -- like the airport
19 federal units, you know, the border units. The
20 Vancouver, you know, joint forces unit, their
21 ship rider, which was a marine unit, focused
22 federally. And there were several other units,
23 so -- but that's essentially group 4.

24 Group 5 and group 6 were general major
25 project teams when I inherited that particular

1 role, but I had discussions with the ops
2 officers at the time that I would like to align
3 it more strategically to the threat streams to
4 allow us to be more proactive preventing the
5 impact of transnational organized crime and when
6 I looked at the intelligence and the operations
7 and all the evidence that we had gathered over,
8 you know, the last decade or maybe slightly less
9 than that, there was a couple of concerning
10 threat streams that I saw. And important to
11 note this was at the time of the emergence of
12 the fentanyl crisis.

13 So I asked group 5, which they already had
14 developed a strong capacity with our US
15 partners, to focus on what I referred to as the
16 north-south threat stream, which was the
17 cartels, and work with our US partners to try to
18 mitigate, block, protects us from those threats.
19 And inclusive of that, based on what we had seen
20 from 2010 onward when we got involved in these
21 covert operations with our partners, the
22 inclusiveness of the Middle Eastern network. So
23 that was kind of packaged to focus on those
24 threats.

25 And then the group 5 I asked to define their

1 focus, because inclusive of them was the
2 clandestine labs unit within group 5 as a major
3 project team -- that was just a small part of
4 it -- to focus on the eastern threats, i.e., the
5 threats from the triads inclusive of the
6 fentanyl threats at that time.

7 So that's how we had structured it. It was
8 based on threat streams, not just based on
9 target groups.

10 Q Thank you. And, Mr. Chrustie, maybe you can
11 describe to the Commissioner, what was your
12 involvement in the start of the E-Pirate file?
13 How did the facts underlying that investigation
14 come to your attention?

15 A I had regularly meetings on my Saturday or
16 Sunday mornings with my Vancouver City Police
17 friends and associates on a regular basis at a
18 coffee shop in north Burnaby. And on this one
19 occasion one of those officers, Mr. -- or former
20 officer at that time, Brad Desmarais and I were
21 going for a coffee. And during the time we had
22 coffee that Saturday or Sunday, he broached me
23 with a concern relative to money laundering at
24 casinos and asked -- expressed essentially
25 frustration that he had been trying to secure

1 cooperation, collaboration with other policing
2 entities and asked if I would assist and support
3 him on this. And he described the concern as
4 somebody that he suspected was involved in the
5 illicit movement of money in and around the
6 casinos and asked if I would be able to assist
7 them.

8 Q And just stepping back for a minute. Between
9 the previous file that we had discussed, that
10 late 2010 investigation and this meeting with
11 Mr. Desmarais, had you been involved or are you
12 aware if the RCMP had been doing any
13 investigations into the casinos or was it just
14 that one file in 2010 prior to this?

15 A I wouldn't have that visibility on all those
16 other units at that time. I would only have a
17 visibility -- I don't recall. I know we had
18 regular criminal operations meetings with senior
19 management, but I don't recall -- I don't recall
20 anything specifically that came up that I have
21 any recollection of.

22 Q And so what was your reaction to the information
23 that Mr. Desmarais gave to you?

24 A My first one was where is the province in terms
25 of the policing institutions because it was, you

1 know, a provincial institution. And that was my
2 first question. And my second one was of
3 concern relative to my own capacity because we
4 were inundated with very concerning threats in
5 terms of other files, inclusive of money
6 laundering files, that had some indicators of
7 concern to national security entities and that
8 the volumes were massive, unprecedented at that
9 time.

10 So I was very concerned I was able to
11 provide Mr. Desmarais the support that he likely
12 required, but I made the offer that -- with his
13 understanding that I would be able to give a
14 minimal amount. I may not be able to give him
15 enough resources to allow for a prosecution or
16 major investigation into it, but I would allot
17 resources that would allow for minimum
18 hopefully, if his information was accurate, to a
19 disruption. And he had indicated based on his
20 insight that within -- I can't remember -- I
21 think it was three or four days of surveillance
22 that he anticipated that we would likely have an
23 enforcement and/or disruption opportunity based
24 on his understanding of the networks.

25 Q And so what did you do with that information

1 after the meeting?

2 A That week met with our team -- one of our teams.
3 And that was -- it was a JFO that was underneath
4 my area of responsibility. That was --

5 Q Sorry, a JFO is ...

6 A Joint force operations.

7 Q Thank you.

8 A And it was a federally-funded unit between the
9 RCMP FSOC and Vancouver City Police that was
10 facilitated by Superintendent Mike Porteous at
11 that time from Vancouver City Police. And they
12 undoubtedly had some of the strongest skill set
13 in terms of surveillance capability of the
14 different units they had, so I asked them to
15 take a look at it for several weeks and see if
16 they could create an enforcement/disruption
17 opportunity.

18 Q Do you recall, Mr. Chrustie, asking that two
19 members of FSOC, Steve Weather and Glen Atkins,
20 go meet with members of BCLC? Does that ring a
21 bell to you at all?

22 A Yes, I did. I asked both of those to meet with
23 BCLC and I think I intentionally just tried to
24 take a small step away from it due to --
25 Mr. Desmarais and I had a friendship and I

1 wanted to create, for lack of better term, a
2 little bit of a space for my investigators to
3 make an assessment of it without feeling that
4 they were being compliant with my own
5 assessment. So I didn't participate in some of
6 those initial meetings.

7 Q Do you recall what their reaction was to the
8 information?

9 A When I first provided it, I don't remember
10 anything out of the ordinary other than, let's
11 take a look at it. At least in terms of the
12 initial assessment, it was, you know, another
13 file, another operation. I think there was -- I
14 think Mr. Weather in particular would've had
15 some knowledge and awareness from the proceeds
16 of crime days that the casinos were something
17 that posed a potential significant risk.

18 Q Mr. Chrustie, proceeding a bit chronologically,
19 doing my best, are you aware of a May 20th, 2015
20 presentation that was given by BCLC to FSOC
21 members? Are you familiar with that at all?

22 A I can't say I recalled it other than reviewing
23 the documents. You know, it kind of refreshed a
24 very generic memory of it, but I don't -- it's a
25 very vague recollection.

1 MR. DAVIS: Well, maybe, Madam Registrar, if you
2 could please pull up BCLC0003874 from the list
3 of documents.

4 Q And, Mr. Chrustie, while that's occurring maybe
5 you can tell us what you do remember from that
6 time?

7 A So I do remember that upon the task force from
8 group 6 commencing their investigation, having
9 met with BCLC representatives, that in a
10 relatively short time frame I was briefed that
11 they had conducted surveillance. I don't think
12 it was that long. I think it was, like, within
13 a week, maybe less. Max two weeks, but I think
14 it was less than that. And they had identified
15 significant activity that they were --
16 significant activity and significant players
17 like -- well, Silver from E-Pirate surfaced.
18 And that the information that I was briefed on
19 at that time indicated that some of these
20 networks that they had seen in the initial phase
21 were reported to be moving massive amounts of
22 money.

23 Q Mr. Chrustie --

24 A Unprecedented amounts.

25 Q Sorry, go ahead, finish your answer. My

1 apologies.

2 A I would say unprecedented amounts, but we also
3 had other files that were equal to, if not even
4 more concerning than Pirate at that time that we
5 were working on. Pirate definitely was in that
6 top tier, but there was other files at that time
7 that created similar type of concerns and posed
8 similar type money laundering/transnational
9 organized crime threats to us. So that's what I
10 remember being briefed on relative to that file.

11 I do recall that the team was putting in
12 significant hours doing significant --
13 identifying significant criminal networks that
14 were involved, suspicious criminal activity,
15 i.e., people that were involved in the movement
16 of the moneys, i.e., in the suitcases had -- you
17 know, the vast majority had ties to drug
18 trafficking and other criminal organizations. I
19 do not recall ever being briefed in that whole
20 time that I was the monitoring officer of
21 group 6 of anybody that looked like -- to be a
22 legitimate person, and I'm being a little
23 facetious here, that appeared to be innocent
24 with no criminal affiliations that brought out a
25 bunch of 20s in a suitcase out of the house that

1 looked like they were well-to-do citizens. That
2 all of the people that were surfacing on the
3 file appeared to have a direct or indirect
4 association to criminal networks.

5 Q And a few questions on that answer,
6 Mr. Chrustie. You referred in brief to Silver.
7 Is that Silver International, the MSB that was
8 eventually charged as a result of the E-Pirate
9 investigation?

10 A That's correct.

11 Q You mentioned a number of other files. What
12 happened generally to those other files that
13 were comparable in size and scope do E-Pirate?
14 Do you know?

15 A Well, some of the ones we went for charges. I'm
16 thinking of one, and I would like to -- out of
17 respect for all the parties and the sensitivity.
18 We had one that was affiliated with an MSB,
19 money service business, that allegedly was
20 moving billions. We ended up charging the
21 person, and then the charges got reduced to
22 regulatory charges. I can't recall all the
23 reasons for it. Could have been a disclosure
24 reason again.

25 We had another one that was equal to, if not

1 bigger, and that was the one that I alluded to
2 that the Colombians identified to us that was
3 triad affiliated that had nexuses back to Asia
4 and the Middle East in that one. And that one
5 in the middle just shut down. And when I say
6 "shut down," the criminals shut down. I don't
7 know if there was a compromise. I think it's
8 well known that there was some major security
9 issues taking place within the RCMP at that
10 time. I'm not sure what happened. But it
11 jus -- we just had a dead stop. I know we were
12 concerned if we had been compromised some way or
13 somehow on that particular file.

14 Q Thank you, Mr. Chrustie. And I guess, looking
15 at the time here, I'm just going to ask you
16 quickly. Instead of you -- taking you through
17 this document in any detail, I'll ask you were
18 you ever -- in your role with IPOC or FSOC ever
19 told anything by your management to the effect
20 that the RCMP didn't see a down side to having
21 dirty money running through casinos? Was there
22 any such instruction ever given to you?

23 A No, I don't remember that.

24 Q And as we look on, Mr. Chrustie, this
25 presentation was apparently given in May of

1 2015. Do you recall around this time receiving
2 by email a number of statistics and other
3 information from Derek Dickson, Mr. Derek
4 Dickson of GPEB?

5 A I didn't recall other than once this
6 documentation was shared with me.

7 MR. DAVIS: Thank you. And, Madam Registrar, could
8 you pull up exhibit 590. For counsel and the
9 Commissioner that's GPEB 4128, which has already
10 been entered as exhibit 590.

11 Q Mr. Chrustie, you recognize this as that
12 May 22nd, 2015 email from yourself -- well,
13 between yourself and Mr. Derek Dickson and
14 Mr. Len Meilleur of GPEB?

15 A I do.

16 Q Mr. Chrustie, if we look down the page just a
17 little bit -- sorry, let me get mine open here.
18 We see that Mr. Dickson forwarded to you on what
19 looks to be May 22nd the number of reports
20 received, the \$20 denominations and the total
21 dollar amount. Do you see that?

22 A Correct.

23 Q What's the significance from a policing
24 perspective of those metrics? Why would you
25 want to know that information?

1 A May I ask a question just in case I missed
2 something. Did I ask for it or did they send
3 it?

4 MR. DAVIS: So that's a good question, Mr. Chrustie.

5 Madam Registrar, if you scroll down to the
6 bottom of the page.

7 Q Mr. Chrustie, I'll leave this to your
8 interpretation, but do you see here that Len has
9 sent you an email. This should provide you with
10 some background. You follow up the next day.
11 Or sorry, it looks like the same day. You say:

12 "Len, were you going to send those stats
13 you had, i.e., the 200 million?"

14 Do you see that.

15 A Yes. So I wouldn't -- here is what I would
16 probably say is I'm not sure at that time. I'm
17 just looking at the sequence of the events
18 that -- I'm guessing for them to do the
19 calculation, they probably already did the
20 calculations if I read the email chronologically
21 right. And I was following up probably saying,
22 are you going to send the information that you
23 talked about. But that's -- just looking at the
24 sequence of events, I don't know if I asked or
25 if it was identified the day before because I

1 identified an issue by Mr. Baxter at that time,
2 obviously GPEB back at the time. And I'm not
3 sure what took place. So this was kind of like
4 okay, here is the issues resurfacing again and
5 appearing that not much was done since.

6 Q And, Mr. Chrustie, bout a week or two weeks
7 after you received this email, do you recall
8 attending a summit that was organized by BCLC on
9 June 4th, 2015? It had do with anti-money
10 laundering.

11 A I do.

12 MR. DAVIS: Madam Registrar, if I could ask that you
13 please pull up GPEB4136 from the list of
14 documents, please.

15 Q Mr. Chrustie, are you able to see that on your
16 screen?

17 A I am.

18 MR. DAVIS: Madam Registrar, if you could please
19 scroll to page 6. That's the second-last page.
20 It should be an attendance list, please.

21 Q Mr. Chrustie, if you look about halfway down the
22 page there, do you see Inspector Calvin Chrustie
23 of FSOC as having attended this meeting?

24 A I do.

25 MR. DAVIS: Mr. Commissioner, if I could ask that

1 this be marked as exhibit 761, please.

2 THE COMMISSIONER: Very well. Has that not been
3 marked already, Mr. Davis?

4 MR. DAVIS: Mr. Commissioner, I had 4128. So that
5 was the May 22nd, 2015 email. That had been
6 marked as an exhibit. I don't know. And I'll
7 wait for someone to correct me, perhaps, if
8 GPEB4136 is already an exhibit, but I do not
9 think it is, Mr. Commissioner.

10 THE COMMISSIONER: All right. Madam Registrar, can
11 you help us with that?

12 THE REGISTRAR: Yes. I can do a quick search. Just
13 give me one second.

14 MR. DAVIS: My apologies. Thank you, Madam
15 Registrar.

16 THE REGISTRAR: Yes, just one -- no, it hasn't been
17 marked yet.

18 THE COMMISSIONER: All right. Thank you. It will be
19 marked, then, as the next exhibit.

20 THE REGISTRAR: 761.

21 **EXHIBIT 761: GPEB Meeting Highlights -**
22 **Anti-Money Laundering Workshop: Exploring**
23 **Common Ground - June 25, 2015**

24 MR. DAVIS: Thank you.

25 Q Mr. Chrustie, what do you recall being discussed

1 at this meeting on June 4th?

2 A I remember the discussion or one of the keynote
3 speakers that was brought in discussed the
4 issues of flight of capital and some of the
5 geopolitical/financial complexities of the
6 movement of cash from China outbound. I do know
7 there was break-out -- I do recall there was
8 break-out groups that were facilitated by the
9 host, GPEB, BCLC, to look at discussions on the
10 issues of gaming and the concerns relative to
11 illicit cash being used in the gaming sector. I
12 do recall that I felt a sense of a lack of focus
13 on the specific issues of the illicit finance
14 issues and how we were going to actually deal
15 with those issues versus a focus on highlighting
16 the possibility of other cash flow coming into
17 the casino.

18 Q Can you elaborate on that. Sorry. Can you
19 elaborate on that.

20 A Well, from my lens based on the visibility that
21 I had on E-Pirate at that time coupled with what
22 I had seen in 2011 and '12 and then seeing that
23 nothing had been addressed or resolved during
24 that time, I was extremely concerned that there
25 was a requirement to substantively come out of

1 those meetings with a fix. And I didn't see how
2 that fix was going to be achieved by the keynote
3 speaker highlighting that there's other means of
4 money coming into the province from China, which
5 I accept there is, but I also know what the
6 evidence was we were seeing at that time. And
7 that evidence was these criminal networks were
8 facilitating cash that was being -- and I'll
9 stay away from the technical terms not to
10 complicate it with legal jargon, but that cash
11 from the drugs and other criminal activities
12 were flowing through the casinos.

13 So I was concerned when I walked out of
14 there that meeting, based on the discussions we
15 had, you know, whether we had accomplished
16 anything and whether it was clearly understood
17 the seriousness of what we were seeing.

18 MR. DAVIS: Thank you. Mr. Commissioner, I'm just
19 going to pause for a moment. I see that
20 Ms. Gardner for Canada has identified that she
21 anticipates being no longer with five minutes
22 with Mr. Chrustie. I am about 10 for 15 minutes
23 away from completing at which point I'd suggest
24 the morning break, if that works for you,
25 Mr. Commissioner.

1 THE COMMISSIONER: Yes, I think that is fine,
2 Mr. Davis. Let's carry on.

3 MR. DAVIS: Thank you.

4 Q So, Mr. Chrustie, in response to those concerns,
5 do you recall sending an email to Mr. Len
6 Meilleur of GPEB after the June 4th summit?

7 A I do.

8 MR. DAVIS: Madam Registrar, if you could please
9 bring up GPEB4133 from the list of documents,
10 please.

11 Q And, Mr. Chrustie, do you see that on your
12 screen?

13 A I do.

14 Q Do you recognize this as that June 6, 2015 email
15 that you sent to, among others, Len Meilleur of
16 GPEB?

17 A I do.

18 MR. DAVIS: Mr. Commissioner, if I could ask that
19 this please be marked as exhibit 762.

20 THE COMMISSIONER: Yes, very well. 762.

21 THE REGISTRAR: Exhibit 762.

22 **EXHIBIT 762: Email between Calvin Chrustie and**
23 **Len Meilleur et al. re June 4, 2015 Anti-Money**
24 **Laundering Workshop - June 6, 2015**

25 MR. DAVIS: Mr. Commissioner, I just got a nudge.

1 I'd ask for a direction at this time that
2 exhibit 762 not be posted onto the website until
3 we're able to sort out proposals for additional
4 or necessary redactions, please.

5 THE COMMISSIONER: All right. I'll make that
6 direction. Thank you.

7 MR. DAVIS: Thank you.

8 Q Mr. Chrustie, there are a number of points that
9 are raised in your email here. And I'd like to
10 just ask you to explain them, and helpfully in
11 your email you've actually listed them 1 to 4.
12 So the first point you've numbered here:

13 "Strong indicators of [money laundering]
14 activities are present."

15 MR. DAVIS: Oh, my apologies, Mr. Commissioner. I'd
16 also ask at this point that this email not be
17 livestreamed. I'm sorry for doing this after
18 the fact. For the same concerns earlier
19 articulated over proposed reactions, I'd ask
20 that GPEB4133 not be live streamed, please.

21 THE COMMISSIONER: All right. I'll make that
22 direction as well.

23 MR. DAVIS: Thank you.

24 Q Mr. Chrustie, I was just asking what did you
25 mean when you wrote "strong indicators of ML

1 activities are present"?

2 A Well, the suitcases of money that we were seeing
3 moving around between our surveillance
4 activities associated to criminal networks and
5 then that money appearing in or around the
6 casinos and then being shared with patrons and
7 then taken into the casino to be used for
8 gaming. So we saw those criminal connections to
9 them.

10 I guess I preface it knowing there's this
11 legal debate in terms of ML, money laundering,
12 versus proceeds of crime. I use the term "money
13 laundering" in terms of the overall process
14 whether they're guilty or not. I'm just saying
15 that's what we framed it as.

16 Point 2. Let me just read point 2, if I
17 may.

18 Q Yes, please, Mr. Chrustie. Thank you. That's
19 where I was going.

20 A Point 2 I can't remember with clarity. I
21 think -- obviously within Pirate we were able to
22 see the substantive connections based on
23 surveillance and where the money was being
24 picked up, how the money was being picked up,
25 you know, by who, et cetera. And I can -- I'm

1 presuming that relates to all the other
2 suspicious transactions that we weren't doing
3 surveillance on. That's what I presume there.

4 Then I guess when I saw the 3, I'm guessing
5 that that still alludes to the previous reports
6 from GPEB that the money was still coming in. I
7 don't have that visibility of when those
8 transactions stopped and that, but my
9 understanding at that time was there was still
10 cash flowing during the time of our operations.

11 And I thought that was concerning. And in
12 fairness, you know, obviously we were running
13 operations at that time on some of the targets
14 and it was trying to balance what we were doing
15 with what BCLC or GPEB was going to do with the
16 casinos, you know, to alert the suspects of our
17 activity. But I don't know if -- I can't
18 remember if that comment was directed to those
19 that we weren't investigating or not. Let me
20 just see.

21 And point 4 was the fact that we were seeing
22 the people that were affiliated with
23 facilitating the money for those patrons being
24 affiliated with cartels and other organized
25 crime groups, i.e., the triads. And that --

1 like, generally speaking when I left the meeting
2 I didn't feel at that time -- rightly or
3 wrongly, but I didn't get the sense that there
4 was an acceptance of the high-level volume of
5 money and the seriousness that we were seeing/I
6 was seeing this as because of the cartel
7 involvement, because of the triad involvement
8 and some of the specific triads that we
9 suspected at the time that had global reach
10 activity, some of the linkages that we were
11 seeing with Middle Eastern networks during this
12 time, the connections to the fentanyl issues.

13 Thus I thought I'd better follow up with an
14 email and at least put my own personal
15 perspective and articulate my concerns to ensure
16 there isn't any miscommunication or
17 misunderstanding of my position relative to the
18 seriousness and the graveness of what I was
19 seeing and the risk being posed and that risk
20 being posed inclusive of these transnational
21 networks leveraging government financial
22 institutions and systems which posed a huge
23 concern in terms of the integrity of our
24 political institutions as well as financial
25 institutions and opened this up for corruption,

1 either corruption through admissions or
2 corruption through commissions by having this
3 illicit money moving through these systems.

4 Q And you mentioned illicit funds moving through a
5 government institution. You're referring there
6 to the casinos; is that right?

7 A Yeah. Well, yes, through the casinos, you know,
8 through, you know, the regulatory -- with the
9 regulatory people having oversight in it. BCLC
10 being part of that. You know, ministers'
11 offices being obviously aware that this was
12 taking place within the communities, within
13 these businesses and that their institutions,
14 you know, had that visibility on it. So I was
15 concerned that -- you know, to be quite honest
16 from 2012 going -- here we are 2015. What's
17 changed?

18 Q Looking at point 4 in particular, Mr. Chrustie,
19 was there ever any consideration for the RCMP to
20 announce anything in relation to the discoveries
21 made in relation to E-Pirate to the public? Do
22 you know if there was any consideration?

23 A Yes. It was part of the operational plan to do
24 that. I advocated that as well as my team. And
25 the reason we advocated it was to -- from a

1 moral, ethical, professional perspective to
2 ensure the community was aware, particularly at
3 the same time I was managing -- the lead
4 enforcement manager on the fentanyl crisis. And
5 we saw fentanyl links to this money and knowing
6 it was a provincial health crisis. That I
7 thought the public deserved to know and
8 everybody deserved to kind of have the
9 transparency of what we were seeing, but that
10 was decided not to be announced by senior
11 management, which I had some discussions and
12 shared my disagreement with it, but at the time
13 I was advised not to share.

14 Q What were you advised was the reason for
15 deciding not to share the information?

16 A The reason, it was articulated, was there were
17 some concerns whether we had the charges
18 approved at that particular time. There were
19 some ongoing other discussions that I'm not
20 familiar, I wasn't part of with management and
21 the government relative to this, and it had been
22 ongoing for a couple months before regarding a
23 gaming unit. I'm not privy to the content. I
24 saw in other cases where seizures were made and
25 enforcement was taken.

1 And then public interest awareness was --
2 there was support or there was initiative to go
3 to the public to advise the public of something
4 significant in terms of weighing out the pros
5 and cons if a charge wasn't laid. And I think,
6 you know, *Jordan* was coming into this
7 discussion. That was part of the discussion.
8 But my concern was in terms of public safety,
9 social harm, the fentanyl issues, the risk to
10 the integrity of the political institutions and
11 onward. You know, I was leaning the other way
12 but accepted that others had a different
13 opinion.

14 Q Mr. Chrustie, the Commissioner has heard
15 evidence that in or about September 2015 that
16 BCLC postponed what's called a chip swap at the
17 request of originally the RCMP. Did you have
18 any involvement in that request or do you have
19 any knowledge of that request?

20 A I don't recall that taking place, but -- again,
21 that was a while ago, but -- I reviewed the
22 letter but I do not recall that. I do recall,
23 you know, not being an expert in terms of the
24 mechanics of the casino operations, i.e., chip
25 swaps, that we had general concerns regarding

1 some of activities of BCLC -- and I can't
2 remember if GPEB was involved in this --
3 ensuring that they weren't doing anything that
4 was going to jeopardize the security of our
5 operations and that. And I don't know if this
6 fell in it or if this was an initiative that
7 they took themselves based on the general kind
8 of concerns, asking them not to do anything that
9 would tip our hand to the targets we were
10 investigating.

11 Q And as a last question, Mr. Chrustie. You
12 mentioned GPEB and BCLC. What can you tell the
13 Commissioner generally? Was -- the information
14 and support that they offered to the RCMP, was
15 it useful? Was it timely? Was it a hindrance?
16 What can you tell the Commissioner about that?

17 A Well, I would say in terms of the early days,
18 going back to the IPOC days, the information
19 was, you know, from -- I mean, they shared the
20 FINTRAC, they compiled the documentation, and
21 said, here's the information we have. And then
22 there was obviously a reliance on us to take
23 the -- an enforcement role on it. The
24 information was somewhat generic. You know, it
25 was basically an accumulation of FINTRAC

1 documentation.

2 On the other hand, in 2015 when BCLC came to
3 us, Mr. Desmarais clearly articulated in the
4 strongest, most confident sense that this was
5 actionable intelligence and had said that if we
6 followed the intelligence provided, that we
7 would get an enforcement disruption opportunity
8 within three or four days. So he gave us
9 something very actionable at that particular
10 time that -- you know, where we went with the
11 other information, we weren't -- we didn't get
12 the action that we were looking for to -- no
13 fault I guess of their own.

14 You know, the point, the obvious point --
15 and I know you didn't ask the question, but on
16 our mind at times was why continue taking the
17 money? Probably reflective, looking back at
18 this, because we probably could have done
19 without the enforcement action required from
20 federal policing if the 20s weren't taken
21 because it was somewhat obvious to everybody I
22 think in 2012 that the money was illicitly
23 generated.

24 MR. DAVIS: Thank you, Mr. Chrustie.

25 Mr. Commissioner, those are my questions.

1 THE COMMISSIONER: All right. Thank you, Mr. Davis.
2 We'll take a 15-minute adjournment now.

3 THE REGISTRAR: This hearing is adjourned for a
4 15-minute recess until 11:56 a.m. Please mute
5 your mic and turn off your video. Thank you.

6 **(WITNESS STOOD DOWN)**

7 **(PROCEEDINGS ADJOURNED AT 11:41 A.M.)**

8 **(PROCEEDINGS RECONVENED AT 11:55 A.M.)**

9 **CALVIN CHRUSTIE, a**
10 **witness for the**
11 **commission, recalled.**

12 THE REGISTRAR: Thank you for waiting. The hearing
13 is resumed. Mr. Commissioner.

14 THE COMMISSIONER: Thank you, Madam Registrar.

15 Yes, Ms. Chewka on behalf of the province
16 has been allocated 20 minutes.

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

18 **EXAMINATION BY MS. CHEWKA:**

19 Q Mr. Chrustie, can you hear me okay?

20 A Perfect.

21 Q Excellent. Mr. Chrustie, this morning you gave
22 evidence with respect to transnational organized
23 crime; is that correct?

24 A Correct.

25 Q And the evidence that you provided with respect

1 to this issue was based on your experience with
2 the RCMP?

3 A Correct.

4 Q And while with the RCMP, you were responsible
5 for investigating crime; is that correct?

6 A Correct.

7 Q Did your team ever lay charges with respect to
8 these transnational organized crime units?

9 A Yes, some. If you're asking me when, I can't
10 remember them all.

11 Q That's fair to say. You've had a very long
12 career, so you can't be faulted for that. Do
13 you know if any of these charges actually led to
14 convictions?

15 A I believe so. I honestly can't go back that far
16 in time. And even when I left in 2017, if there
17 was any cases outstanding, I never followed
18 them.

19 Q Okay. Now, while you were with the RCMP, you
20 didn't ever hold a position of intelligence
21 analyst; is that correct?

22 A Intelligence ops officer, not analyst.

23 Q You did. And when did you hold that position?

24 A 2007 to 2010.

25 Q And was that with respect to these transnational

1 organized crime units?

2 A Yes.

3 Q Okay.

4 A The analysts I had working with me intimately.

5 Q Okay. But did you hold the position of an

6 analyst as well?

7 A No, they're civilian positions.

8 Q Okay. And so you yourself never played or

9 performed this analyst function; is that

10 correct?

11 A Pardon?

12 Q You yourself never performed that analyst

13 function?

14 A Did I participate in analytical production of

15 reports? Yes.

16 Q Okay.

17 A Was I -- an analyst is an administrative

18 description of a job, I guess.

19 Q Okay.

20 A Unless I'm missing something.

21 Q No, I'm just trying to understand what function

22 you performed, whether or not you performed the

23 analysis of information for the purposes of

24 extrapolating from that to predict future

25 events, for example, which I understand is sort

1 of the role or the function performed but an
2 analyst.

3 A Yeah, I would say it's -- my professional
4 experience is it's a role and function of
5 everybody, you know, within policing is to be
6 able to understand the problem, predict the next
7 crime. Sometimes police don't have analysts at
8 their fingertips, so it's a function of
9 everybody.

10 Q I understand that you also performed the role --
11 or you're in the role of operations officer
12 while at IPOC; is that correct?

13 A Correct.

14 Q And that was between 2010 and 2012?

15 A Correct.

16 Q And while at IPOC how many charges were laid
17 with respect to the proceeds of crime or money
18 laundering?

19 A I'm just going back. I never tallied the ones.
20 All I'll do is allude to the following. I
21 believe there is one relative to a Vietnamese
22 case that was being worked at at the time that I
23 was there, a group of money launderers. We laid
24 charges against a Middle Eastern MSB person who
25 was charged, and I think the charges ended up

1 being reduced to a regulatory charge conviction.

2 Then there was numerous charges
3 internationally of the targets that we worked
4 where we gathered a significant amount of the
5 evidence. But based on that approach that I
6 alluded to in my testimony in terms of where it
7 was going to be best to prosecute, decisions
8 were made not to prosecute here in Canada.

9 Q And so from a domestic standpoint over the
10 two years that you were at IPOC, are we talking
11 two charges being laid with respect to money
12 laundering or proceeds of crime?

13 A No. My recollection is I don't remember how
14 many.

15 Q Okay. But you've given evidence just now about
16 two particular instances. Is that correct?

17 A Yeah, those are the ones that I recall.

18 Q And how many convictions were secured, do you
19 recall, with respect to money laundering or
20 proceeds of crime?

21 A Are you asking --

22 Q During the two years.

23 A Yeah, are you asking within the Canadian courts
24 or international courts?

25 Q Domestically.

1 A Domestically. What was your question again,
2 sorry?

3 Q No, I apologize. It's the same question but
4 just with respect to convictions, and so I'm
5 wondering when you were at IPOC for 2010 to
6 2012, you recall at least two charges being laid
7 domestically. Do you recall how many charges
8 led to convictions domestically?

9 A Well, the one MSB and I don't -- I think the --
10 now that I recall. The one, if I remember
11 correctly, Vietnamese network that was charged,
12 fled the country and the last I recall was there
13 was warrants to try to apprehend him. But he
14 had fled the country, which is kind of
15 consistent with these networks.

16 Q And so for the two that you can recall, the one
17 you had mentioned, MSB, it resulted in
18 regulatory offence charges; is that correct?

19 A I believe. That's my recollection.

20 Q And so is it fair for say that over the two-year
21 period there wasn't an overwhelming number of
22 charges or convictions with respect to money
23 laundering or proceeds of crime?

24 A If you're measuring it in -- from a linear
25 perspective in terms of what took place here and

1 if you're using that at your metrics -- yeah, if
2 you choose that as your metrics, you're correct.

3 Q You had testified as well this morning about the
4 lack of resources for money laundering
5 investigations. Do you recall that?

6 A I do.

7 Q And you testified, I think, that resourcing was
8 a challenge. Specifically you said that IPOC
9 was not equipped to conduct surveillance of
10 high-level targets. Did I get that evidence
11 correctly?

12 A I would say resources at times and depending on
13 the nature of it. My comment was relative to a
14 particular file that I was asked about this
15 morning. And that particular file was the
16 casino file, that it would require additional
17 resources to take on a longer term project based
18 on the other competing resources or priorities.

19 Q And would you say -- I notice in your witness
20 statement you had referenced resourcing problems
21 as well. Was it file specific, the resourcing
22 problems, or was it more general with respect to
23 money laundering and proceeds of crime
24 investigations?

25 A I would just say as a result of Vancouver

1 being -- as I alluded to this morning, being a
2 hub for these activities and the volume of files
3 that -- and threats that we had here, if you're
4 asking did I, Calvin, have enough resources to
5 mitigate all the threats. No. Did the
6 province, i.e., the RCMP in the province have?
7 I don't know. They had guys, say, for instance
8 in Prince George, in Nanaimo and in other
9 places, if you're asking that. Maybe had we had
10 all those people in Vancouver, the threats
11 wouldn't be -- maybe I would've had enough. I
12 don't know. Maybe it's -- if you're asking the
13 question, do I have enough resources or are they
14 aligned properly, those are probably two
15 separate questions. But did Calvin have enough
16 resources? I could always use more.

17 Q I suppose as my next question, you were the
18 operations officer for IPOC between 2010 and
19 2012; is that correct?

20 A Yes. Correct.

21 Q And as operations officer what did that entail
22 exactly? Were you the responsible officer for
23 that unit?

24 A No. There's another officer, the OIC -- the
25 officer in charge ultimately had the authority

1 as the officer in charge of the unit. My job
2 was to assist, support, facilitate operations
3 and monitoring the operations.

4 Q And so as operations officer, did you request
5 additional resources from the officer in charge?

6 A I think it was a constant discussion looking for
7 partners and looking for partners. I know I had
8 different discussions I alluded to this morning
9 with the drug enforcement branch in terms of
10 partnering up with it, but I think we were
11 essentially stretched in terms of our capacity.

12 Q Did you contact the criminal operations office
13 and request additional resources?

14 A I didn't really have access unless I went
15 through the chain of command to that. Did
16 myself and Barry Baxter have conversations about
17 collaborating in that? Yes. But to take it to
18 that next level, I don't remember having that
19 conversation. Did I have it with other officers
20 superior to me? Yes, I did have those type of
21 conversations. But as I alluded to today, when
22 one does the cost-benefit analysis of resources
23 for a proceeds of crime case in light of the
24 benefit, which often -- you know, on the
25 predicate offence someone would plead or if they

1 got a guilty plea quite often what was happening
2 was the proceeds of crime would never reach the
3 court.

4 Q I guess what I'm trying to understand is the
5 criticism of the lack of resources and then
6 whether or not there was action taken on your
7 part to address that lack of resources as the
8 operations officer. So what did you do as
9 operations officer to raise this issue about
10 lack of resources?

11 A I had a certain amount of resources. Maybe I
12 could just go back one step to clarify.
13 Criticism -- not criticism. Maybe just stating
14 the reality in terms of -- I'm sure all my peers
15 had the same challenges in terms of resources,
16 and what I had hoped to accomplish in this
17 morning's testimony was to highlight the massive
18 influx of criminal activity here due to a number
19 of systematic issues. And to my knowledge, you
20 know, we tried our best with the resources that
21 we had. And I don't know where I would have got
22 other resources from in light of all the other
23 completing priorities. Did we have discussions
24 about it? For sure. Were we able to get
25 support? Yes. Probably the best support that I

1 got in terms of dealing with some of this stuff
2 was inclusive of having those discussions with
3 Vancouver City Police, and that's where I was
4 able to get additional supports -- resources
5 eventually.

6 Q But you didn't make a formal request for
7 additional resources through the chain of
8 command that you had referred to earlier?

9 A I can't remember making, like, a paper request
10 but were they constant discussions looking for
11 resources, I would say it's almost an everyday
12 occurrence in policing.

13 Q Okay. So just to be clear, I'm sorry, but there
14 was no formal request for additional resources
15 through the chain of command?

16 A Well, maybe you can clarify "formal" for me.

17 Q Did you make a written request for additional
18 resources as operations officer of IPOC between
19 2010 and 2012?

20 A I'd have to look at every operational plan
21 because it would have been written on the
22 operational plans, and I don't have access to
23 all the operational plans. But in some of the
24 operational plan there's would have been a
25 request for partnerships and inclusion of

1 others.

2 Q Do you recall that specifically?

3 A I do recall having meetings about it. I don't
4 remember what was on paper.

5 Q And when you say you recall having meetings, was
6 this within the chain of command that you had
7 referred to?

8 A Even outside the chain of command.

9 Q And what does that entail?

10 A Conversations asking to collaborate on different
11 operations.

12 Q Okay. Mr. Chrustie, are you familiar with the
13 process to become an accredited team commander
14 in the RCMP?

15 A I am, yeah.

16 Q And it's my understanding that in order to
17 manage a major crime file one must be an
18 accredited team commander. Is that correct?

19 A That's correct.

20 Q And in order to become an accredited team
21 commander, you must apply to a provincial
22 accreditation committee; is that correct?

23 A I'm not -- can I just go back one point. Could
24 you just ask the last question again. Sorry.

25 Q Of course. It's my understanding that in order

1 to manage a major crime file one must be an
2 accredited team commander.

3 A Not to my knowledge, but -- because I was
4 managing multiple files. I think to be a team
5 commander itself, yes. Team commander. Yes.
6 Yeah.

7 Q Okay. So to be a team commander you have to be
8 an accredited team commander?

9 A Yes.

10 Q Okay. And what does a team commander do?

11 A Manage resources; oversee the speed, flow,
12 direction of the file with the file coordinator;
13 works in conjunction with the file coordinator;
14 and reports to the monitoring officer.

15 Q And while with the RCMP did you apply for and
16 become an accredited team member -- or sorry,
17 accredited team commander?

18 A I did not. At the time when I was in a that
19 role, i.e., more in the staff sergeant role, was
20 in the mid 2000s and it was not -- it was the
21 beginning, I would say, or the early days of
22 that process.

23 Q It was the early days of the accredited team
24 commander process?

25 A Yeah. Then I left the investigative world for a

1 couple of years. I got seconded to the federal
2 government, then got seconded to the
3 intelligence unit where the team commander role
4 wasn't that applicable.

5 Q Okay. So you never applied for that position?

6 A I did not.

7 Q Okay. And I understand that -- I had asked some
8 questions about when you were at IPOC, the 2010,
9 2012 period, but I'm wondering just more broadly
10 based on your entire RCMP experience if you
11 recall how many charges were laid in cases that
12 you led with respect to money laundering and
13 proceeds of crime?

14 A In Canada again?

15 Q Domestically, yes.

16 A I don't -- one, I never tracked all the outcomes
17 and that. Like, I know there was numerous
18 arrests. I can't say that I recall which ones
19 ended up because the court processes were
20 sometimes two, three years later. I do know
21 that the vast majority of cases, charges were
22 international that we did.

23 Q Okay. I guess my question is you're testifying
24 today with respect to money laundering, your
25 experiences with respect to money laundering and

1 proceeds of crime, and I'm just trying to
2 understand in how many investigations you were
3 responsible that actually resulted in charges
4 being laid for money laundering and proceeds of
5 crime in Canada.

6 A I know you are asking me to frame my experience
7 that way, but I guess what I tried to do this
8 morning in my testimony was to say that my
9 experience is transnational organized crime and
10 I looked at things differently than from a legal
11 perspective of just money laundering. So I know
12 your questions keep going to that and I know the
13 commission is orientated towards that, but from
14 an operational perspective I didn't
15 differentiate.

16 My whole focus was on transnational
17 organized crime threats, not just one of the
18 symptoms or one of the side activities. So if
19 you ask me in terms of what were the charges,
20 what was the convictions in terms of
21 transnational organized crime it's a little
22 easier for me to articulate, particularly in my
23 memory because I wasn't defining it as money
24 laundering, the charges. And I wouldn't even
25 know -- I wasn't tracking the money laundering

1 charges versus the drug charges. They were -- I
2 didn't really differentiate the two in terms of
3 my experience. I didn't see myself as a money
4 laundering expert even.

5 Q Okay. So I understand that your focus as an
6 RCMP officer especially later on was with
7 respect to transnational organized crime, but
8 are you saying that you can't answer the
9 question of how many investigations you were
10 responsible for that resulted in charges within
11 Canada relating to money laundering and proceeds
12 of crime?

13 A I can't. I remember in the proceeds -- sorry,
14 are you saying charges or convictions? Sorry,
15 again.

16 Q Well, it's a two part question, actually. It's
17 charges and then I was going to ask you about
18 convictions.

19 A Okay.

20 Q So however you'd like to answer, we'll get there
21 eventually.

22 A Yeah, okay. So charges. I remember several
23 cases while I was in Proceeds of Crime in terms
24 of charges being laid. I don't recall what
25 ended up happening after I left the unit with

1 them. Whether, you know, some of the suspects
2 originally got arrested or didn't get arrested
3 in that particular case.

4 Q And then I suppose the same is true about
5 convictions, then?

6 A Correct. Yeah. I do know the vast majorities
7 of the work that I was involved in was global in
8 nature and focused at trying to mitigate the
9 threat to Canada by investigating abroad.

10 MS. CHEWKA: I have no further questions for this
11 witness, Mr. Commissioner.

12 THE WITNESS: Thanks.

13 MS. CHEWKA: Thank you.

14 THE COMMISSIONER: Thank you, Ms. Chewka. I'll now
15 turn to Ms. Gardner and behalf of Canada, who
16 has been allocated ten minutes but I gather who
17 has reduced her estimate to 5.

18 MS. GARDNER: Yes. Thank you, Mr. Commissioner. I
19 should be fairly brief.

20 **EXAMINATION BY MS. GARDNER:**

21 Q Mr. Chrustie, can you hear me?

22 A Perfect.

23 Q Great. Thank you very much. Regarding a
24 meeting you had with Mr. Desmarais over coffee,
25 do you recall the approximate date of that

1 meeting?

2 A My date would have come from reviewing
3 documents. And I think it was, if I remember
4 correctly, January, February or winter of 2015.
5 But I don't remember the specific date.

6 Q And you mentioned that you had a friendship with
7 Mr. Desmarais and that these meetings were a
8 rather regular occurrences. Is that accurate?

9 A I had -- we had regular, for lack of a better
10 term, group meetings with a group of
11 individuals, largely Vancouver City Police
12 officers in a social context and sometimes they
13 were inclusive of Mr. Desmarais.

14 Q And through these meetings or your friendship
15 with him more personally, would you have made
16 Mr. Desmarais aware of the role you held at
17 FSOC?

18 A I would presume depending on what year you are
19 referring to but I think generally he was aware
20 of my career activities and that.

21 Q Well, perhaps -- so when you first began in that
22 role at FSOC, do you recall having any
23 conversations with him or did you have a sense
24 that he was generally aware of the role you had
25 taken on?

1 A So just for clarity, so FSOC started in 2012 or
2 IPOC in 2010?

3 Q I am speaking specifically of FSOC.

4 A I don't recall anything specifically, but I
5 would -- I think it would be safe to assume that
6 there was general awareness that I was in FSOC.

7 Q And certainly at least by the time of this
8 meeting in early 2015 he appeared to be aware of
9 your role?

10 A Yes, because he was -- he had introduced me to
11 some of the concepts, for lack of a better term,
12 of working with the international partners and
13 the benefits attached to it in terms of illicit
14 finance and some of our covert operations that
15 we did. So he was probably aware that I
16 continued in that vein.

17 Q And fair to say that part of that awareness then
18 and perhaps particularly based on what you've
19 just said based on some of the information he
20 provided you was an awareness of the general
21 mandate of FSOC and its focus on financial
22 crimes of your group specifically within FSOC?

23 A I wouldn't say I was particularly focused on
24 financial crime, so I don't think he would --
25 yeah, I don't think I was known -- my group was

1 known for financial crime.

2 Q But you did have some experience at least with
3 the proceeds of crime aspects of some -- of the
4 organized crime investigations within those
5 groups. Is that fair?

6 A Yes, I did have some.

7 Q And do you recall, were there earlier meetings
8 between yourself and Mr. Desmarais prior to this
9 early 2015 meeting when these concerns that he
10 brought to your attention could have been
11 raised?

12 A There would have been earlier social meetings
13 definitely, yeah.

14 MS. GARDNER: Those are my questions. Thank you,
15 Mr. Commissioner.

16 THE COMMISSIONER: Thank you, Ms. Gardner. I'll now
17 turn to Mr. Usher on behalf of the Societies of
18 Notaries Public, who's been allocated
19 10 minutes.

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

21 **EXAMINATION BY MR. USHER:**

22 Q Good morning, Mr. Chrustie. You've, I think, in
23 other forums and here today talked about the
24 difficulties in prosecution. In your
25 experience, though, what are the most

1 significant issues with the Canadian legal and
2 justice system that have made the prosecution of
3 money laundering and complex predicate offences
4 difficult? I think you've described it
5 somewhere as that they're playing rugby and we
6 come with a badminton racquet.

7 A So I frame this, if I may, in terms of money
8 laundering and transnational networks generally
9 speaking. I don't feel comfortable being -- I
10 don't hold myself out to be a money laundering
11 expert, but I do feel comfortable speaking about
12 transnational organized crime groups that
13 launder money as well as part of -- one of their
14 activities.

15 And the biggest impediment I would say,
16 legally speaking, is a legal system that is not
17 aligned. And I'll use a couple of words just so
18 everybody understands them: not aligned, not
19 congruent and not supportive of targeting
20 transnational networks. Appreciating, contrary
21 to some of the questions from the province, that
22 the issues, the threats and the activities are
23 not confined to a small playing field. And
24 those metrics, to be quite honest, is something
25 that I've always been challenged trying to

1 understand why they use those metrics where a
2 person gets charged because the activities are
3 not restricted to any one zone.

4 So it's almost like -- if I could use this
5 analogy, because I think it will help clarify my
6 testimony. It's almost like in my days in terms
7 of Burnaby working armed robberies in the
8 Greater Vancouver Area. And for managers to
9 think that if I'm working a group of armed
10 robbers that are floating through the Lower
11 Mainland from Surrey to Delta to Richmond to
12 North Van that the only metrics used is if I
13 arrest them in Burnaby. Well, trying to arrest
14 armed robberies just in Burnaby makes no sense
15 in terms of it's -- likely it's highly
16 improbable to get all the targets in my own
17 jurisdiction, so we arrested them wherever we
18 could to mitigate the safety and threats.

19 And that is the same thing with
20 transnational organized crime networks is that
21 the matrix and the enforcement activity and the
22 operations take place over -- you know,
23 worldwide. And that our own legal system really
24 precluded us because of the disclosure laws
25 under *Stinchcombe* to take enforcement action

1 here because a lot of the key pieces of the
2 highest level of, say, intelligence and/or
3 source information quite often came out of
4 places like Colombia at the highest level. And
5 those parties were quite often in, what we would
6 refer to, the agent capacity within the Canadian
7 legal system, which meant we had to disclose
8 that information if it reached the Canadian
9 court.

10 So rather than -- when we looked at making a
11 decision where to prosecute, where to arrest,
12 knowing that it wasn't going to be compatible to
13 the Canadian courts and trying to mitigate those
14 four threats that I said -- that I stated
15 earlier today -- social harm, public safety,
16 national security and financial integrity --
17 collectively as a collaborative group of
18 investigators from around the world, we would
19 pick places that were going to likely result in
20 a trial and a conviction. And quite often it
21 was never Canada because of those problems.

22 And quite often we wouldn't even be able to
23 start the investigation here because it wouldn't
24 be unusual for me to get a phone call where
25 somebody would say hey, we have -- we see that

1 we have networks operating in the Vancouver
2 area; they're operating in Australia; they're
3 operating in Thailand; they're operating in
4 Korea; they're operating in the cities with the
5 cartels; if we brought our undercover operation
6 to Vancouver, would you be willing to support
7 us? My answer would be yes; what do you need
8 from me? And they would reply okay, we need X,
9 Y, Z.

10 And one of those ones would be we need a
11 wiretap up and running to be conducive to for
12 us -- to allow us to charge and convict, say,
13 for example, in Australia during an undercover
14 operation. And I say, well, what's the time
15 frame you're looking at? They said, you know,
16 one to two weeks; we're with the target sitting
17 in Bangkok; we can be there next week.

18 Well, my experience working with the best
19 affiants in the province of BC that I had access
20 to, when we tried to do that with Chapo Guzman
21 and his network operating in Vancouver, it was
22 seven months later and I could not get a wiretap
23 up. And I had -- you know, again answering the
24 previous inquiry, I had access to all the
25 affiants in the province and the best of the

1 best and we had the support of the best. Seven
2 months later I still wasn't able to get up on
3 wire on the Sinaloa Cartel because of the
4 impediments of disclosure and legal application
5 requirements.

6 So those are some. The other one is
7 obviously *Jordan*. But the other one, I would
8 say, is the *Canada Evidence Act*. And the *Canada*
9 *Evidence Act*, section 37 or 38 -- I can't recall
10 which one it is -- where we had information from
11 foreign entities, foreign governments, and it
12 was sensitive. And I use the example again on
13 the Sinaloa Cartel, where they had, like,
14 millions of intercepts on networks operating in
15 the Vancouver area and other places at the
16 highest level of the cartels that were
17 laundering money. When I tried to bring that
18 file here, they asked me if I could protect it
19 in a legal process, legal proceedings. And if
20 you look at the statute only a judge can do that
21 post it. To try to convince them to
22 collaborate, cooperate and allow us to prosecute
23 and investigate here in Canada knowing that I
24 can protect it, Calvin Chrustie didn't have that
25 capability to make that assurance.

1 We were fortunate in that particular case
2 that PPSC participated and ensured that they
3 wouldn't even prosecute, never mind lay a
4 charge. And so we met in that particular case
5 with the American authorities, but we had to
6 agree that we wouldn't even prosecute or even
7 look at charges here just to even be able to
8 collaborate and cooperate and allow others to
9 take the lead in terms of prosecuting the
10 cartels that were operating in Canada.

11 Q Thank you. And what would lead it that
12 seven-month delay you mentioned? What systemic
13 issues are there did you see during your time
14 that would lead to those delays?

15 A Well, a lot of them I think was the complete,
16 full disclosure of *Stinchcombe* and updating the
17 wiretaps. Like, I know in Australia, from my
18 understanding, those guys would get up on wire
19 when we had interaction with them in two to
20 three days on a wiretap. When it was with the
21 US it would be, like, one or two weeks. Here,
22 within -- when it was a drug offence unless
23 there was an emergency situation, like, say, for
24 example, on the provincial side, it was
25 extremely problematic getting the information.

1 It was then very problematic to get all the
2 information from all our international partners
3 and that to meet the demands of the court in
4 terms of inclusion. And then if they had
5 informants because we treat -- we treat
6 informants and agents separately where in other
7 jurisdictions in the world they treat them as
8 the same. And quite often they are agents and
9 they're being directed, which means then we have
10 to disclose all the historical information on
11 them, including some of their identities in some
12 cases, and the international community wasn't
13 prepared to do that for Canadian interests.

14 Q Thank you. Now, finally, I think it's been
15 suggested that perhaps a new federal law
16 enforcement agency would be required to
17 coordinate all this transnational work. Is that
18 your view, and how would that work, do you
19 think? Who should run it? Where should be it
20 be?

21 A 150 percent, not 100 percent. I think the only
22 way forward is a separate federal entity. I
23 think one of the complicating factors in this
24 has been the inclusion and the influence of the
25 provincial lens which I think in the last

1 question I had in terms of matrix, even being
2 very focused on the provincial matrix, that's a
3 challenge that we have had to fight. Those
4 questions don't come up.

5 If you're DEA, FBI, AFP as a federal
6 organization, they understand it's a global kind
7 of game and it doesn't really matter where you
8 tackle the bad guy at the end of the day, if
9 it's your end zone or other end zone; it's about
10 international collaboration and cooperation.
11 It's not hey, what's the value of tackling the
12 guy in your own end zone? Other than what we
13 quite often saw -- and I would say this was a
14 major risk and threat was that matrix that was
15 being asked about in the last way in terms of
16 measuring possible success in terms of locally.
17 That itself created the problem by using that
18 matrix because then what we would see is people
19 trying to just arrest here, but they would allow
20 the social harm, the public safety issues and
21 that to cascade onto the streets of Vancouver,
22 i.e., fentanyl and the 1,500-whatever deaths by
23 trying to appease to that matrix which is
24 outdated and irrelevant in transnational
25 organized crime.

1 So these -- having a federal agency and then
2 reporting up to the federal agency versus, you
3 know, reporting up to people with, for lack of a
4 better term a, quote/unquote, provincial lens on
5 it, was very, very problematic and very, very
6 challenging for us. And was almost equal to the
7 threat of transnational organized crime. So a
8 separate federal agency is must. Where it
9 resides, you know, probably Ottawa obviously.

10 But if I could add something to that in
11 terms of the justice issues. I think what's
12 missing also is a strategy for it, and that's a
13 strategy that's never existed for transnational
14 organized crime. And if you check to the US,
15 they've had one for a long time. Australia, I
16 believe, has one. The UK has one. And what's
17 really impressive about them, they're all
18 government strategies. They are not a policing
19 issue because transnational organized crime in
20 my experience is not a policing issue. It is
21 also a military issue.

22 You look at the US; their military is very
23 involved in it. And all pillars, all federal
24 agencies are involved in it. And if you look at
25 theirs, it comes right from the President's

1 office in terms of the seriousness of it and
2 they frame it as a national security issue, not
3 a public safety issue.

4 MR. USHER: Thank you, Mr. Chrustie. Those are my
5 questions.

6 THE WITNESS: Thank you.

7 THE COMMISSIONER: Thank you, Mr. Usher. Now
8 Mr. Stephens on behalf of the BC Lottery
9 Corporation, who has been allocated 20 minutes.

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

11 **EXAMINATION BY MR. STEPHENS:**

12 Q Mr. Chrustie, can you hear me?

13 A Perfect.

14 Q I act for the BC Lottery Corporation, so my
15 questions will be more focused on the gaming,
16 casino side than some of the earlier ones you've
17 had which have been more general.

18 Mr. Chrustie, you described an investigation
19 that IPOC commenced in 2010 in regard to
20 activity at casinos. Do you recall that?

21 A I do.

22 Q And then Mr. Davis took you to a document that
23 ran until about 2012 which indicated that the
24 investigation had gone on for -- at least for a
25 year and a half or so into 2012. Does that jive

1 with your recollection?

2 A Can you reframe that, please.

3 Q Sure. Mr. Davis took you to a document, and I
4 can bring it up if you want, but this
5 identification, investigation, planning and
6 report document was dated January 2012. So my
7 point simply is that the investigation that IPOC
8 was doing was running over the course of a year
9 or two from 2010 to 2012.

10 A Yeah. I know that's what the documents say. I
11 guess my recollection is there's three
12 objectives to that operation, if I remember.
13 And one was the investigation, surveillance,
14 et cetera. One was collaboration with partners.
15 And I can't remember what the third one was.
16 But my recollection was that operation, if
17 you're asking did the -- like, was there
18 significant resources operation or was the paper
19 going over that long. I don't remember it going
20 that long with a significant amount of resources
21 associated to it. I thought it was periodic in
22 between other operations and other demands. And
23 yeah, it was kind of a periodic on/off type
24 operation.

25 Q Okay.

1 A Yeah.

2 Q Sorry if I interrupted you. I was just thanking
3 you for your answer. That's helpful. The
4 reason I asked was that Mr. Davis referred to it
5 as a 2010 investigation whereas the report was
6 dated 2012, and I just was trying to understand
7 on the ground what was happening from your
8 recollection.

9 A Yeah. I'll be honest, ten years ago I can't
10 remember it, but my recollection is that it was
11 one of numerous files and we worked on it
12 periodically when resources allowed for it.

13 Q And I have a note your evidence is that as a
14 result of that investigation there were -- IPOC
15 could not identify any enforcement or disruption
16 opportunities. I believe that's what you said.
17 Do you remember that?

18 A I do remember that. That's a vague recollection
19 at that time that they were struggling, trying
20 to identify an opportunity that would allow for
21 enforcement and/or disruption based on their
22 activities and the surveillance. And I recall
23 the surveillance capacity being somewhat limited
24 to answer previous questions, you know, and I
25 probably missed a question in terms of marking

1 this or responding to it effectively, so I'll
2 take the time to do it.

3 When the province asked me about asking for
4 additional resources, quite often they're done
5 through surveillance requests, through requiring
6 Special O. And I would presume that those
7 requests were made and I probably didn't
8 properly articulate and effectively answer the
9 province's question on that, but I would -- just
10 as a matter of habit the team commander usually
11 forwards surveillance requests to Special O for
12 additional surveillance, and I would imagine in
13 this particular case that was done.

14 And if I remember correctly, actually, at
15 this time, again referring to the province's
16 question, I think they did ask for the Asian
17 probe team to participate and assist and support
18 them. I've just have that recollection. I was
19 thinking about that. Beyond just sharing
20 information but possibly doing some surveillance
21 too, but I'll defer to other witnesses that are
22 coming up.

23 Q And there were no -- as a result of that
24 investigation, there were no enforcement or
25 disruption activities taken by IPOC; correct?

1 A That's my recollection.

2 Q And IPOC didn't share the details of that
3 investigation with BCLC; correct?

4 A I don't recall.

5 Q You've got no recollection that those details
6 were shared with BCLC?

7 A I don't recall. All I recall is the majority of
8 the interactions that I was privy to, which was
9 a couple of times, was with GPEB.

10 Q I see. So you're saying GPEB may have had
11 access to some information but you don't have
12 any personal knowledge that BCLC was?

13 A I know my supervisor at the time, Barry Baxter,
14 had more regular conversations with GPEB than I
15 did. I had some conversations with them. I
16 can't remember the content of them relative to
17 that investigation, though.

18 Q You said something at the end of your testimony
19 before Mr. Davis when you remarked that BCLC
20 could have stopped taking the \$20 bills, I
21 believe is what you said. And then my note is
22 you said something to the effect that it was
23 obvious to everyone that the money was illicitly
24 generated. Do you recall saying that? It was
25 just at the end of your testimony.

1 A Yes, I would say that there was a general
2 consensus of most everybody that looked at this,
3 i.e., the 20s coming into suitcases with
4 meetings in parking lots from what we were told
5 at the time from BCLC, from GPEB and from our
6 own policing observations that it seemed fairly
7 clear that it was from the proceeds of criminal
8 [sic] because nobody ever saw anybody that was a
9 legitimate -- you know, nobody was reporting
10 somebody was handing off it from some innocent
11 person. You know, like, we didn't see the bank
12 manager from BMO walking in the parking lot
13 handing bags of money to people.

14 Q So you're saying that it was obvious to
15 everybody within the policing team that --

16 A Yes.

17 Q Of this.

18 A Well, would I say the policing team and from our
19 conversations that I recall from GPEB as well.
20 And I got the sense that some people from some
21 of the conversations I had with BCLC that some
22 people saw that it was obvious as well to some
23 of them. Now, I'm talking about the stuff that
24 we saw on E-Pirate.

25 Q Okay. Sorry, and I just -- I should just be

1 clear. I'm trying to break that down. I'm
2 still in 2012, Mr. Chrustie, so -- I want to
3 take you to 2015 in a sec.

4 A Okay.

5 Q But 2012, I'm saying that the view of whether
6 the funds being received in casinos was
7 illicitly generated, that was a police view?

8 A No, I would say that the police view in 2012 was
9 some of the funds were likely the proceeds of
10 crime/money laundering. Some.

11 Q Some were likely. Is that what you're saying?

12 A Some likely, yes.

13 Q And that view was different than the one that
14 you formed with E-Pirate in 2015 where you had
15 more information based on your investigation; is
16 that the contrast you're making?

17 A Yeah, I'm saying that some, you know, in terms
18 of the volume, in terms of the 20s, the
19 packaging. I know they looked at some of the
20 packaging in 2012. And I don't profess to be an
21 expert in terms of the packaging of the money
22 and how it goes from a money laundering
23 expert/proceeds of crime. But some of the
24 people that were involved in that investigation,
25 that was their assessment. It was the

1 assessment of my supervisor, Barry Baxter, who
2 had more experience than I had in this area as
3 well as others.

4 And then in 2015 moving forward, just
5 looking at what we were seeing in the E-Pirate
6 case as it's connected to the casinos, that was
7 our view that it was the proceeds of crime/money
8 laundering activities. And I use that term
9 loosely because I know it's -- we get into the
10 legal jargon of which part was the element of
11 the offence and that, but I'm just saying
12 illicit finance maybe.

13 Q Okay. I will go to 2015 in just one second, but
14 just finishing up the investigation period from
15 2010 to 2012, say. You never told anyone at
16 BCLC that it was obvious that the money that
17 IPOC was investigating was proceeds of crime or
18 illicitly generated?

19 A I don't -- from the 2012 period?

20 Q Correct.

21 A No. It was in the newspapers everywhere, so I
22 didn't think it was necessary and I know
23 management at the highest level had engaged with
24 my supervisor, Barry Baxter. And I think the
25 criminal operations officer at the time, Craig

1 Callens, was liaising with the province on it at
2 that time, so I wasn't involved in those
3 conversations. But who was told I don't know
4 what, but I would presume that BCLC was made
5 aware of it from the newspapers and from the
6 engagement from our criminal operations officer
7 with ministers and deputy ministers.

8 Q Thank you. I'm just trying to isolate your
9 interactions with BCLC in regard to this issue
10 in particular in 2012.

11 A Yeah.

12 Q Thank you. So in 2015 you spoke about a meeting
13 with Mr. Desmarais in February of 2015 where he
14 gave you what you called something -- some
15 intelligence that was actionable, I believe as
16 you described it. Correct?

17 A Correct.

18 Q And unlike what happened in 2011, 2012, FSOC as
19 it then was, did act on that; correct?

20 A Correct.

21 Q And it did take some enforcement or -- and/or
22 disruption action; correct?

23 A Correct.

24 Q Okay. And you were involved -- I think we sort
25 of foreshadowed that in some of your answers

1 previously. You were involved with some
2 discussions with BCLC about what was happening
3 with that investigation or what happened as the
4 investigation went on; is that right?

5 A I partook in several meetings. I can't
6 remember, you know, all the meetings, but I do
7 recall a couple of meetings.

8 Q I just would like to take to you a document, if
9 I may, just to -- perhaps this could assist in
10 this regard.

11 MR. STEPHENS: If I could ask, Madam Registrar, if
12 you could pull up document 8737.

13 And, Mr. Commissioner, I'm -- I think I
14 believe I need to ask that this not be publicly
15 livestreamed, if I may. And just second thing,
16 Mr. Commissioner, I think there are redactions
17 on this document that's been provided to
18 Mr. Jin's counsel. I would ask if Mr. Jin's
19 counsel could look at the redacted copy of this
20 document, BCLC8737.

21 THE COMMISSIONER: Very well. I'll make those
22 directions, then.

23 MR. STEPHENS: Okay. I'm told this is the redacted
24 version.

25 Q Mr. Chrustie, this is an email exchange that you

1 had with Ross Alderson of BCLC July 22nd, 2015?

2 A Correct.

3 MR. STEPHENS: And if I could ask Madam Registrar to
4 scroll down to the second page of this document.
5 Further document, please, so we can see the
6 bottom half.

7 Q There's an email between Ross Alderson and you
8 from July 21st, 2015. Do you see that,
9 Mr. Chrustie?

10 A The 7:35 time?

11 Q You've got it, yes.

12 A Yes.

13 Q And you recognize Mr. Alderson as -- at least at
14 that time was with BCLC; correct?

15 A Correct.

16 Q And Mr. Alderson says in the second paragraph of
17 that email I directed you to:

18 "Brad and I met today and discussed some
19 of the new information and your concerns
20 relating to operations that our BCLC
21 investigators may or may not do,
22 specifically about how they may impact any
23 law enforcement investigation ..."

24 Et cetera. Do you see that?

25 A I do.

1 Q And then just first to refresh your memory, does
2 it refresh your memory now, Mr. Chrustie, that
3 in or around July 21st or so of 2015 you met
4 with Mr. Alderson to talk about some of the
5 results, perhaps preliminary results, of the
6 E-Pirate investigation?

7 A I don't -- I can't recall the topics discussed
8 at that meeting, to be quite honest.

9 Q Did you have a memory of sharing with BCLC the
10 results or some of your conclusions, interim
11 conclusions or conclusions about what you were
12 seeing in the E-Pirate investigation in or
13 around this time?

14 A I do recall. And I don't know if it was in
15 July, but I do recall attending a meeting with
16 several of the team members, and Mr. Alderson
17 was present. And I do recall highlighting that
18 I was extremely concerned about what we were
19 seeing in terms of the volume of the money and
20 the networks that were involved in terms of
21 facilitating the movement and the supply of the
22 illicit finances.

23 Q Okay. And there's been evidence given that
24 there was a meeting or a call in July of 2015.
25 Do you have any reason to believe that that's

1 not the approximate date of that?

2 A I'm not saying that meeting -- a meeting didn't
3 occur. I just don't know the time of the
4 meeting that I'm remembering about, that I have
5 recollection on, you know, because it was --
6 took place at Green Timbers versus this date.
7 I'm not sure if there was one or two meetings,
8 so I'm not too sure which one it was. It could
9 have been more than two, so ...

10 Q Just turning to the next -- the part of that
11 paragraph I read to you where Mr. Alderson says
12 that he talked with Mr. Desmarais about your
13 concerns about actions that BCLC investigators
14 may or may not do and how they may effect the
15 law enforcement investigation. Do you recall
16 expressing concern to BCLC about potentially not
17 doing something that -- on the ground that might
18 compromise the investigation that you were
19 engaged in?

20 A Yes. My recollection is -- and I can't remember
21 if it was this time frame, but my recollection
22 took place -- or my recollection is that there
23 was some efforts being made, and I think it was
24 BCLC, relative to conducting some form of
25 surveillance on illegal gaming sites or patrons

1 that were suspected of bringing illicit finance
2 into the casino.

3 And I recall articulating my concern, not
4 only from a safety perspective as to their
5 well-being because we knew who some of these
6 players were but also in terms of possibly
7 compromising our operation and, as we use in the
8 term -- policing, heating up the suspects and
9 the targets. So I do recall having discussions
10 about that.

11 Q And BCLC was cooperative in that regard;
12 correct?

13 A Again, my recollection is I think I even had a
14 conversation with Mr. Desmarais and he was
15 understanding of that issue.

16 MR. STEPHENS: Mr. Commissioner, can I ask this be
17 marked as the next exhibit, please.

18 THE COMMISSIONER: Yes, very well.

19 THE REGISTRAR: Yes. Exhibit 763, Mr. Commissioner.

20 THE COMMISSIONER: Thank you.

21 **EXHIBIT 763: Emails between Calvin Chrustie and**
22 **Ross Alderson re meeting - July 21-22, 2015**
23 **(redacted)**

24 THE COMMISSIONER: And I'm sorry, I just want to
25 clarify something that I may have misunderstood

1 before we move on.

2 Mr. Chrustie, was your concern that BCLC was
3 conducting surveillance on illegal gaming sites?

4 THE WITNESS: Yes, I was concerned that they were
5 actually conducting physical surveillance. That
6 was my recollection, and I was concerned that,
7 you know, in the effort to assist and support us
8 as a complainant they were taking activities
9 that posed us an operational security concern to
10 our -- the integrity of our investigation
11 possibly and also to their own security.

12 THE COMMISSIONER: Okay. Thank you. I just didn't
13 quite understand that the first time you
14 responded. Thank you.

15 THE WITNESS: Sorry.

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

17 MR. DAVIS: Mr. Stephens, you might be muted.

18 MR. STEPHENS: Thank you. Sorry.

19 Q Mr. Chrustie, can you hear me?

20 A Perfect.

21 Q Just more generally, Mr. Chrustie, BCLC was
22 cooperative with IPOC -- or FSOC, pardon me,
23 throughout the E-Pirate investigation; correct?

24 A Yes, they were, sir.

25 Q And they shared information with FSOC and with

1 BCLC4226. Now, Mr. Commissioner and Madam
2 Registrar, I believe -- my note is that this may
3 also be at Mr. Desmarais's affidavit exhibit 53
4 which has also been noticed. And I would ask
5 that this not be put on the public live stream.

6 THE REGISTRAR: Sorry, Mr. Stephens. Did you say
7 exhibit 53?

8 MR. STEPHENS: Correct.

9 THE COMMISSIONER: And I'll make that direction that
10 it not be publicly live streamed.

11 MR. STEPHENS: Mr. Chrustie, you can see that
12 document, can you?

13 Madam Registrar I'm going to ask if you
14 scroll down so we can see the full version of
15 the email that is the second from the top.
16 Thank you.

17 Q This is an email dated July 25th, 2015, from you
18 to recipient copied to Mr. Desmarais. Do you
19 see that, Mr. Chrustie?

20 A I do, sir.

21 Q And in that document you advise that you had a
22 call from Brad -- which I take to be Brad
23 Desmarais -- advising they have new info on the
24 offsite locations, et cetera.

25 A Correct.

1 Q And you are now passing that on within your
2 team; is that right?

3 A That's correct.

4 Q And you -- and I don't think I need to
5 understand the difference between who would
6 action this, but I take it from your email you
7 were forwarding this on to action by whatever
8 police division is most appropriate to deal with
9 that, whether it would've been with -- whether
10 it be within E-Pirate or some other -- through
11 some other investigation. Correct?

12 A Well, it would have been within E-Pirate because
13 at that point, looking at the names, it was -- I
14 had at that time, because of the magnitude of
15 it, brought in a Vancouver City Police inspector
16 to assist and support me in terms of the
17 planning of the operation for enforcement
18 action, and so I had passed that on to him. And
19 that was Inspector Serr, who is now Chief Serr,
20 from Abbotsford PD.

21 Q And this is another example of BCLC providing
22 information and being cooperative with police so
23 it could investigate it as it sees fit; correct?

24 A May I just read the email quickly? Yes, that's
25 my understanding of the email. Correct.

1 MR. STEPHENS: If I could have -- ask that one other
2 document be pulled up. And this is BCLC16633.
3 And again, Mr. Commissioner, I would ask that
4 this document not be public livestreamed and
5 that Mr. DelBigio review the copy that was
6 provided to him.

7 THE COMMISSIONER: All right.

8 MR. STEPHENS:

9 Q And this is a document -- have you seen this
10 document before in preparation, Mr. Chrustie,
11 or -- I could take you to it, but I'm running
12 short of time.

13 A Yeah, I've seen it.

14 MR. STEPHENS: Okay. Could I ask Madam Registrar to
15 go to the second-last page of that, which is
16 page 7.

17 Q And there's an email from a Mr. Plante of BCLC
18 to Mr. Tottenham?

19 A Yes.

20 Q And this is regarding suspected illegal casinos;
21 correct?

22 A Correct.

23 Q And then if we scroll up just page by page what
24 happens is that this information is forwarded on
25 to GPEB on page 6. Right there. The email from

1 Mr. Desmarais forwards it on to Mr. Meilleur,
2 and then Mr. Meilleur then forwards it
3 internally. Do you see that?

4 A I do. I'm taking your word. I'm not tracking
5 all the names and all the dates and times, so
6 I'll take your word that that's what it is.

7 Q And then this information gets forwarded to you,
8 Mr. Chrustie. If I can go to page 5 of that.
9 Stop there. You see that there, "good morning,
10 Cal"?

11 A Yes. Yeah.

12 Q And he's asking, what's said there, if you would
13 like GPEB to hold off taking any action on this
14 information that's been provided by BCLC?

15 A Yeah. Yes.

16 Q And so effectively BCLC has provided the
17 information to GPEB which is being provided to
18 you or FSOC for information and guidance;
19 correct?

20 A Yes, I presume so. Yes. That's my take reading
21 that.

22 Q And do you recall this happening at the time,
23 that information about illegal casinos were
24 provided to you from GPEB that originated from
25 BCLC?

1 MR. STEPHENS: I think I'm -- Mr. Commissioner, I'm
2 just about done, if I could just have a look at
3 my note.

4 Q And I think -- I just wanted to complete,
5 Mr. Chrustie, something that we were talking
6 about earlier where you mentioned that following
7 E-Pirate, you formed views about the likely
8 origin of the funds being reported by BCLC. Is
9 that correct? You recall we talked about that
10 earlier?

11 A Yeah, I'm not sure if I understand the question.
12 Sorry. If you could just reframe it maybe for
13 me.

14 Q Well, you were contrasting in my questions
15 earlier what your conclusions were following
16 E-Pirate when I was asking you about the 2010,
17 '11, '12 investigation and I just was coming
18 full circle to that in regard to the E-Pirate
19 investigation.

20 A Okay. I'm sorry, I got a little confused in
21 terms of the timelines of the questions that
22 you're asking in terms of -- number one, the
23 question that you're asking. Number two is for
24 what time frame just knowing that things were
25 somewhat fluid and, you know, my -- the level of

1 certainty changed with time obviously. So I
2 just -- if you could clarify for me, I
3 apologize. I just got confused by the timelines
4 myself.

5 Q My question to you is -- and I'm in July 2015,
6 Mr. Chrustie. My question is that that your
7 level of certainty, as you just called it,
8 changed over time from your initial view, to the
9 extent you had one, in 2010, '11, '12, to your
10 views after the E-Pirate investigation in
11 July 2015; correct?

12 A Yes, because I think we were looking at two
13 different things. At this particular time I was
14 looking at what are we seeing solely in
15 E-Pirate, i.e., you know, suitcases versus in
16 2010 at that time or that time frame that
17 you're -- 2012, we were looking at FINTRAC
18 reporting and didn't have that same visibility
19 that the surveillance was giving me in 2015.

20 Q And just ending that back in 2012, Mr. Chrustie,
21 when you said that BCLC could have stopped
22 accepting certain cash transactions in 2012.
23 You remember you said that?

24 A Yes, I do. Yeah.

25 Q You never advised BCLC in 2012 that it should

1 stop accepting large cash transactions, did you?

2 A No, I wasn't engaged with BCLC then.

3 MR. STEPHENS: Thank you, Mr. Commissioner. Those
4 are my questions.

5 MR. COMMISSIONER: Thank you, Mr. Stephens. I'll now
6 call on Mr. Skwarok on behalf of Great Canadian
7 Gaming Corporation, who has been allocated ten
8 minutes.

9 **EXAMINATION BY MR. SKWAROK:**

10 Q Mr. Chrustie, I have a bit of a cold, so if you
11 don't hear my questions clearly, please advise.

12 In your testimony you referred to a 2010
13 police document suggesting that there were tens
14 of millions of dollars being funneled through
15 Lower Mainland casinos. You recall that
16 document?

17 A Was that the --

18 Q It's exhibit 760.

19 A Could you show me it for my reference, please
20 and thank you.

21 MR. SKWAROK: Madam Registrar, could you please bring
22 up the document.

23 THE WITNESS: Yes. Yes, I see that. Yes.

24 MR. SKWAROK:

25 Q All right. And you further state these funds

1 were derived from criminal activities and are
2 the proceeds of crime, but how do you know that?

3 A Say that again.

4 Q How did you know that much of these funds, much
5 of these tens of millions of dollars going
6 through casinos, was the proceeds of crime?

7 A I am just reading where it says that.

8 Q If you go under heading B where it has
9 "occurrence" on the first page.

10 A So I see -- I see "occurrence." And then you're
11 talking about the synopsis of the investigation?

12 Q Correct. Tens of millions of dollars,
13 et cetera.

14 A Yeah, if I could see right -- because it cuts
15 off there and usually there's a rationale and my
16 memory isn't there. Maybe the rationale would
17 help me refresh my memory.

18 Q All right. Well, you'll agree with me that
19 there hadn't been any convictions at that time
20 for money laundering through casinos; correct?

21 A To my knowledge there weren't.

22 Q And were there any convictions for money
23 laundering through casinos subsequent to this
24 period?

25 A I wouldn't know that.

1 Q All right.

2 A I wouldn't have that visibility. But yeah --

3 Q In reality -- sorry.

4 A Yeah, but -- in fairness not to my knowledge,
5 but I don't know if I would know.

6 Q In reality, to the best of your knowledge, all
7 that the police really knew for sure about cash
8 coming into casinos in 2010 was that there were
9 suspicious transactions that may or may not have
10 involved proceeds of crime. Do you agree with
11 that?

12 A No. My recollection is as follows: the FINTRAC
13 documentation was one aspect of it in terms of
14 the amount. The denominations coupled with the
15 packaging from my understanding. I don't
16 present myself as an ML technical expert, but I
17 remember that coming into, play, being part of
18 the grounds for concern. And then I think some
19 of the parties that were being reported being
20 involved were known to have direct or indirect
21 association to criminal networks on. And I
22 think the context in terms of doing major
23 transactions like this in the parking lots in
24 the surrounding area were also a factor. And
25 there could have been others.

1 I can't remember what the human source
2 reporting was at the time. It may be in this
3 document and it may have been redacted. But it
4 was a number of factors that came into play.
5 And as I alluded to, before taking -- getting
6 involved in this investigation, there had been
7 numerous discussions, I presume, with my
8 supervisor, Barry Baxter, with GPEB and others
9 and I'm not sure of the content of all that
10 information as well.

11 Q What you -- the facts, as you just mentioned,
12 are indicia of criminal conduct. There's not
13 conclusive evidence; correct?

14 A Yeah. Correct.

15 Q Did you ever tell Great Canadian about your
16 concerns that cash coming into its casinos was
17 the proceeds of crime?

18 A I can't remember if -- at that meeting, sir, in
19 2015 in the summer, I cannot remember the
20 content of that discussion in 2015, if I did
21 mention it to them directly or if I mentioned it
22 to them indirectly. But that was the reason why
23 I followed up with that email to GPEB and BCLC
24 that held the meeting was to make sure that all
25 the stakeholders were aware of our concerns.

1 But at the time, 2012, no, I don't recall
2 myself having any conversations with Great
3 Canadian Casinos.

4 Q Do you recall whether or not any other member of
5 the force provided such information to Great
6 Canadian?

7 A I don't. I wasn't -- I wouldn't say I was the
8 primary personal liaising on this. Barry
9 Baxter, like I said, before my time was engaged,
10 and I'm not sure who he communicated with.

11 Q All right. So to the best of your recollection
12 prior to the summer of 2015 at least, there had
13 been no advice from the RCMP to Great Canadian
14 about concerns of criminal activities; is that
15 correct? Money laundering --

16 A What I feel safer saying is I don't recall
17 myself having any conversations with great
18 casinos -- Great Canadian Casinos. Whether the
19 other people did, I have no recollection. I
20 wouldn't know. I wouldn't remember.

21 Q To your knowledge, do you recall whether or not
22 the RCMP or any member of the RCMP suggested to
23 Great Canadian that it should do things
24 differently to combat potential money
25 laundering?

1 A Could you rephrase that or could you just say
2 the question again. Sorry.

3 Q Sure. Did the RCMP at any stage tell Great
4 Canadian they should do things differently to
5 deal with potential money laundering issues?

6 A I myself have no personal knowledge of that.

7 Q And you have no knowledge of whether another
8 member of the force provided such information;
9 correct?

10 A I don't know. Yes, you're correct.

11 Q To your knowledge, sir, was Great Canadian
12 cooperative with RCMP investigations of any
13 potential criminal activity?

14 A I do remember there being, and I apologize for
15 not having the clarity. I do have some
16 recollection that there was some -- I'm trying
17 to think of the proper term to be fair -- to not
18 overstate it and to be very fair to Great
19 Canadian Casino. I do remember there was some
20 concern about police presence in the casino and
21 whether it was Great Canadian Casino or somebody
22 else. I can't remember who it was. I just
23 remember historically there was some concern
24 about it, but I can't say it was Great Canadian
25 Casino. I don't have that specific memory.

Examination by Mr. Skwarok

Examination by Mr. McFee

1 Q My question was little bit different. To your
2 knowledge did Great Canadian cooperate with RCMP
3 investigations of any potential criminal
4 activity?

5 A I can't recall if they did or they did not. I
6 don't recall any specific level of engagement
7 they had or not. I remember GPEB, BCLC, but I
8 don't remember Great Canadian Casino at that
9 time.

10 Q To your knowledge, sir, did Great Canadian ever
11 fail to provide any information requested by the
12 RCMP?

13 A I wouldn't have any personal knowledge or
14 insight into that question.

15 MR. SKWAROK: Thank you, Superintendent. Those are
16 my questions.

17 THE WITNESS: Thank you, sir.

18 THE COMMISSIONER: Thank you, Mr. Skwarok. I'll now
19 call on Mr. McFee on behalf of James Lightbody,
20 who has been allocated 25 minutes.

21 **EXAMINATION BY MR. MCFEE:**

22 Q Mr. Chrustie, are you able to hear me okay?

23 A Perfect, sir.

24 Q Thank you. I just want to refer back to a
25 moment to this investigation that was -- seems

1 to have been initiated in the fall of 2010 and
2 ran through until into 2012. You've got that
3 orientation?

4 A I do. I don't remember the time frame being
5 that long, but I do remember we conducted an
6 investigation in that period.

7 Q And if I could ask Madam Registrar to bring up
8 exhibit 760 which you've been referred to
9 before, which is this investigational planning
10 and report.

11 And just so I understand it, is this a
12 document that's prepared and forwarded in the
13 course of an investigation to ask for additional
14 resources?

15 A It can be one of the documents that is used.
16 There's supplementary documents that can be used
17 for that purpose as well.

18 MR. McFEE: If I could ask Madam Registrar to go over
19 to page 3 of that exhibit, please. And -- yes,
20 if we could stop there.

21 Q If I could ask you just, Mr. Chrustie, to look
22 at subheading J. I think Mr. Davis took you to
23 this. "Proposed Investigation Summary." Do you
24 see that?

25 A Yes.

1 this missing link, whether that was at the front
2 end or the back end of it because to be quite
3 honest, I'm -- my recollection is not that great
4 as it relates to when this file started and when
5 it finished.

6 Q Okay. Fair enough. If we go on from -- after
7 "an elusive goal," the document says:

8 "In order for IPOC to pursue a successful
9 prosecution for possession of proceeds or
10 money laundering, it is essential to show
11 a definite link to criminal activity.

12 IPOC will task 'E' Division CIS to provide
13 this missing link to criminal activity."

14 So that seems to be a request for assistance
15 from "E" Division from Criminal Intelligence
16 Services; is that accurate?

17 A That's my collection and that's what it says,
18 yes.

19 Q And you told Mr. Davis in answer to his
20 questions that the RCMP were unable to identify
21 and enforce a disruption opportunity as a result
22 of this investigation. Did I understand that
23 correctly?

24 A That's my recollection going back ten years that
25 there wasn't an enforcement or disruption

1 initiative undertaken.

2 Q So can we take it from that that IPOC's
3 investigation was unable to provide the missing
4 link to criminal activity?

5 A Yes. Based on the time, resources and all the
6 other priorities within the scope of this
7 investigation and the work that we did, we were
8 not able to do that. That's my recollection,
9 yeah.

10 Q And so although it's very difficult to establish
11 this link from a law enforcement perspective, I
12 take it that you would agree that it would be
13 even more difficult for BCLC or casino operators
14 to draw a concrete link between cash being used
15 at buy-ins and criminal activity?

16 A Well, I guess it's what measuring stick you're
17 using, if you're asking me from an evidentiary
18 perspective or from a, for lack of a better
19 term, intelligence/common sense perspective. If
20 you're asking from an evident perspective to
21 allow for legal applications, et cetera,
22 et cetera, et cetera, to meet those evidentiary
23 demands of court, for sure, it would be very
24 difficult.

25 And I just preface it because I get asked

1 quite a bit about this and I often use the
2 scenario and it often comes up, you know, in the
3 last five years I guess. And I use this analogy
4 that if I go down to a restaurant -- and I'm
5 just -- I'm not applying this to BCLC. I leave
6 it to you to make your own conclusions. But if
7 I go into the restaurant and there's four people
8 sitting around, you know, Gotham's Restaurant
9 with a bag of white powder, snorting it.
10 Obviously the owner doesn't know whether it's
11 cocaine because nobody's tested it from an
12 evidentiary perspective, but there's kind of
13 commonsensical/intelligence analysis that it's
14 probably coke or something similar to that.

15 And I think that was -- I use that kind of
16 metaphor or example to kind of go, that's how we
17 were looking at it.

18 Q Well, let's just use common sense for a moment.

19 A Okay.

20 Q When you were with IPOC in 2010 through to 2012
21 did you understand that casinos operated on a
22 cash-only basis up until 2010?

23 A I didn't know the specific operating
24 methodologies of casinos, no. I wasn't familiar
25 with them. This was my first exposure to it.

1 Q Well, when you first became exposed to casinos,
2 did you understand that it historically had been
3 a cash-only business?

4 A No, I don't think so. I mean, my first exposure
5 was probably a couple of meetings with GPEB
6 bringing forward the FINTRAC ones. The
7 operations of the casinos at that time -- I'm
8 not a gambler. I had very little insight in
9 terms of casino activity.

10 Q Okay. But, again, in terms of common sense, you
11 in your policing experience were aware that
12 \$20 bills were the most commonly distributed and
13 circulated denomination in Canada?

14 A Yeah, using the common sense -- well, I don't
15 know. I wouldn't dispute it. I didn't know
16 that, to be quite honest, but I wouldn't dispute
17 it.

18 Q And you would agree with me that the fact that
19 somebody is using \$20 bills to transact some
20 business doesn't mean that they're using
21 \$20 bills that were sourced from a criminal or
22 illicit activity; correct?

23 A Correct.

24 Q And you've told us you're not an expert in money
25 laundering with respect to how these

1 transactions are packaged, et cetera; correct?

2 A Correct. I had to rely on people that were
3 experts, yes. Correct.

4 Q And you knew that there were people within BCLC
5 at the time that had considerable expertise in
6 money laundering, including Mr. Desmarais?

7 A Correct.

8 Q And you would defer to a significant degree to
9 Mr. Desmarais's expertise?

10 A Not in this case.

11 Q Were you aware in this time frame that IPOC was
12 undertaking this investigation in 2010, 2011,
13 2012, that BCLC was actively implementing a cash
14 alternatives program to remove cash from
15 casinos?

16 A I don't have any recollection of that, sir.

17 Q Let's twitch topics a bit. In your experience
18 does the sharing of information between agencies
19 such as BCLC and law enforcement assist in
20 combatting money laundering and money -- and
21 loan-sharking?

22 A Sorry, could you rephrase that. Not rephrase
23 it, just repeat it. Sorry. Sorry. I just was
24 thinking of your last question. Sorry. Go
25 ahead.

1 Q In your experience, significant policing
2 experience, would you agree that sharing of
3 information between agencies such as BCLC and
4 law enforcement can assist in combatting money
5 laundering and loan-sharking?

6 A Yes. Absolutely.

7 Q And you -- were you aware in your time at FSOC
8 that in January 2014 BCLC and the RCMP entered
9 into an information-sharing agreement?

10 A I think I had general awareness on it. I don't
11 know when I became aware of it. I could have
12 been made aware when Mr. Desmarais met with me
13 and shared that with me at that time.

14 Q I take it you'd agree with me that that's a
15 positive AML measure to have that type of an
16 information-sharing agreement between BCLC and
17 the RCMP?

18 A I agree with you, sir.

19 Q And then in the fall of 2010 and then this
20 2011/2012 investigation, do you recall that when
21 IPOC began looking at these large cash buy-ins
22 IPOC identified that the majority of the buy-ins
23 were at River Rock and Starlight casinos?

24 A Yes. I recall vaguely -- definitely River Rock.
25 I can't say I recall the other casino, but I do

1 recall River Rock.

2 Q Were you aware that in April of 2014 Inspector
3 Eric Hall of the Richmond RCMP had an email
4 exchange with Mr. Kroeker, who was then the
5 Great Canadian VP of compliance?

6 A My only recollection was seeing correspondence
7 in the last week or two in terms of preparing
8 for this testimony.

9 Q All right. And just to be clear, Inspector Hall
10 worked at IPOC for several years before he went
11 to Richmond RCMP?

12 A I believe so. Before I arrived.

13 Q And in terms of the correspondence that you've
14 seen --

15 MR. McFEE: If I could ask Madam Registrar do bring
16 up from Mr. Kroeker's affidavit exhibit 13.
17 That's commission exhibit 490 is Mr. Kroeker's
18 affidavit, and exhibit 13 from that, please.

19 Q Is this the correspondence you're referring to
20 that you referred to in preparing for your
21 evidence?

22 A I can't remember if this is the one or not, to
23 be quite honest, unless I went to my previous --
24 I did review a package of information that I
25 received from the commission and there was

1 numerous emails and I reviewed them all. I do
2 recall one included a former Inspector Hall but
3 I don't -- and I think there was -- Mr. Kroeker
4 was involved in it, but my recollection, I can't
5 remember if this was the one that I actually
6 reviewed.

7 Q Okay. So you'll see that this was sent -- this
8 email from Mr. Hall to Mr. Kroeker was sent
9 Wednesday, April 30th, 2014. Do you see that?

10 A Yes, sir.

11 Q And if we go to the first paragraph, and if I
12 could ask you to go to the second -- well, I
13 guess it's the third sentence, "I have spoken to
14 Renny about the issue." Do you see that?

15 A Yes, sir.

16 Q "I have spoken to Renny about the issue
17 and we as the police force of jurisdiction
18 are very satisfied with the regimes,
19 policies and procedures followed by River
20 Rock, BCLC, FINTRAC, BC Gaming Branch and
21 the police to prevent activity. We do not
22 have a concern about money laundering at
23 the River Rock."

24 So this was in the spring of 2014. Were you
25 with IPOC at that time? I'm sorry, FSOC at that

1 time.

2 A I was.

3 Q And was that also FSOC's view at the time?

4 A No. I would say that at that time from an FSOC
5 position as being just one officer there, I
6 would say that we wouldn't have probably have an
7 assessment until we actually did an assessment
8 on it. And I'm not sure if a current assessment
9 was done in 2014 or if that was -- I'm not sure
10 what they base that on. I mean, if somebody
11 asked me for my opinion on something, I would
12 say I need to look at it before I gave an
13 opinion. So I'm not sure. That would be my
14 assessment is that I wouldn't have an opinion at
15 that time versus having an opinion.

16 Q Was the fact that you wouldn't have an opinion
17 at this time, April 2014, driven in part by the
18 absence of there being any investigations into
19 large cash buy-ins at casinos between the end of
20 the 2012 investigation and Mr. Desmarais in
21 February of 2015 bringing to your attention his
22 concerns that led to the E-Pirate investigation?

23 A If I could rephrase it that I wouldn't have an
24 opinion because at that particular time, as an
25 operations officer, I was not receiving any

1 information personally relative to the casino
2 activity or possible concerns regarding criminal
3 activity. I had not received anything until
4 Mr. Desmarais came forward to advise me on it.

5 Q Okay. Were you aware that in the summer of
6 2014, June of 2014, BCLC sent the RCMP -- I
7 think it was CFSCU a list of BCLC's top ten cash
8 facilitators and encouraged them to engage in an
9 investigation of those individuals?

10 A I was not aware of that until I met with
11 Mr. Desmarais at a later date.

12 Q And did Mr. Desmarais also tell you that in the
13 summer of 2014 BCLC arranged for the CFSEU
14 members to go on an orientation tour at River
15 Rock to further try and enhance their interest
16 in investigating cash facilitation in and around
17 BC cash casinos?

18 A In fairness to Mr. Desmarais, Mr. Desmarais
19 articulated in the first meeting that he had
20 historically had numerous engagements with the
21 police specifically CFSEU, if my recollection is
22 correct, over the course of a year where he was
23 attempting to get support and engagement on
24 concerns he had relative to concerning activity
25 regarding casinos and possible illicit finances

1 flowing through the casinos and that as a result
2 of not getting traction and support, he asked
3 for a meeting with myself. That was the pretext
4 of the discussion.

5 Q Right. Which led to the E-Pirate investigation
6 as we've heard.

7 A That's correct, sir.

8 Q Okay. And just focusing on the E-Pirate
9 investigation for a moment, as I understood your
10 evidence in answer to Mr. Davis's questions, it
11 seemed that results came out of that
12 investigation in terms of being able to draw a
13 link fairly quickly. Did I understand your
14 evidence correctly?

15 A That's correct.

16 Q So within, I think you said at a maximum of two
17 weeks your investigators -- two weeks
18 surveillance, your investigators were starting
19 to draw a link between proceeds of crime,
20 illicit funds and the cash facilitators
21 providing these funds to casino patrons. Is
22 that a fair statement?

23 A What I would say is that we were able to make --
24 I'm being cautious because of the sensitivity of
25 it. So if you just give me two seconds so I

1 just make sure I frame it properly and don't
2 create any problems. I would say that within
3 the first two weeks through our multiple
4 initiatives within the investigation that we
5 identified that the information originally
6 provided by Mr. Desmarais/BCLC linked up with
7 other information relative to transnational
8 organized crime networks that we had a historic
9 concern about.

10 Q Do you recall that despite being able to make
11 that initial linkup, that about a month after
12 initiating the investigation, so in early
13 May 2015, the RCMP advised BCLC that the RCMP
14 were considering stopping the investigation due
15 to funding constraints?

16 A I did see some correspondence related to that.
17 I have no collection of that. I have no
18 recollection of that being a concern. My
19 recollection is what we discovered in the front
20 end of it meant that -- like, it was a
21 significant threat. We did have some capacity
22 issues because we had parallel operations that
23 were equal to, if not surpassed, the volume of
24 money and threat that we were seeing on E-Pirate
25 at the same time and that in order to continue

1 the support of this investigation with limited
2 resources, generally speaking, and always
3 competing priorities that in the normal course
4 of business we needed to document -- start
5 documenting and start preparing to ensure that
6 this was a priority.

7 I know it was my preference at the beginning
8 of the file that we are in and out of the file
9 in two to three weeks just because of limited
10 resources. But I had trusted Mr. Desmarais at
11 that point based on the information he gave me
12 to undertake it for two to three weeks even
13 though we were really struggling from a capacity
14 perspective with our other obligations that we
15 had. Yeah. I think I answered the question.
16 Sorry about that, just kind of living it, going
17 through the former conversations.

18 Q No, no, fair enough. You did answer the
19 question. Thank you.

20 MR. McFEE: Madam Registrar. We can take down that
21 exhibit from Mr. Kroeker's affidavit. Thank
22 you.

23 Q But do you recall or do you have any
24 recollection that BCLC was asked to and did
25 prepare a presentation that was made to RCMP

1 senior management in May of 2015 to encourage
2 the RCMP to continue the E-Pirate investigation?

3 A I recall -- well, I saw the emails. I didn't
4 recall it until I saw the emails that you're
5 likely referring to. I see the way that it was
6 framed in some of the emails and my
7 recollections do not reflect that and my
8 experience working within FSOC is when a person
9 from management asks a person in operations, you
10 know, that works for them, can you do X, Y, Z; I
11 need this, sometime it's misunderstood for the
12 purpose that it's being utilized.

13 And at that time I think it's really
14 important to highlight the context of policing
15 that particularly at the federal level there was
16 priorities being set. They were tightening up
17 the accountability processes. And I was
18 preparing, as I always had, to justify tackling
19 an issue and a threat that I saw as extremely
20 serious and wanted to, you know, dot Is, cross
21 Ts and start preparing to be able to articulate
22 to sustain this operation, get the resources and
23 keep the resources on it to keep going. I may
24 have had challenging questions about it, but I
25 am sure that my discussions, if Mr. Alderson and

1 others were aware of it, would reveal that
2 management was extremely concerned, very
3 supportive of it and saw it as one of the
4 biggest threats that we were dealing with at the
5 time.

6 Q In answer to one of my friend's questions
7 earlier you said you had a recollection of a
8 meeting at Green Timbers. Do you recall
9 there -- was this a meeting at Green Timbers
10 where the BCLC presentation was given to you and
11 other senior members of the RCMP?

12 A No, that was a separate meeting, I believe, that
13 I recall. And I saw the PowerPoint presentation
14 that you're alluding to. I see there was a
15 presentation. I believe I was probably present,
16 but I don't particularly remember the
17 presentation. But I do remember relying on --
18 as we go through that matrix, I do appreciate
19 that historically -- as you alluded to
20 previously in our discussion that Brad Desmarais
21 was noted to have significant money laundering
22 experience, and I encouraged my people to go
23 back and try to generate any type of
24 articulation that Brad may have at that time --
25 Mr. Desmarais may have at that time in terms of

1 the general impact of casinos.

2 We obviously heard the positive, but I'm
3 also looking for, you know, the risks and that.
4 And knowing that he had been in the casino
5 business and the money laundering business for
6 some time, I asked if he would be able to assist
7 and support us in terms of articulating anything
8 that he's picked up, you know, whether it be
9 at -- you know, from an ACAMS conference or
10 wherever else, to help us justify and go through
11 the, for lack of better term, bureaucratic
12 process of prioritization within the RCMP.

13 Q And we know that E-Pirate survived that
14 bureaucratic process of prioritization; right?

15 A E-Pirate ... I didn't prioritize it because I
16 was concerned that -- I didn't prioritize it
17 till the end because I was concerned that it may
18 not. And I had seen it in other files where the
19 magnitude of the threats were far more
20 significant than, say, what Ottawa and even at
21 the division level would appreciate would be
22 almost real threats because of the magnitude of
23 it. And we saw that in this particular case the
24 volumes of money that was going through.

25 So what I did is I waited until quite late

1 in the investigation and it wasn't until the
2 planning stage and then -- I then reported it
3 once I needed additional resources, and those
4 resources were the emergency response resources,
5 to execute the search warrants. And I put in a
6 submission. And at that point -- you know, at
7 that point it came back and I think it goes to
8 the point why we need a separate policing agency
9 for this stuff.

10 I then submitted the ops plan, got the phone
11 call from Ottawa asking why was the last minute
12 I submitted the ops plan. I told them had I
13 thrown it through the process earlier, I
14 probably would have got caught up in the
15 bureaucracy. You know, first having to go
16 through the lens of provincial police managers
17 that had different priorities possibly than the
18 federal ones, and then having to go through
19 Ottawa where some of people had operational
20 experience and others may be just in those
21 positions because of just being based in Ottawa.

22 So it was always a challenge not having a
23 fully dedicated federal police force that had
24 that experience that could see things
25 appropriately. So the prioritization didn't

1 take place until, for lack of a better term, the
2 eleventh hour.

3 Q And you recall in July -- late -- I guess it was
4 July 22nd, 2015, is my note, meeting with
5 Mr. Alderson and advising him that the RCMP
6 investigation had linked the cash coming into
7 casinos to organized crime networks?

8 A Yes.

9 Q And do you recall that very soon after that,
10 within a couple of days, BCLC requested that you
11 participate in a conference call with BCLC
12 senior executive team to discuss the E-Pirate
13 investigation?

14 A I don't recall that, no.

15 Q Do you recall participating in a conference call
16 with BCLC senior executives, including the
17 president and CEO Jim Lightbody, and with Brad
18 Desmarais to discuss the E-Pirate investigation?

19 A Sorry, I don't recall.

20 Q Okay. But just in terms of your involvement,
21 was your advice to Mr. Alderson on July 22nd,
22 2015, that the first time that BCLC had been
23 advised directly by the RCMP that the RCMP now
24 had evidence to fill in this missing link
25 between cash buy-ins and casinos and proceeds of

1 crime?

2 A I think it was fairly shortly -- if I remember
3 correctly, very shortly thereafter in
4 February 2015, like shortly after Mr. Desmarais
5 and I met, that the feedback to BCLC was that
6 we -- and eventually to -- and I don't know the
7 timeline of it with GPEB because they became
8 involved somewhat thereafter -- that what we
9 were seeing was extremely concerning in terms of
10 the networks involved, the volumes of cash and
11 the illegal activities we suspected was
12 associated to it.

13 So I don't know if it was July -- I thought
14 it was much sooner than July those conversations
15 took place. Not that the phone call didn't take
16 place because I just don't have a recollection
17 of it. I apologize for that. But I thought
18 there was ongoing dialogue between the
19 investigators and even myself and Mr. Desmarais.
20 You know, my recollection is I thought there was
21 discussions between Mr. Desmarais and myself
22 that the information he provided was righteous
23 and that we were, you know, continuing on.

24 Q Just to pin the timing down a little bit,
25 though, if I can disclose by referring you back

1 to a document that we looked at earlier.

2 MR. McFEE: Madam Registrar, if you could bring up
3 exhibit 762, please, which you were referred to
4 earlier.

5 Q It's the email exchange following the work group
6 conference.

7 A Yes, sir.

8 Q Do you have that?

9 A Yes, sir.

10 Q Now, I had understood in answer to -- I think it
11 was Mr. Skwarok's question, you said you
12 followed up with an email to BCLC and GPEB after
13 the June 6th, 2015 meeting respecting your
14 concerns. But if you look at this email and in
15 fact you didn't include anybody from BCLC on
16 that; correct?

17 A I think I just sent it back to the person that
18 invited me to the meeting.

19 Q Right. Look at the first paragraph. After
20 "Len." It says:

21 "Thanks for the invite. I didn't reply to
22 all. However, shared with our fed
23 policing partners and province policing
24 partners, our appreciation for the invite
25 and several comments."

1 Then you set out your comments about your
2 concerns of money laundering.

3 A Yeah. Yeah.

4 Q So to be clear, this was going to your policing
5 partners. You consciously did not send it to
6 BCLC; correct?

7 A Correct. There had been several conversations
8 during the time Mr. Desmarais met with me to
9 this time where I was encouraged by multiple
10 stakeholders from RCMP management to GPEB
11 themselves to engage with GPEB as a point of
12 contact -- as the primarily point of contact.

13 There was concern expressed at one point
14 that when Mr. Desmarais approached me with the
15 information that GPEB wasn't included in that
16 initial discussion.

17 Q Okay. Those are my --

18 A Sorry. And I was just being respectful to the
19 people in the process and the direction that I
20 received.

21 MR. MCFEE: Okay. Thank you. Those are my questions
22 for you.

23 THE WITNESS: Thank you, sir.

24 THE COMMISSIONER: Thank you, Mr. McFee. I think
25 now, Mr. Davis, we'll just take a brief

1 specifically investigate foreign corruption and
2 money laundering flowing from that corruption
3 under that kind of umbrella term?

4 A We had incidents where -- like one in particular
5 where we had an individual that -- a Mexican
6 government official that I believe embezzled or
7 took in the billions -- I forget if it was
8 \$5 billion -- and then disappeared. And his
9 person that apparently laundered and managed his
10 money moved to Vancouver and was a professional
11 money laundering facilitator. Again, a Mexican
12 national is my recollection.

13 Q So that was one occasion. And that's all you
14 remember right now? And I'm not trying to --
15 pardon me. I'm not trying to test your memory
16 on which investigation you recall. I'm just
17 trying to get a sense of -- perhaps I'll
18 rephrase the question and ask was it something
19 that your unit would specifically look to
20 investigate or be called upon by others to
21 investigate?

22 A You know, something that -- if I can share
23 something for Mr. Cullen is there's this
24 interest to segregate the offence and focus the
25 discussion and the dialogue around offences,

1 i.e., corruption, ML, drugs, fentanyl. And
2 these same networks were -- I think it's
3 important to highlight, they don't limit their
4 activities to one action or another. We focused
5 on networks and the highest level criminal
6 networks and they were involved in a multitude
7 of activity. And we targeted for the most
8 effective, efficient way to mitigate the threat
9 to Canada was.

10 And I would say that falls in term of the
11 corruption aspect of it too. These guys were
12 all top cartel people. So I can only imagine
13 that they were involved in extreme levels of
14 corruption back in Mexico and globally, but
15 whatever surface -- we weren't kind of, like,
16 trying to put things in boxes, you know, in
17 terms of a specific offence. We were trying to
18 block the threat to Canada from taking place
19 here and preventing it from taking place quite
20 often whenever we could. I don't know if that
21 answers your question but I hope -- I've tried
22 my best.

23 Q Yeah, I think it does. And I take it from your
24 evidence this morning you mentioned that
25 transnational organized crime and money

1 laundrying are two sides of the same coin. And
2 I guess within that you would agree that
3 corruption fits under that umbrella of
4 transnational organized crime; right?

5 A Yes, sir.

6 Q Yeah. And so -- because, I mean, the corrupt
7 individual needs a place to park their
8 unlawfully gotten money and so that's where you
9 come in. And you're investigating that side to
10 ensure that the risk to Canada is dealt with?

11 A Your articulation, Toby, I agree with perfectly.
12 It's -- like, the complexity of it, as you have
13 alluded to, is super important to understand and
14 I -- you know, going back to my former
15 testimony, I'm not sure if I communicated that
16 effectively when I was cross-examined from the
17 province that had a very different perspective,
18 like was trying to box it up.

19 But your understanding of it I think is
20 clear. It's complex and multidimensional.

21 Q Sure. And so moving on, then, you mentioned
22 this cost-benefit analysis for money laundrying
23 offences. When -- I have a note on your
24 evidence that says that when money laundrying
25 files come across your desk, the predicate

1 offence was already established, that you tended
2 to conduct a cost-benefit analysis that rarely,
3 if ever, moved into a further investigation on
4 the money laundering charge. Do I have that
5 right?

6 A I would say that -- I guess maybe the best way
7 to -- Toby, to answer your question, if you
8 would allow me a few minutes is that we were
9 inundated with something. As I was preparing
10 for my testimony today, reviewing some of the
11 documents, I actually felt somewhat overwhelmed
12 by looking at the volume of activities and
13 threats and engagements we had with cartels,
14 triads and other networks. And my sole focus
15 was those -- mitigating the four pillars here.
16 And I was always concerned, as I thought
17 Canadians would be, that if I was focused at --
18 I had a focus at kind of just trying to mitigate
19 the threat versus furthering -- like, I could
20 have gone down so many rabbit holes and done
21 year-long, five-year-long investigations and I
22 saw other people try that and saw the outcomes
23 of that.

24 And I can honestly say from my own personal
25 experience the cost of going down some of those

1 rabbit holes and long-term investigations wasn't
2 in the Canadian interest from my perspective. I
3 don't think the average Canadian wanted us, nor
4 did they really care from the conversations I
5 had with people outside policing, whether the
6 person was prosecuted in Los Angeles, Seattle,
7 Colombia, Africa or wherever. They just
8 essentially wanted them to be impacted
9 negatively and stopped.

10 So to answer your question, I didn't always
11 try to go on and on with the investigations
12 because it would never stop.

13 Q Right. And I take it it wasn't just you making
14 this type of decision. Like, you had
15 supervisors or superiors who -- I mean, no one
16 told you this is wrong; you should be pursuing
17 these money laundering investigations with more
18 force?

19 A It's a term that I struggle with, sir, is "money
20 laundering investigations." They're
21 transnational organized crime investigations.
22 It's kind of -- I don't understand. To be quite
23 honest, I don't understand when people say
24 "money laundering investigations." Like, if you
25 look at money laundering like a guy standing on

1 the street corner and he reaches in his pocket
2 and he hands a point of heroin to somebody and
3 he's doing a transaction there and the
4 conversations there, there you've got a heroin
5 transaction. He takes the dollar bill and he
6 walks to the bank and places it in the bank.
7 There's the money.

8 It didn't matter at what time and what date,
9 you know, I was trying to impact that threat to
10 Canada. I would say that they were supportive
11 of me mitigating the threats to Canada. That
12 was our mission. And we weren't overly worried
13 about putting them in boxes to generate specific
14 stats, whether they were a money laundering
15 charge or fentanyl charge or whatever. It was
16 about protecting Canadians, which was our
17 mission. Our mission wasn't to generate money
18 laundering stats; it was to generating
19 protecting Canadians.

20 Q Right. But for those offences like corruption,
21 for example, where the predicate offence is
22 overseas and the only threat to Canadians is the
23 money laundering offence, I mean, surely it's
24 only -- it's in the Canadian interest to pursue
25 that money laundering charge, isn't it?

1 A I'm not sure if I understand the question, to be
2 honest.

3 Q Sure. I mean, you just said that when you're --
4 or the way I took your evidence, and correct me
5 if I'm wrong, is that when you're undertaking
6 this cost benefit analysis, you're mindful of
7 wherever the person is charged doesn't really
8 matter. All that you're mindful of is what's
9 the threat to the Canadian interest. But in
10 that case where the offence is overseas and the
11 only threat to the Canadian interest is the
12 money laundering, just the act of the money
13 laundering introducing unlawful funds into the
14 Canadian economy, surely you would still pursue
15 that charge; right? Like, in that corruption --
16 in that corruption file did you pursue the money
17 laundering charge or the money laundering
18 investigation in that file?

19 A Well, I guess to goes back to that coin
20 conversation. I never saw anything that was
21 just money laundering. I saw it as the money
22 launderer was, say, hypothetically a fentanyl
23 trafficker. So it was kind of -- it wasn't --
24 you know, they were all those things that, you
25 know, we kind of talked about at the beginning

1 of the conversation. So I looked at hey, how do
2 I neutralize the threat. And if the guy is
3 putting out fentanyl on the streets of Vancouver
4 and killing 1,500 kids a year, I'm going to try
5 to neutralize that guy and protect Canadians.
6 That was my threat. And if there was an added
7 opportunity to go further and I had the
8 resources to do it, I would.

9 But I don't know, to be quite honest with
10 complete respect to yourself and others, if they
11 understand the magnitude of the files and the
12 threats that were coming across my desk and on
13 top of my head every day and the challenges that
14 we had to try to protect Canadians with the
15 tools and the systems we have. Nobody seems to
16 want to talk about that, and I think that's the
17 big issue here.

18 So to go hey, what about -- what do we do on
19 money laundering, what did we do on this, I find
20 it kind of a difficult conversation to have, to
21 be honest.

22 Q And I think my audio may have cut out there.
23 When you say said the magnitude of the threats,
24 are you talking about dollar value or potential
25 loss of life and harm or these types of things

1 generally, or what are you referring to there?

2 A The combination of all those ones. As I said in
3 my testimony, the public safety, the social
4 harm, the financial integrity and the national
5 security. And when I looked at these, that was
6 generally my threat analysis matrix, without
7 being a trained analyst as the province asked.

8 When I looked at the kind of commonsensical
9 threat matrix going hey, what do I owe
10 Canadians, that's the matrix that I provided and
11 that's the one I tried to live to regardless of
12 all the others.

13 Q I see. And so I take it your evidence is that
14 there were massive threats and you were just
15 inundated with files all over the place, threats
16 to life, threats to the Canadian economy. And
17 perhaps you didn't have the resources necessary
18 to address them all in the way you would have
19 liked to?

20 A No.

21 Q Do I have that right?

22 A No. No. So you said "resources." I didn't
23 have the tools, and the tools include a system
24 to mitigate against transnational organized
25 crime. And that includes structural issues.

1 Say, you know, a federal -- a separate federal
2 police, systems issues or strategy issues. No
3 strategy in terms of all government strategy
4 where everybody's working together. And a legal
5 system that didn't allow me to effectively work
6 with partner agencies and address the best
7 interests. You know, outdated laws not designed
8 to deal with transnational organized crime, but
9 to deal with, you know, issues in a provincial
10 context but not in a global context.

11 And, you know, I think some of the questions
12 you've heard today posed to me where they have
13 this very -- and I use the term not in a
14 government sense but in a -- more of a linear
15 sense -- provincial thinking think that your
16 matrix is -- use this certain type of matrix to
17 go, what's the positive results of something
18 that's a global issue, it shows and reflects, I
19 think, a lack of understanding and the tools and
20 the thinking and strategy around it. And so we
21 were missing all those things.

22 Q I see. So you're drawing a distinction
23 between -- when I said "resources" you
24 interpreted that as budget, quite fairly. But
25 it's not budget. You're saying it's more of a

1 structural issue. You didn't have the tools.
2 There wasn't the foresight into how these
3 transnational groups worked, that type of thing?
4 A Yeah, I'm saying it's much more complex. You
5 know, and I've seen in the media. You need more
6 money. You need more bodies. Definitely
7 helpful. But to do that in the absence of,
8 like, some of the systemic issues within the
9 judicial system, the structural system, the
10 absence of a national strategy, I would say it
11 could be a bit of a waste of money to do that
12 without the absence of having those structural
13 and systematic issues addressed and resolved.
14 Q All right. And I take it one of the examples of
15 that you alluded to earlier in your evidence is
16 that criminals are using complex operations with
17 shell companies and complex legal structures.
18 Do I have that right?
19 A Yeah. For sure they're using complex
20 structures. And, I mean, the encryption aspect
21 of it and how that impacts Vancouver and BC is
22 something is that's -- you know, I wish to
23 highlight.
24 Q Right. And so -- and, I mean, these shell
25 companies and these legal structures, they

1 spanned across jurisdictions; right? They
2 went -- they were in Canada, they were in the
3 United States, they were all over the place;
4 right?

5 A Yes.

6 Q Yeah. And so in your experience did a
7 criminal's use of shell companies or legal
8 entities provide roadblocks to successful
9 investigations?

10 A I can't say from my personal experience I can
11 have any recollection of that. I'm sure it did.
12 You know, when it came to these issues -- and
13 I'm sorry, sir, I can't see your last name.

14 Q Myself?

15 A Yes.

16 Q Mr. Rauch-Davis.

17 A Okay. Sorry. You know, the people that had
18 that financial expertise looking at some of
19 those issues would deal, you know, with those
20 issues. Where they were problems, you know,
21 they weren't always reported to me as being
22 problems.

23 Q Those problems didn't come across your desk, I
24 take it?

25 A I'm sure they did, but I don't have a

1 recollection of them, to be honest. I mean,
2 there were some other significant problems that
3 I've alluded to do today in terms of, you know,
4 the *Canada Evidence Act*, you know, in terms of
5 protecting foreign information which came across
6 my desk regularly. The disclosure issues, you
7 know, came across my desk, regularly, daily.
8 These issues perhaps didn't come across daily,
9 but were nevertheless -- probably did come up,
10 but I just don't have recollection of them.

11 MR. RAUCH-DAVIS: Thank you. I believe I'm out of
12 time. So those are my questions. Thank you.

13 THE COMMISSIONER: Thank you, Mr. Rauch-Davis. And
14 I'll turn to Mr. Butcher on behalf of Brad
15 Desmarais, who has been allocated 15 minutes.

16 MR. BUTCHER: Thank you. I think you can probably
17 hear me but not see me.

18 THE COMMISSIONER: Yes, that's the case at least with
19 me, Mr. Butcher.

20 MR. BUTCHER: Yes. There.

21 THE COMMISSIONER: There you are.

22 MR. BUTCHER: Thank you.

23 **EXAMINATION BY MR. BUTCHER:**

24 Q Mr. Chrustie, I act for Brad Desmarais, who you
25 have mentioned in your evidence quite a few

1 times today. I'm told that you would have met
2 him in around 2001.

3 A Your memory or his memory is better than mine.
4 I can't recall.

5 Q He was working in the IPOC section at Heather
6 Street at the time. Would that make sense?

7 A Probably -- okay, my memory is better than his.
8 Probably in the early 90s, I believe, when I was
9 in the Vancouver drug section. Yes.

10 Q Okay. You told us early on about some
11 involvement that you'd had with some American
12 agencies with Mr. Desmarais. And I understand
13 that that involved at least the DEA, if not the
14 home security people and the FBI; is that
15 correct?

16 A Yes. To a less degree the FBI, yes.

17 Q And if I -- you used this phrase to describe
18 Mr. Desmarais. You said that he had a unique
19 relationship with those agencies. I take it
20 that you mean that he had a particularly good
21 collaborative, positive and productive
22 relationship with them?

23 A That's correct, Mr. Butcher.

24 Q The discussions that you had with the American
25 authorities resulted in a significant number of

1 successful interdictions of money drops; is that
2 right?

3 A Yes. Correct.

4 Q And although seizures may have been made in
5 Canada, they did not necessarily result in
6 prosecutions in Canada but prosecutions
7 elsewhere?

8 A Yes, prosecutions and disruptions. I mean, we
9 really -- my mindset was not looking -- the
10 playing field was a global playing field, so a
11 lot of the disruptions and enforcement actions
12 were collaboratively decided and taken abroad.

13 Q And I take it that that was an example of what
14 you seem to be saying, although you've not used
15 these words, that it's important that we take an
16 international and global view of these problems
17 and not a parochial and provincial view?

18 A Provincial views. Like I said, probably poses a
19 significant threat to understanding it. You're
20 correct.

21 Q I want to take you back, I'm afraid, to
22 exhibit 760. This is the -- I'm not sure if I'm
23 correctly describing it as an operations plan.
24 If that can be brought up, please.

25 There are a couple of things that I wanted

1 to mention or ask you about that haven't been
2 asked so far. Firstly in the boxes that have
3 been ticked I see that this was described as an
4 intelligence probe. Can you describe the
5 difference between an intelligence probe and an
6 investigation?

7 A Yeah, I would say it's hard to distinguish in
8 precise terms but in more generic terms I'll try
9 to do my best. An intelligence probe is to
10 assess the feasibility of the investigation, to
11 corroborate some of the possible information,
12 assess the viability of that information to
13 determine what additional resources, if any, are
14 required to advance an investigation. So it's a
15 preliminary incremental step in terms of taking
16 on and looking at a threat. I don't know if
17 I've done it justice by articulating that
18 because I've never seen a definition of it, but
19 I've tried my best based on my experience.

20 Q And I note as well there that you've -- that
21 this intelligence probe had already set up a
22 major case management model with a team
23 commander, primary investigator and file
24 coordinator?

25 A Correct.

1 Q And we know that this investigation or this
2 probe went on for two years. I take it that
3 there was nothing that the probe found that
4 supported the language that is found in the top
5 box under the heading "Synopsis" that:

6 "Intelligence has revealed that the origin
7 of much of these funds is derived from
8 criminal activity and other proceeds of
9 crime."

10 I take that that your intelligence probe was not
11 able to find anything that was worthy of
12 investigation. Is that fair?

13 A Well, you made a number of statements there and
14 I'm not sure I'm going to capture them all, so
15 I'll be cautious in terms of making sure that I
16 articulate this properly.

17 Number one, the reference -- and I'm not
18 attributing it to yourself but throughout the
19 day talking about it being a two-year project.
20 I don't have that recollection as my memory. I
21 do remember it being kind of an off/on type
22 initiative. So I just want to clarify that so
23 nobody's misled that it was a constant, ongoing
24 operation. Continual. And I just say that not
25 to disagree but just to make sure there's

1 clarity on that, at least from my recollection.

2 Number two, to classify -- if you could go
3 with part two of your question.

4 Q My question was that the intelligence probe did
5 not support the assertion made under the
6 synopsis of:

7 "Intelligence has revealed that the origin
8 of much of these funds are derived from
9 criminal activity and other proceeds of
10 crime."

11 A I can't -- what I do recall is it didn't result,
12 to my -- best of my recollection, in a specific
13 enforcement or disruption opportunity. That's
14 my recollection. Whether it resulted in
15 valuable intel, that's a totally separate
16 question and without reviewing the investigative
17 reports that would've been done, it wouldn't be
18 fair for me to comment because it wouldn't be
19 accurate.

20 Q But you're not aware of any investigation that
21 flowed through or as a result of any of the
22 intelligence gathered, are you?

23 A I'm not aware of -- well, what I'm not aware of
24 is any enforcement. Let me just -- if I could
25 just reflect and process what you said there to

1 make sure I give you the best answer possible
2 for yourself.

3 I'm not aware of a secondary ops plan from
4 this one. But again, my recollection going back
5 ten years isn't great going back to that time.
6 I can't recall what happened, you know, at that
7 time post-2012.

8 Q Right. Let's go, if we can, to the last page of
9 this document, please. Sorry, it's a page above
10 that. It's page 3, I think.

11 Under the heading I, number 2, is this
12 suggestion that's been made to work towards
13 legislative and regulatory change in conjunction
14 with BCLC and GPEB. What was meant by that?

15 A I think at the outset of the probe, and this is
16 based not on my memory but just reviewing the
17 documentation there because I don't have that
18 memory in terms of the conversations around it
19 other than just the document itself. But
20 reading that document, if I was to read it again
21 today which I read at that time, would be to
22 work with partners based on what we found to see
23 if we could come up with, you know, means and
24 ways to mitigate that threat through, you know,
25 policy changes, legislative changes, regulatory

1 changes.

2 Q And did you follow up on that at all?

3 A I can't recall, sir. I do know, Mr. Butcher,
4 that Mr. Baxter as the OIC had a closer
5 affiliation and association with GPEB at that
6 time. I do recall at that time we were
7 inundated with a number of other operations and
8 I don't have recollection as to what took place
9 thereafter on point 2.

10 Q And I'm going to quickly go to your meeting in
11 February of 2015 with Mr. Desmarais. You've
12 given a lot of evidence about that. But I just
13 want to confirm that he expressed at that time
14 to you some frustration in his failure to engage
15 CFSEU in investigation of the issues that were
16 arising at the casinos?

17 A That's a fair assessment, sir. Yes.

18 Q Can you tell us what the difference in mandate
19 was between CFSEU and your FSOC group?

20 A Well, FSOC at that time had federal priorities
21 that we were to be focused on. To be honest I
22 can't remember what they were at that particular
23 time. And to be working, you know, more in the
24 global area of transnational organized crime and
25 targeting, you know, the transnational criminals

1 versus some of the organized criminals.

2 Q So CFSEU was more directed at organized
3 criminals and gangs within British Columbia? Is
4 that what you're saying? I'm trying to
5 understand the --

6 A Yeah, I would sense that the -- for lack of a
7 better term, I mean, it was evolving and fluid a
8 bit, so it's very hard to put precision on it.
9 I know there was a heavy emphasize, like around
10 2010, in terms of the public safety issues that
11 CFSEU was focused on. They were also focused, I
12 think, on some of the other organized crime
13 issues and we were focused on primarily, like,
14 transnational organized crime issues that were
15 plaguing Canada.

16 Q I've got a completely different question for you
17 that has to do with transnational organized
18 crime in a way. If you were presented with a
19 fact pattern in which you had suspicions about
20 somebody and had their name in Chinese
21 characters and had the city which they
22 originated from, what would you do to try to
23 find out anything about that person's
24 background? Who would you tell to do it, or
25 where would you go to look for somebody who

1 could do that sort of thing?

2 A I probably -- well, I mean, I wasn't tasked -- a
3 task like that never came across to me ever, so
4 it's purely hypothetical. It would be, you
5 know -- it would probably be at the
6 investigative level. And I would presume quite
7 often they would go to, say, one area would be
8 the Asian probe intelligence team that had the
9 linguistic capacity there, and if we had it
10 within the unit that I worked on I would go
11 within there. Sometimes we had those capacities
12 within the investigative team. Sometimes we
13 didn't have it. So we would probably seek it
14 out to see where we could find it. And
15 sometimes we'd even go to other police forces
16 and that to do it.

17 Q So that's an agency or unit within the RCMP?

18 A It's one -- yes, it's an agency.

19 Q Now, you told us -- I'm sorry, my time is very
20 short here. You've told us about the need for a
21 separate federal entity to investigate what you
22 say are really a constellation of crimes that
23 come together at one time.

24 So I have two questions for you. Why a
25 federal entity, and why isn't the RCMP that

1 federal entity?

2 A Well, I don't think it's structure allows for it
3 currently. And I think the RCMP could be it,
4 but under the current structure I think it's
5 challenged. I mean, the structure with
6 competing priorities with the provincial
7 contracts and the influence of the provincial
8 needs and priorities. I mean, when you look at
9 the HR issues where you have an expert, say, in
10 federal policing and then a promotional
11 opportunity comes up and then automatically
12 they're in the municipal-provincial business
13 line or vice versa. Somebody applies and comes
14 over from a traffic section and is -- next thing
15 they're in federal policing. Well, that
16 expertise -- that isn't how the DA and, you
17 know, some of these more, I suggest, effective
18 more evolved organizations work because you need
19 to retain that expertise in here -- you know,
20 through legal issues, operational issues, the
21 expertise needs to be retained in federal
22 policing. And the structure currently of the
23 RCMP, people float back and forth between
24 business lines and not one is, you know, more
25 important than the others, you know, I guess.

1 But you can't have people floating across and
2 being an expert -- being a traffic person one
3 day and then targeting transnational organized
4 crime the next day, and the current model has
5 that.

6 And on the flip side of the coin you can't
7 be running transnational organized crime
8 criminals and then reporting up to people that
9 are homicide experts and expecting that they
10 would have an appreciation of the complexities
11 and listening to the matrixes -- you know,
12 devising matrixes that are, again, very
13 provincial in nature if they don't have that
14 appreciation of the complexity of the threat and
15 the operational kind of challenges associated to
16 it.

17 So that's kind of why I think it needs to be
18 a separate entity.

19 Q I've got to go back to Mr. Desmarais for a
20 moment.

21 A Yes.

22 Q You mentioned that when E-Pirate began there was
23 a threat to its funding because of other
24 competing significant cases. Do you remember
25 that?

1 A I don't remember saying it was a threat. It was
2 just -- there was just an ongoing competitive
3 priority -- needs for resources based on
4 priority. So it was always -- it's something
5 that's just -- it wasn't specific to E-Pirate.

6 Q And in order to stress -- or to assist in
7 stressing the importance of E-Pirate, you
8 brought in Mr. Desmarais to assist with that
9 process because you knew that he was considered
10 credible within the management groups that would
11 be making those decisions.

12 A I would reframe it that I leveraged
13 Mr. Desmarais's historical expertise and his
14 ability to articulate the threats of
15 financial-related activities of transnational
16 organized crime groups. He was very articulate
17 in terms of articulating the impact of threats
18 coupled with -- I knew he had been around the
19 casinos issues and probably had a lot more
20 exposure, you know, to some of the threats and
21 risks attached to laundering money, proceeds of
22 crime through casinos and that he would be able
23 to assist and support our investigative team by
24 enhancing our articulation through the
25 prioritization process.

1 Q One last question, and this may have a long
2 answer. If somebody was to ask you tomorrow to
3 set up your ideal model team to challenge the
4 issues that you've been discussing today, what
5 would it look like?

6 A I would say a federal institution that was part
7 of a national all government strategy -- not a
8 police strategy but all government strategy
9 where the resources were aligned to the threats,
10 not disbursed throughout provinces and places
11 that didn't have the highest level threats,
12 i.e., in the case of Canada, you know, possibly
13 Halifax, Montreal, Toronto, Vancouver, with
14 sparse resources elsewhere. I wouldn't see
15 federal resources being in places like Prince
16 George when we were getting tenfold the threats
17 down here and couldn't keep up.

18 Then I would probably look at something like
19 AFP, the Australia Federal Police model, and I
20 look at -- you know, when I first started
21 working with them in the mid 2000s they were
22 newly created or relatively newly created and I
23 look at where they have excelled in terms of
24 their structure and the systems. And the global
25 reach and capabilities is significant. Say, for

1 example, I looked at Los Angeles as it relates
2 to Vancouver. If I had a choice, I would take
3 ten people from Prince George and put them in LA
4 and have vetted teams in LA or take the funding
5 for it to stop the fentanyl, to stop the drugs,
6 to stop the coke from coming into the streets of
7 Vancouver and harming our vulnerable.

8 I would be looking at pushing the crime out
9 and looking at creating structures that keeps
10 the threats away from us. And that was what I
11 tried to do with a structure and system that I
12 had at the time, but I would even take it to
13 increase it. Instead of having one liaison
14 officer in LA, I would probably go well, where
15 is, you know, a significant amount of the threat
16 coming from. And I would go well, it's coming
17 through LA, Arizona. You know, when we saw it
18 in -- with the Sinaloa Cartel it was coming up
19 through some of the border towns in Arizona.
20 And I would start thing to push at that out.

21 And that's essential what AFP does, the
22 Australia Federal Police. That's what DEA does.
23 I think they have got hundreds of guys in
24 Bogotá. We may have a couple of guys in Bogotá
25 but that's essentially, in terms of the

1 structure, what I would be looking at. And
2 separating it instantaneously tomorrow from
3 having any connectivity where the provincial
4 policing interests infuse and sometimes possibly
5 interfere with the federal ones. But I think
6 that's a significant issue and significant
7 problems that impedes the federal program.

8 Q And I am not going to go there because I think
9 it would take some time, but would you agree
10 that an agency like that would benefit from not
11 just having police officers but people with
12 experience in foreign affairs and economists and
13 computer scientists, that a much broader range
14 of skill sets could be brought to effective
15 enforcement?

16 A I think absolutely, yes. And if you look at
17 those other models, they do that. And I think
18 until you see that government -- I think once
19 you have a strategy, an all government strategy,
20 you're going to see all these institutions
21 starting to play into it. You don't necessarily
22 need police.

23 When I met on E-Pirate and I went to --
24 actually it was before E-Pirate. It was another
25 file, but much the same as E-Pirate. I went to

Examination by Mr. Butcher

Examination by Mr. Delbigio

1 CRA, I asked CRA, what are you working on? And
2 they said, you know -- they gave me this
3 example: they're working on 300-, 400-,
4 \$500,000 tax evasions. I said well, I've got
5 one that's, you know, hundreds of millions.
6 Until you have that strategy that everybody owns
7 transnational organized crime, not just the
8 police, you're going to get these silos and
9 that.

10 So I agree with you a hundred percent that
11 diversity in experience due to the
12 sophistication and complexity of the threats is
13 super important.

14 MR. BUTCHER: Thank you. Those are my questions.

15 THE WITNESS: Thank you, Mr. Butcher.

16 THE COMMISSIONER: Thank you, Mr. Butcher. I'll now
17 call on Mr. DelBigio on behalf of Mr. Jin, who's
18 been allocated 15 minutes.

19 **EXAMINATION BY MR. DELBIGIO:**

20 Q Mr. Chrustie, you've had a long day and I'll try
21 to be as brief as I can. You have had a -- you
22 had a long and interesting police career, and
23 the lawyers today have shown a lot of interest
24 in what you have had to say. And your name has
25 come up in this commission -- I'm not going to

1 be able to be exact, but a couple of months ago
2 and maybe even a few months ago.

3 My question -- my first question for you is
4 when were you first contacted by the commission
5 for the purpose of you possibly giving evidence?

6 A The last year's been a blur with COVID. I think
7 perhaps a year ago, but I defer to commission to
8 set the date correct. But I'm guessing a year
9 ago.

10 Q And approximately when was it first confirmed
11 that you would be giving evidence?

12 A A couple of weeks ago.

13 Q And did you have any contact with the commission
14 between those couple of weeks ago and the year
15 or so ago, or did they go silent on you?

16 A No, I they didn't go silent. I didn't go
17 silent. They have may have gone a little more
18 silent. But I shared -- I continued
19 communication with them. Not to talk
20 specifically about testimony, but I shared
21 information with them not relative to specific
22 criminality but just to -- shared articles
23 relative to transnational organized crime to
24 assist and support understanding the complexity
25 of the threat.

1 Q And I understand from your testimony that they
2 gave you some documents to review before your
3 testimony today. Is that correct?

4 A That's correct.

5 Q And I don't have a majority of the documents,
6 but did you receive them electronically or in a
7 paper format?

8 A Electronically.

9 Q Okay. I was going to ask you if it's an inch or
10 a foot of paper, but I guess I'm not going to be
11 able to do that. You used two words in your
12 testimony. You used the word "enforcement" and
13 you use the word "disruption." And as you use
14 those words within the context of your police
15 experience, do they mean the same thing or do
16 they mean different things?

17 A Disruption sometimes refers to -- directly or
18 indirectly with the -- I said with let me just
19 think about that articulation to make sure I've
20 got it right here.

21 Enforcement meaning that intention to charge
22 and proceed hopefully with trial, conviction.
23 The other activities sometimes meant to deter,
24 prevent activities or a threat.

25 Q Stopping what you believe to be the commission

1 of criminal offences without necessarily there
2 being a charge or a prosecution?

3 A Yes. Yeah.

4 Q I'm going to ask you a question about -- when
5 the commission lawyer Mr. Davis was asking you
6 questions, he showed to you what has become
7 exhibit 761 in these proceedings, and that was a
8 document that referred to a summit, what was
9 called a summit that you attended in June of
10 2015, and there was an attendance list. And do
11 you recall being shown that document?

12 A I've seen a lot of documents today, but I think
13 I know the document you're referring to relative
14 to the -- finding the common ground. I can't
15 remember if I saw it today or if I've reviewed
16 it in the last several days.

17 Q You recall the summit, though? You recall the
18 event?

19 A The common ground one between BCLC and GPEB,
20 yes.

21 MR. DelBigio: I saw -- and I don't know if it's easy
22 to do but just because I'm referring to it, can
23 exhibit 761 be put up on screen.

24 Q And are you able to see that, Mr. Chrustie?

25 A I am, Mr. DelBigio.

1 Q And do you see under the -- on the left-hand
2 column there's participants, and about in the
3 middle of the page there's -- one of the
4 participants is a person from TD Bank. Do you
5 see that?

6 A I do.

7 Q And do you happen to know, as you sit here
8 today, why a person from -- a representative
9 from a bank was present at that summit meeting?

10 A No, I -- no. I would just be guessing. I don't
11 know.

12 Q Now, you referred to a keynote speaker who
13 referred to other money coming in from China.
14 And who was the keynote speaker?

15 A If my recollection is correct, I thought, and I
16 stand to be corrected, an individual named
17 Mr. Manthorpe.

18 Q Okay. And do you see the name on that list? I
19 don't know if that assists you.

20 A No, I don't. Maybe I'm wrong in the name, but
21 that was my recollection.

22 Q Sure. And do you recall whether or not there
23 was any sort of a PowerPoint presentation that
24 was given by the keynote speaker which referred
25 to the other money coming in from China? And I

1 do realize it's six years ago.

2 A I remember something being up, I thought, on the
3 screen, but I can't remember. And I can't even
4 remember, to be quite honest at this point in
5 time in the day, if I got a copy of that from
6 counsel. I just -- maybe somebody can help me
7 jog my memory if I have seen it. There's been
8 just so many documents coming across to me today.
9 Sorry.

10 Q I do appreciate it's a while ago and it's been a
11 long day. Let me try another question. And
12 that was what has become exhibit 762 in these
13 proceedings. And may ...

14 A Yes, I see it.

15 Q And do you see in the fourth point where it says
16 "the financial lead is discussed by your guest
17 speaker"?

18 A Yes.

19 Q And that's the same -- that's the guest speaker
20 at the same summit that I was just asking you
21 about; is that right?

22 A Yes.

23 Q And do I take it that -- and again, it's been a
24 while for you, do I take it that you recall that
25 whoever the speaker was presented information

1 about wealthy people in China who are moving
2 capital out of China and into places that
3 include Vancouver?

4 A Correct.

5 Q And that that capital is not -- was not
6 necessarily -- or at least in the opinion of
7 that speaker not tainted money?

8 A That is correct, with the exception that if it
9 was smuggled out beyond the \$50,000, then it
10 became a legal issue for China in terms of their
11 violation. I think it's 50,000, whatever the
12 limit was.

13 Q Now, I'm going to shift topics. You were being
14 asked questions by the lawyer for the province,
15 Ms. Chewka.

16 A Yes.

17 Q And she was asking you some questions about the
18 number of charges or convictions.

19 A Correct.

20 Q Do you recall those generally?

21 A Yeah. In the jurisdiction of BC, yes.

22 Q Yeah. Do you agree that -- you understand that
23 in the jurisdiction of BC it's a prosecutor and
24 not a police officer who approves charges? You
25 understand that; right?

1 A Yes.

2 Q And you understand that it is a prosecutor and
3 not a police officer who advances a case to a
4 court for where it will be decided whether or
5 not there will be conviction or acquittal. You
6 understand that; right?

7 A Yeah, I'm not sure I understand the complete
8 nuances as it relates to that.

9 Q But is it your opinion based upon your
10 understanding that if Ms. Chewka had questions
11 about why there are -- why there aren't more
12 charges than there have been, that a good place
13 to ask would be Crown counsel rather than you?
14 You agree with that, don't you?

15 A I would agree that they would have
16 significant -- what's the word? Valuable input.

17 Q Because they are -- it's Crown counsel in
18 British Columbia who ultimately charge or make
19 the decision with respect to charge or no
20 charge; right?

21 A I'm processing your questions and at the same
22 time I'm trying to process the practicalities of
23 how the information and how the evidence
24 surfaced in these investigations and I'm
25 wondering if the operational activities are

1 being understood in terms of how these
2 operations take place and how the decisions are
3 taking place live time versus, again from the
4 provincial lens, homicides committed. Is there
5 going to be a charge after, you know, the
6 offence is committed versus there's five or six
7 live time criminal activities taking place, you
8 know, in these other files around the world and
9 how and when is somebody going to get arrested.
10 And it's usually live time.

11 Say, for example -- and I'm just using this,
12 and I don't know if this is going to help,
13 Mr. DelBigio, but I'll try to provide this --
14 maybe an example helps clarify it.

15 Q Mr. Chrustie, I'm just -- I'm cutting you off
16 only because I have not much time but also I
17 want to make sure that you understood my
18 question. And that is that if the
19 Commissioner -- if the Commissioner was
20 interested in why Crown counsel have not
21 approved charges, the Commissioner should hear
22 from Crown counsel? You agree about that;
23 right?

24 A In certain cases where those cases were brought
25 to Crown counsel, yes. And I guess my point,

1 Mr. DelBigio was some of them weren't brought
2 because some of those decisions were happening
3 at 10 o'clock at night to go, are we going to
4 arrest the person in LA or are we going to
5 arrest them in Vancouver or are we going to
6 arrest them in Mexico right now? And we would
7 make the decision during the course of the
8 investigation, let's arrest right now.

9 Q I understand completely.

10 A Yeah. Yeah.

11 Q Now, I'm going to ask -- I just have two more
12 categories of questions. In answer to
13 Mr. Rauch-Davis you talked about needing more
14 tools. And in answer to the previous lawyer,
15 you referenced that it in one instance took you
16 seven months to get a wiretap.

17 A Seven months to try to get a wiretap.

18 Q Okay.

19 A Yeah.

20 Q You understand -- and I understand your
21 background, but you from your background
22 understand that the tools that are available to
23 a police officer are in part shaped by the
24 *Charter of Rights*? You understand that; right?

25 A I do.

1 Q And you have not been asked questions about the
2 restrictions that the *Charter of Rights* might
3 place upon the tools that are available to a
4 police officer. But do you agree that to the
5 extent that you -- that police might need more
6 tools and to the extent that those tools might
7 be limited by the *Charter of Rights*, in order
8 for the Commissioner to understand what tools
9 might be lawfully -- what additional tools might
10 be lawfully available, the Commissioner might
11 hear from a person who is an expert on the
12 *Charter of Rights*?

13 A I'm sure the diversity of input from all sectors
14 would be beneficial because I don't think it's
15 just a policing issue, and I'm sure there's a
16 lot of other people that can contribute
17 positively. Yes.

18 Q Now, final topic. You've been asked an awful
19 lot of questions about E-Pirate. And I'm going
20 to -- I too am going to ask you some questions.
21 And again because I don't have a lot of
22 documents, I need to ask you some questions
23 without knowing what the answers are.

24 Were you still involved -- were you still
25 working as a police officer at the time that the

1 E-Pirate investigation was forwarded to Crown?

2 A I was a police officer at the time it was
3 forwarded to Crown, but I was at that time no
4 longer engaged at that time with E-Pirate in any
5 type of reporting relationship with that
6 project.

7 Q Did you ever or have you ever seen the report
8 that was given to Crown for E-Pirate?

9 A I have not.

10 Q Have you ever met with Crown with respect to
11 E-Pirate?

12 A I have not.

13 Q Have you ever met with any elected officials
14 with respect to the E-Pirate investigation or
15 prosecution?

16 A I do -- my social circles and business circles
17 include elected officials, but not -- I'm just
18 reflecting back on some of my engagement with
19 the government that I was asked historically,
20 and I'm trying to reflect on some of the
21 meetings that I attended to. And that's --

22 Q I apologize, but I do want to refine my question
23 is that -- in that I'm talking about in an
24 official capacity as opposed to a chat at a -- a
25 coincidental chat at a coffee shop?

1 A Yeah. If I talked about that -- like, I'm
2 reflecting where I was asked. I think it was in
3 around September 2016 I was asked to present at
4 a provincial meeting where I believe Ms. Anton,
5 if that's her last name, if I remember
6 correctly, a minister was asked to present on
7 transnational organized crime. But I wouldn't
8 have talked about -- like, I don't know if I
9 would have even used the term "pirate" but I
10 would have referred generically to, you know,
11 large networks, transnational organized crime
12 networks connected to casinos, et cetera.

13 But if I could ask for clarity. Did I ever
14 discuss suspects and evidence? No. General
15 threats, yes.

16 Q Now, you are aware that ultimately there was a
17 stay of proceedings with respect to that
18 prosecution; right?

19 A Correct. I am.

20 Q And based upon the information that you had with
21 respect to that investigation, did you see any
22 reason that there should be a stay of
23 proceedings?

24 A Can you, Mr. DelBigio, just repeat the question
25 again just so I capture all of it.

1 Q Yeah. And the question was based upon
2 everything that you knew about the E-Pirate
3 investigation, do you have any understanding as
4 to why there might have been a stay of
5 proceedings?

6 A I don't have any direct knowledge on that.

7 Q And that sounds like a careful answer that you
8 gave, and I'm just going to take a couple of
9 small steps further down the road. When you say
10 you don't have any direct knowledge on that, can
11 you just clarify what you mean by "direct
12 knowledge"?

13 A I was no longer in the reporting lines and that
14 within the organization there was discussions
15 about possible reasons that it didn't proceed,
16 but I am not -- I have never been able to
17 confirm if those are the reasons it didn't
18 proceed or not. And my cautiousness was not
19 wanting to introduce something that wasn't
20 substantiated based on something that wasn't
21 fact and having the confidence to make a
22 statement that wasn't of evidentiary value and
23 merely perhaps coffee discussion.

24 MR. DELBIGIO: Thank you, Mr. Commissioner. Those
25 are my question.

1 Thank you, Mr. Chrustie.

2 THE COMMISSIONER: Thank you, Mr. DelBigio.

3 Anything arising out of that, Mr. Butcher?

4 MR. BUTCHER: No, thank you.

5 THE COMMISSIONER: Mr. Rauch-Davis?

6 MR. RAUCH-DAVIS: No, thank you.

7 THE COMMISSIONER: Mr. McFee?

8 MR. MCFEE: No, thank you, Mr. Commissioner.

9 THE COMMISSIONER: Mr. Skwarok?

10 MR. SKWAROK: No, thank you, sir.

11 THE COMMISSIONER: Mr. Stephens?

12 MR. STEPHENS: No, thank you, Mr. Commissioner.

13 THE COMMISSIONER: Mr. Usher?

14 MR. USHER: No, thank you, Mr. Commissioner.

15 THE COMMISSIONER: Ms. Gardner?

16 MS. GARDNER: No, thank you, Mr. Commissioner.

17 THE COMMISSIONER: Ms. Chewka?

18 MS. CHEWKA: Yes, Mr. Commissioner, just a couple of
19 questions arising.

20 THE COMMISSIONER: Yes. Very well.

21 **EXAMINATION BY MS. CHEWKA (continuing):**

22 Q Mr. Chrustie, my friend Mr. DelBigio was asking
23 you question with respect to Crown counsel and
24 their role in the prosecution of offences, and I
25 wanted to just ask a couple of followup

1 questions on that. First of all, would you
2 agree with me that police are responsible for
3 investigating crime in British Columbia?

4 A Well, yes.

5 Q And following a criminal investigation police
6 will forward a report to Crown counsel, to the
7 Crown counsel's office; is that correct?

8 A My experience has been not always. Depending on
9 the offence. Depending on the circumstances.

10 Q In certain circumstances where following an
11 investigation police would like to have charges
12 laid but they actually don't have the authority
13 to do so, they'll forward a report to Crown
14 counsel to the Crown counsel office seeking that
15 charges be laid; is that correct?

16 A Yeah, I apologize. I'm just trying to
17 understand ... In some cases, yes. I'm just
18 thinking of my experience. It isn't always a
19 yes.

20 Q If you would like the Crown counsel in
21 British Columbia to lay charges against someone
22 following an investigation, would you forward a
23 report to Crown counsel asking for that to be
24 done?

25 A Yes. If I would like somebody to be charged

1 here, yes.

2 Q And in a report to Crown counsel an officer
3 would set out their investigative findings; is
4 that correct?

5 A Yes.

6 Q And in that report to Crown counsel, they would
7 then request that the Crown lay charges; is that
8 correct?

9 A Yes.

10 Q And how many times did you submit a report to
11 Crown counsel where you sought charges to be
12 laid for the offence of laundering proceeds of
13 crime?

14 A Consistent with my earlier testimony in terms of
15 the people that worked underneath me, I really
16 don't know how many charges. I know -- I sense
17 I know your point is there wasn't a significant
18 number that was forwarded in these operations
19 within this jurisdiction of British Columbia, if
20 that's your question. I acknowledge that.

21 MS. CHEWKA: Thank you very much, Mr. Chrustie.

22 No further questions, Mr. Commissioner.

23 THE COMMISSIONER: Mr. Davis, anything arising?

24 MR. DAVIS: Nothing arising. Thank you,
25 Mr. Commissioner.

1 THE COMMISSIONER: All right. Thank you. Thank you,
2 Mr. Chrustie, I'm very appreciative of the time
3 you've taken to share your experience and your
4 insights with us. It's been a fairly long day
5 for you, and I'm sure you'll be happy to hear
6 you're now excused from further evidence.

7 THE WITNESS: Thank you, Mr. Cullen. Good luck in
8 the rest of it.

9 THE COMMISSIONER: Thank you. Yes, Mr. Davis, I
10 think we will adjourn now until tomorrow morning
11 at 9:30.

12 MR. DAVIS: Yes, Mr. Commissioner.

13 THE COMMISSIONER: Thank you.

14 THE REGISTRAR: The hearing is now adjourned until
15 March 30th, 2021, at 9:30 a.m. Thank you.

16 **(WITNESS EXCUSED)**

17 **(PROCEEDINGS ADJOURNED AT 3:04 P.M. TO MARCH 30,**
18 **2021)**

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