

**PROCEEDINGS AT HEARING  
OF  
NOVEMBER 5, 2020**

**COMMISSIONER AUSTIN F. CULLEN**

**INDEX OF PROCEEDINGS**

| <b>Witness</b>                                  | <b>Description</b>                                     | <b>Page</b> |
|---|--|-------------|
|   | Proceedings commenced at 9:30 a.m.                     | 1           |
| <b>Daryl Tottenham<br/>(for the commission)</b> | Examination by Ms. Latimer (continuing)                | 1           |
|   | Discussion re Daryl Tottenham's evidence               | 44          |
|   | Proceedings adjourned at 10:32 a.m.                    | 47          |
|   | Proceedings reconvened at 10:41 a.m.                   | 47          |
| <b>Fred Pinnock<br/>(for the commission)</b>    | Examination by Mr. McGowan                             | 48          |
|   | Proceedings adjourned at 12:05 p.m.                    | 112         |
|   | Proceedings reconvened at 12:19 p.m.                   | 112         |
| <b>Fred Pinnock<br/>(for the commission)</b>    | Examination by Mr. McGowan (continuing)                | 112         |
|   | Examination by Mr. Simonneaux                          | 129         |
|   | Examination by Mr. Smart                               | 134         |
|   | Examination by Ms. Harmer                              | 144         |
|   | Examination by Ms. Mainville                           | 150         |
|   | Proceedings adjourned at 1:16 p.m.                     | 152         |
|   | Proceedings reconvened at 1:20 p.m.                    | 152         |
| <b>Fred Pinnock<br/>(for the commission)</b>    | Discussion re witness evidence                         | 153         |
|   | Examination by Ms. Mainville (continuing)              | 154         |
|   | Discussion re scheduling                               | 157         |
|   | Proceedings adjourned at 1:29 p.m. to November 6, 2020 | 158         |

**INDEX OF EXHIBITS FOR IDENTIFICATION**

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

No exhibits for identification marked.

## INDEX OF EXHIBITS

| No. | Description  | Page |
|-----|--|------|
| 150 | Memo from S/Sgt. T. Robertson re Introduction and Mandate of the RCMP's Integrated Illegal Gaming Enforcement Team – November 10, 2004   | 63   |
| 151 | Integrated Illegal Gaming Enforcement Team – Implementation Plan of Operations – 24-June-2004  | 65   |
| 152 | RCMP - Five Year Strategic Projection Provincial Policing – 2004-2009 (redacted)   | 67   |
| 153 | S/Sgt. F. Pinnock – IIGET Consultative Board Meeting minutes – 26-November-2007  | 70   |
| 154 | Integrated Illegal Gaming Enforcement Team RCMP and GPEB Consultative Board Meeting – 29-November-2004 (redacted)                        | 72   |
| 155 | RCMP Backgrounder (2003-05)  | 81   |
| 156 | Memo from NCO IIGET “E” Division Re Status Report – Integrated Illegal Gaming Enforcement Team– 14-March-2007 (redacted)                 | 84   |
| 157 | S/Sgt. F. Pinnock – Integrated Illegal Gaming Enforcement Team Performance Report for IIGET Consultative Board – 23-July-2007 (redacted) | 87   |
| 158 | Undated memo detailing IIGET and BCLC working group to target loan sharks and other organized criminal activity                          | 92   |
| 159 | Integrated Illegal Gaming Enforcement Team (IIGET) - A Provincial Casino Enforcement - Intelligence Unit, June 27, 2007                  | 99   |
| 160 | Email from Fred Pinnock re IIGET Business Cases – DD 07JUN27 – 19-June-2007 (redacted)   | 100  |
| 161 | S/Sgt. F Pinnock - Business Case for the Expansion of Integrated Illegal Gaming Enforcement Team (IIGET) – 20-July-2007 (redacted)       | 103  |
| 162 | Overview of the Report on the Integrated Illegal Gaming Enforcement Team (IIGET) Effectiveness Review by Catherine Tait – March 31, 2009 | 110  |

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

**November 5, 2020**  
**(Via Videoconference)**  
**(PROCEEDINGS COMMENCED AT 9:30 A.M.)**  
**DARYL TOTTENHAM, a**  
**witness for the**  
**commission, recalled.**

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

THE COMMISSIONER: I'm sorry, I gather I was muted. Thank you, Madam Registrar.

Yes, Ms. Latimer.

**EXAMINATION BY MS. LATIMER (continuing):**

Q Good morning, Mr. Tottenham. Can you hear me okay?

A Yes, I can. Thank you. Good morning.

Q Good morning. Yesterday you described what I would say are the significant efforts made by BC lotto corporation to identify and interview patrons who were suspected of receiving cash from Mr. Jin and his associates. Is that fair enough?

A Yes, that's correct.

Q And given that significant effort that had to be placed on identifying and then interviewing all those people and sorting out what was true and

1                   what wasn't and then determining what to do  
2                   about it, why not simply impose a blanket source  
3                   of funds rule for cash over \$10,000 in early  
4                   2015?

5           A        I would say at that point in time the AML unit  
6                   started late 2013. We were in a building  
7                   process that you're referring to in 2014. That  
8                   absolutely was our goal, was to find programs  
9                   and ways of building out to deal with  
10                  sourced-cash conditions and find that, but in  
11                  terms of actually assessing a level where it was  
12                  a requirement to have a receipt or limiting cash  
13                  coming in, that was not within my authority. It  
14                  certainly wasn't something I was able to make a  
15                  decision about. I say that would rest with the  
16                  corporation in conjunction with GPEB and likely  
17                  the ADM's office.

18          Q        Was that something that your unit was  
19                   recommending?

20          A        We were working towards trying to get -- tackle  
21                   it from the sourced-cash conditions aspect.  
22                   That was kind of our focus all the way through  
23                   there. Receipting -- I'm not going to say that  
24                   receipting at the front end was one of our goals  
25                   because that's very, very hard to put into place

1                   and to use in a casino setting. We felt the  
2                   best way to do what we wanted to do was to go  
3                   through sourced-cash conditions and place  
4                   restrictions on requirements to come in and  
5                   source based on the behaviours of the players  
6                   and the level of play.

7           Q       Is it true that the players that were targeted  
8                   for the sourced-cash conditions sometimes felt  
9                   singled out?

10          A       They did originally, yes. And the feedback we  
11                   were getting is certainly when we put the first  
12                   few people on sourced-cash conditions, of course  
13                   there was a huge ripple effect because the word  
14                   got out very, very quickly. As we put more  
15                   people on, we certainly did get some feedback  
16                   that they thought they were being picked on.  
17                   But ultimately our goal, and certainly my  
18                   personal goal in this endeavour, was to get to a  
19                   point where -- we have 1,000 high-risk patrons  
20                   in our system, and that's defined by FINTRAC  
21                   legislation. My goal was to eventually get to a  
22                   point where literally all our biggest players,  
23                   like in the top 1,000, would be on sourced-cash  
24                   conditions. And it would take a while to get  
25                   there because it's a building process, but



1                   ultimately to get where we wanted to go. And it  
2                   had to be accepted by obviously the service  
3                   providers and the patrons along the way. So we  
4                   had to work within our means to make it logical  
5                   and to be able to defend it.

6           Q       When you say it would have a huge impact on the  
7                   industry, what you mean is it would have a  
8                   negative impact on the revenue generated by that  
9                   industry; is that correct?

10          A       Absolutely. For the service providers it  
11                   absolutely would have. And it's out of the norm  
12                   too. You have to understand that when we're  
13                   looking at our environment, there is no other  
14                   environment in Canada and anywhere in North  
15                   America that I'm aware of that operates at that  
16                   level. If you go down to Vegas or you go to  
17                   other casinos across Canada, there is no  
18                   requirement when you come in with a small amount  
19                   of cash and have to provide receipts and show  
20                   where that cash came from before you can buy in.  
21                   I mean, we are a very unique province with  
22                   regards to the rules that we have in play.

23          Q       It would have had a big impact on revenue, but  
24                   would it also have had a big impact on the money  
25                   laundering risk?

1           A     It -- in terms of the cash -- and again, money  
2                    laundrying was not our concern in the primary  
3                    sense of what money laundrying is within the  
4                    casino. We were looking at suspicious cash  
5                    proceeds of crime source of funds angle. That  
6                    was our concern. Yes, it would have had a very  
7                    dramatic impact on that at the time.

8                    Essentially it would have gotten us very quickly  
9                    to the point where we eventually have gotten to.

10           Q     In your affidavit you describe a call you were  
11                    on with Mr. Alderson and Mr. Ennis in 2016 where  
12                    Mr. Ennis appeared angry over the number of VIP  
13                    patrons that BCLC had either banned or placed on  
14                    conditions saying that BCLC was effectively  
15                    killing their business. Can you provide more  
16                    detail about that conversation.

17           A     It was back in approximately 2016 and I don't  
18                    have any specific notes on that. I did not make  
19                    notes of it at the time. I was walking through  
20                    the office at BCLC, and as I walked by Ross's  
21                    office, his door was closed and he was obviously  
22                    on the phone -- call. He motioned for me to  
23                    come in. I went in and closed the door. He put  
24                    the phone on speaker and I could immediately  
25                    hear he was conversing with Patrick Ennis from



1 River Rock.

2 I didn't have any idea what they were  
3 talking about prior to me coming in or what the  
4 subject was, so I just sat and listened for the  
5 few minutes that I was in there, and we were  
6 kind of -- Ross and I were looking at each other  
7 about what we were hearing and Ross was  
8 responding; I was not. And it was very clear  
9 that he was upset

10 Q What was Mr. Alderson's response to that?

11 A From my recollection, he was trying to explain  
12 the reasons, what we were doing and why we were  
13 doing it and ultimately that it would be best  
14 for them in terms of getting a handle on the  
15 patrons bringing in large cash transactions and  
16 dealing with the large sums of money. Again, I  
17 can't give you the context of all those  
18 conversation, but he was basically defending  
19 what we were doing and why we were doing it and  
20 obviously what he had told him prior to this was  
21 upsetting to Pat, because that was the topic  
22 they were in the middle of when I came in.

23 Q Was that unhappiness by Mr. Ennis a topic that  
24 was discussed in the AML unit following that  
25 conversation?

1           A     I had a conversation with him and I think I had  
2                   a conversation with Bal Bamra after the fact. I  
3                   may have had a conversation with Rob Kroeker  
4                   sometime in the following days. But my  
5                   conversation with Ross at the time after the  
6                   call was over was, like, kind of my  
7                   astonishment, like what was that all about. So  
8                   he gave me a little bit of background of what he  
9                   was talking about. And it had to do with  
10                  obviously sourced-cash conditions and  
11                  restrictions we were putting on players at the  
12                  time.

13          Q     Did that conversation impact the actions that  
14                  BCLC took following that conversation in any  
15                  way?

16          A     Not at all. No. And I've dealt with Pat Ennis  
17                  on many, many occasions; I have a good  
18                  relationship with him. It's not something I  
19                  expect out of him and I normally see out of him.  
20                  He's always been very cooperative with us. So  
21                  it was an anomaly. I think it was him venting,  
22                  but it was an extremely vivid vent.

23          Q     Okay. In 2017 did you communicate to anyone at  
24                  the Starlight Casino that high limit players who  
25                  were on sourced-cash conditions did not require

1 a receipt for cash if the buy-ins did not exceed  
2 \$9,000?

3 A Could you just repeat that. I'm just trying to  
4 follow it.

5 Q In 2017 I'm asking if you communicated to anyone  
6 at the Starlight Casino that high-limit players  
7 who were placed on sourced-cash conditions did  
8 not require a receipt for cash if their buy-ins  
9 did not exceed \$9,000?

10 A No. Not to my recollection at all.

11 Q Okay. Did you communicate that to Ann Chu at  
12 the River Rock Casino in 2017?

13 A No.

14 Q Did you ever hear Jim Lightbody make a similar  
15 communication to anyone at any service provider  
16 in or around this time?

17 A No, I did not.

18 Q Was that the spoken or unspoken position of BC  
19 lotto corporation in or around 2017?

20 A Absolutely not. It was actually totally  
21 contrary to our practices and our training. We  
22 were constantly emphasizing that when somebody  
23 was put on sourced-cash conditions, it was down  
24 to the dollar regardless of who they were. So  
25 if somebody came in with \$500, they had to have

1           recepting for that and that was reenforced in  
2           all our training and all our conversations that  
3           I can ever recall and our Q and As we did on  
4           programs, so we never deviated for that. I  
5           think it would be impossible to track something  
6           like that. It's not something that would align  
7           with what we were trying to do.

8           Q     In June 2017 CFSEU issued a press release in  
9           respect of multiple arrests stemming from the  
10          CFSEU JIGIT investigation into money laundering  
11          with ties to organized crime and illegal gaming.  
12          Do you recall that?

13          A     I do.

14          Q     I'll ask that you turn to exhibit 108, please,  
15          in your affidavit number 1. Looking at the  
16          bottom of page 903, the very bottom of that page  
17          is the heading of an email which you will  
18          recognize as an email from you to Rob Kroeker,  
19          Ross Alderson and copying Bal Bamra dated  
20          June 18, 2017, with the subject "press release  
21          impact on table revenue."

22          A     Yes.

23          Q     And over the page on the next page you say:

24                     "Just an FYI for your discussions this  
25                     week and the ongoing strategies with JIGIT

1                   and GPEB actions. In the past six days  
2                   since CFSEU press release last we have  
3                   seen a serious reduction in UFT files for  
4                   cash buy-ins from River Rock. They  
5                   average three to four per day and more  
6                   over the weekends, so the expected volume  
7                   should be around 20 plus files. In the  
8                   past six days River Rock had four UFT  
9                   files for 11,000, 20,000, 30,000 and Chang  
10                  Liu's 100,000 buy-in. These are seriously  
11                  low numbers, and I expect it will continue  
12                  over the next few days, which is going to  
13                  have an impact on table revenues in the  
14                  short term. We will continue to monitor  
15                  activities and will advise if we get any  
16                  feedback from site staff on this topic."

17                  And I've read that correctly?

18                  A     That's correct, yes.

19                  Q     And did you receive any feedback from the site  
20                  staff on this topic?

21                  A     To my recollection, the feedback we got was kind  
22                  of inline with what we were talking about here,  
23                  that they were saying that the casinos kind of  
24                  went dead for a bit, all of a sudden it was  
25                  ghost town after the JIGIT -- or sorry, the

1 CFSEU press release. It eventually then started  
2 to build back up for them again, but it clearly  
3 had an impact at their end and they recognized  
4 that and it was the same thing that I was  
5 looking at.

6 Q It had a negative impact on table revenue?

7 A Yes.

8 Q And how long did that negative impact persist  
9 for?

10 A Without looking at the numbers, I don't want to  
11 guess, but I know it was a period -- to my  
12 recollection of approximately a week or two  
13 before things started to pick up. Maybe two or  
14 three weeks after and it started to pick up  
15 gradually, but it clearly in the first instance,  
16 that is something that we look at -- I look at  
17 on a daily basis and on a weekly basis in terms  
18 of volume for the amount of cash buy-ins coming  
19 in, because it's telling us what kind of  
20 activity is happening and we look for spikes and  
21 trends because that generally points us to an  
22 anomaly that we want to look at. That is  
23 something always on my radar and this was a  
24 dramatic decrease. It was clearly a trend down  
25 in the spike.

1           Q     Okay.  And at the beginning of this email you  
2                   refer to ongoing strategies with JIGIT and GPEB,  
3                   and what did you mean by that?

4           A     We were, again, in dealing with the people that  
5                   are connected to E-Pirate to Paul Jin's group  
6                   and some of the things that we were doing, we  
7                   were still trying to determine relationships  
8                   between other players, so we had a large group  
9                   of players that we had absolutely connected to  
10                  the Paul Jin group, but we got other people that  
11                  are bringing in large amounts of cash, but we  
12                  don't have that connectivity to Jin's group, so  
13                  we were constantly working on that.  When we see  
14                  an anomaly like this where it spikes up or down  
15                  for a reason and especially -- I mean, it's  
16                  pretty rare to see this kind of a press release  
17                  come out for gaming in BC, so we figured it was  
18                  going to have a pretty deep impact out there and  
19                  we wanted to find out what that impact was  
20                  because it could direct us to the people that  
21                  suddenly vacate and stop coming for a period of  
22                  time could be indicative of where they possibly  
23                  are sourcing their funds and give us some more  
24                  angles to track down and focus on specific  
25                  players.

1           Q     Okay.  If you turn back to page 903,  
2                     Mr. Kroeker's response is at the top of the  
3                     page, and he sets out essentially a number of  
4                     questions to look at in the bullet points here,  
5                     and my question is were these questions  
6                     analyzed?

7           A     I'm going to say that yes, they were, because  
8                     generally when something like this was put  
9                     out -- and this is a common occurrence that Rob  
10                    would put something out.  He would send it to  
11                    myself and to Bal Bamra together and say, here's  
12                    all the points I want to look at; could you dive  
13                    into them.  And that was essentially something  
14                    we did.  We generally did it on a kind of same  
15                    day or the next day basis, so they were priority  
16                    documents.  Sometimes it takes a little longer  
17                    to dig up the information, but I would say yes,  
18                    we would have responded to probably -- and every  
19                    point that he's got in here, and some of that  
20                    probably would have involved on Bal Bamra's side  
21                    the analytics group that she runs, diving in and  
22                    pulling out some numbers and trying to get  
23                    statistical information to support whatever the  
24                    questions related to.

25          Q     As you look through the questions that are



1 listed here, do you recall what the answer was  
2 on these questions?

3 A It would be hard for me. Like, there's six  
4 different areas, and from memory, I don't know.  
5 I would probably -- if I was to go back and look  
6 for documentation and go that route, I would be  
7 able to give a really clear answer. I do know  
8 that when he's asking is this a chilling effect,  
9 I think from what we saw, and yes in two  
10 different questions chilling effect is a  
11 specific number of players who have changed  
12 their behaviour. Yes, we did confirm there was  
13 a chilling effect. We also monitored it to see  
14 how long it lasted and what kind of impact and  
15 what level of play. Because that makes a big  
16 difference for us if there's a chilling effect  
17 it could be just people are afraid to now go to  
18 the casino because they're thinking the police  
19 are there, everyone is going to be arrested and  
20 it's just don't go there and stay away. But  
21 eventually they started coming back and it  
22 wasn't that long before they started coming  
23 back.

24 Our interest was more in the mid-to  
25 high-range players to see what their reaction

1                   was and what they did because that tells us,  
2                   again, a lot of what's going on. So I would  
3                   suggest that if people that are bringing in  
4                   large amounts of cash read about CFSEU doing  
5                   this kind of investigation and making arrests,  
6                   they are probably going to be less likely to  
7                   attend any casino and walk in with a large  
8                   amount of cash in fear that it's going to be  
9                   seized. So, again, that is great information  
10                  for us because we can do the analytics to try  
11                  and determine where they're getting the cash and  
12                  identify the ones that are getting it from a  
13                  legitimate source than not.

14                Q     Do you recall whether it was a general chilling  
15                  effect or whether it was specific focused on  
16                  certain players or certain level of play?

17                A     My recollection -- and from reading this, of  
18                  course, it was pretty well in general because it  
19                  wasn't specific to just our high-end players.  
20                  It's not like we just saw a reduction in all the  
21                  high-end buy-ins. We saw a reduction kind of  
22                  across of board. We got feedback from the sites  
23                  that they were seeing, as I referred to, the  
24                  ghost town effect. So that was clearly from  
25                  their main tables that are -- and Dogwood room

1           in Richmond which would be mid-range tables  
2           where people are playing at 10-, \$20,000 range  
3           had an impact on that as well. It was kind of  
4           across the board. Again, our focus was probably  
5           at the mid to high range that we wanted to see  
6           how this worked out.

7           Q     You say in your affidavit that Kwok Chung Tam  
8           was barred for five years in June 2012 and that  
9           you renewed his ban in July 2017 for a further  
10          five years. On what basis was that ban issued  
11          and then renewed?

12          A     Yeah, the ban originally was issued as a result  
13          of his -- similar to Jin, his involvement with  
14          cash deliveries, suspicious activity, and  
15          suspicious behaviours while he was in the  
16          casinos, and we observed him. So that was our  
17          original five-year ban.

18                     It was renewed five years later based on  
19                     limited information for him in the casinos  
20                     because he didn't often come to the casinos. He  
21                     wasn't one of those guys that hung around a lot.  
22                     We didn't see him. When we did see him it was  
23                     generally as a result of him assisting with a  
24                     cash facilitation outside the casino. It was  
25                     clear that he was actively involved, but based

1                   on the open source work and the information that  
2                   we obtained from law enforcement that gave  
3                   connectivity to serious levels of gang  
4                   association and criminal activity, he was  
5                   rebanned under the authority of section 92 in  
6                   the *Gaming Control Act* as an undesirable.

7           Q        Okay. You recall we spoke yesterday about one  
8                   incident involving Lisa Gao, a VIP guest  
9                   relations employee at the River Rock. And you  
10                  alluded to further incident with her that  
11                  resulted in her GPEB registration being  
12                  cancelled; correct?

13          A        Correct, yes.

14          Q        And if you turn to exhibit 112, please, in this  
15                  affidavit.

16          MR. MCGOWAN: Mr. Commissioner, I'm just going to  
17                  interject. I have heard from a couple sources  
18                  there may be an issue with the live stream or at  
19                  least one of the live stream feeds. I wonder if  
20                  the hearing coordinator or Madam Registrar can  
21                  confirm whether the webcast is working.

22          THE COMMISSIONER: Thank you.

23          IT SUPPORT: The main webcast is working. Our backup  
24                  is not working. However, if you go to the  
25                  website, you go into the live webcast, the main

1                   one, it says working.

2                   MR. MCGOWAN: Okay. Thank you.

3                   On that basis, then, I think we'll carry on,  
4                   Mr. Commissioner.

5                   THE COMMISSIONER: All right. Thank you.

6                   Yes, so Ms. Latimer, you've directed the  
7                   witness and us to tab 112; is that correct?

8                   MS. LATIMER: Yes.

9                   Q     And, Mr. Tottenham, you recognize this as a  
10                   summary of that incident, the later incident  
11                   involving Ms. Gao that you prepared for  
12                   Mr. Karlovcec in or around December 2017;  
13                   correct?

14                  A     That's correct.

15                  Q     And that summary was accurate to the best of  
16                   your abilities; correct?

17                  A     That's correct.

18                  Q     Could you turn to exhibit 111, please. And in  
19                   the middle of the page on page 922, you  
20                   recognize this as an email you sent later that  
21                   same day to Laura Piva-Babcock and copying Lara  
22                   Gerrits with the subject "additional  
23                   information"; correct?

24                  A     Yes.

25                  Q     In this later the email, you summarize three

1 earlier incidents all involving Ms. Gao;  
2 correct?

3 A Yes, that's correct.

4 Q In one of them a VIP patron assaulted another  
5 female staff member in a VIP salon; correct?

6 A That is correct, yes.

7 Q And Ms. Gao tried to smooth things over with the  
8 staff to avoid police charges; is that right?

9 A That's correct, yes.

10 Q And in another, Ms. Gao became heavily  
11 intoxicated with a VIP patron at the Sea Harbour  
12 hotel; correct?

13 A Correct.

14 Q And that patron then assaulted another  
15 individual; is that right?

16 A Correct, yes.

17 Q And Ms. Gao then got that VIP patron a comped  
18 hotel room for the night; correct?

19 A Correct.

20 Q And in the third you say occurred last year  
21 during the chip swap at the River Rock when BCLC  
22 had to authorize any files where patrons brought  
23 in old chips that could not be track and one  
24 player came in with \$5,000 in chips and advised  
25 that Ms. Gao could vouch for him; correct?

1           A     Correct.

2           Q     And Ms. Gao had his number saved in her phone  
3                   and then it was learned -- this is a quote that  
4                   this guy was a "real bad dude" and it was  
5                   concerning that he was in her contact list on  
6                   her phone; correct?

7           A     Correct.

8           Q     Was each of those incidents reported to GPEB?

9           A     Yes, they would have been. All of them were.  
10                   And I believe GPEB was quite involved with all  
11                   these incidents.

12          Q     And were each of those incidents referred to the  
13                   police?

14          A     I'm unable to say which ones were and which ones  
15                   weren't because that wasn't -- we weren't  
16                   conducting the investigation per se. It was  
17                   done by casino investigation side. And GPEB  
18                   took conduct of the file, so they would have  
19                   been in contact with the local jurisdiction if  
20                   there was any activity. I suspect some of them  
21                   were, but I'm not positive.

22          Q     You would agree each of those incidents and the  
23                   incident that ultimately resulted in her losing  
24                   her registration demonstrated a high level of  
25                   familiarity between a VIP staff member and a VIP

1                    guest; correct?

2            A        Yes, absolutely.

3            Q        And also a willingness to bend the rules to  
4                    accommodate those guests; is that fair?

5            A        Yep, that's fair.

6            Q        To your observation was that level of  
7                    familiarity between VIP staff and guests common  
8                    in or around this time in 2017?

9            A        I would say it was a common occurrence, yes.  
10                   For anybody -- for any of the sites that dealt  
11                   with high-value clients, there was at least one,  
12                   if not multiple people that were involved in  
13                   these VIP patron positions. And I would say  
14                   yes, it's a common theme that they would be  
15                   focused on looking after the needs of the  
16                   customers when they're coming to the casino or  
17                   leaving or at the casino.

18           Q        Was it common for VIP staff to bend the rules to  
19                   accommodate those guests?

20           A        Well, it wouldn't be common to bend the rules.  
21                   It would be -- the rules are the rules, and we  
22                   would make it very, very clear to the service  
23                   providers that if their staff were involved in  
24                   anything that they shouldn't be involved in or  
25                   allowing things to happen that they would be



1                   dealt with quite severely and it would impact  
2                   their registration and obviously their ability  
3                   to be employed. So it was not something that  
4                   was acceptable. And we dealt with it in every  
5                   instance. In fact we had conversations on  
6                   numerous occasions with GPEB about staff at  
7                   locations if we had concerns -- and we did have  
8                   a couple -- that they had a very friendly  
9                   relationship with people of concern, that we  
10                  wanted to make sure they had oversight on, that  
11                  they were keeping an eye on. Because I mean, it  
12                  was a concern to us, I can tell you without a  
13                  doubt.

14                 Q     What was BCLC's role and recourse in respect of  
15                         incidents like this?

16                 A     Our casino investigations, whoever was dealing  
17                         with the actual -- the original file would be  
18                         involved, but obviously anything on the criminal  
19                         side is totally police of jurisdiction and/or  
20                         GPEB with liaison -- which is what you usual  
21                         happened, liaison via GPEB with law enforcement.  
22                         From the registration side, that is GPEB's side  
23                         of the house, so they would look after any  
24                         issues concerning their registration tag and  
25                         licensing.

1                   From our perspective it was adherence to  
2                   the rules compliance and we would have  
3                   conversations, we have quarterly meetings with  
4                   management at all five of the sites on AML --  
5                   specific to AML issues and how they relate to  
6                   the number of things -- number of areas that we  
7                   deal with. If we had concerns we would express  
8                   them and we did express them. And on a couple  
9                   of occasions, we actually proactively saw  
10                  something that was enough of a concern to us  
11                  that we went to the management and asked them to  
12                  look at a couple of incidents and a couple of  
13                  the activities and what was going on for VIP  
14                  staff. So it was absolutely on our radar and it  
15                  was a concern to us nonstop.

16                  Q     You could observe and report to the police;  
17                         right?

18                  A     That's correct. No -- yes, we observe and  
19                         report and a copy of it goes to police. So it's  
20                         not a direct line for an investigation. Our  
21                         final report would go to the police.

22                  Q     Okay. And you were observing and reporting to  
23                         GPEB; right?

24                  A     That's correct, yes.

25                  Q     And you were observing and discussing with the

1 service providers; is that right?

2 A That's correct, yes.

3 Q What else could you do? Was there anything else  
4 you could do?

5 A I think at the end of the day I think it's  
6 limited what action we could take other than to  
7 place a very heavy focus on the employee, if we  
8 felt that it was not getting better or the  
9 problem wasn't solved with GPEB and working in  
10 cooperation with GPEB, to take it to the next  
11 level, and that was kind of where we normally  
12 would go with it.

13 Q What was the next level?

14 A For us basically to initiate a complaint or  
15 initiate more activity, possibly interviews with  
16 the employee obviously facilitated through GPEB,  
17 to ensure that they understood what the concerns  
18 were, because if we're seeing bad behaviour and  
19 it's not being corrected, we don't have  
20 authority to go in. They're employed by the  
21 service, so we can't go in and we can't give  
22 them punishment or reprimands. We're not their  
23 employer, but we certainly have a vested  
24 interest in how they respond and how they behave  
25 when they're on duty representing the service

1 provider. That absolutely has an impact in  
2 terms of what GPEB can review and take action on  
3 because they have the ability, obviously, to  
4 deregister that person, which means they're no  
5 longer able to work in the industry in British  
6 Columbia.

7 Q BCLC's AML unit identified three money service  
8 businesses that were registered with FINTRAC but  
9 were highly suspicious; is that correct?

10 A That's correct, yes.

11 Q Which three money service businesses were those?

12 A I'm trying to -- by name, I think one was  
13 Kinbok -- I can't recall the second one. The  
14 third one -- I'd have to refresh my memory to  
15 see which ones they are, because it was in my  
16 notes. It escapes me at this point. But there  
17 were three that came to our attention that  
18 clearly we had some suspicions on, some concerns  
19 on.

20 Q How did they come to your attention and what was  
21 suspicious about them?

22 A The majority of the information that we'd got  
23 was through player interviews, when we started  
24 doing player interviews. Part of the player  
25 interview process was, again, in terms of trying

1                   to establish a source of funds and source of  
2                   wealth of the player and deal with incidents.  
3                   That's why we had the interviews in the first  
4                   place and that's how we targeted people for  
5                   interview, incidents that they had. Part of  
6                   that process and interview included where they  
7                   got their funds, and in many instances we found  
8                   that they were getting them from, their funds  
9                   from MSBs and local MSBs mostly in Richmond.  
10                  And there's quite a few of them in Richmond. So  
11                  that's how it originally came out to us.

12                  Q     Okay. And ultimately BCLC stopped accepting  
13                        funds from MSBs; correct?

14                  A     Yes, that's correct. In early 2018.

15                  Q     Okay.

16                  A     From across the board.

17                  Q     At paragraphs 175 to 181 of your affidavit, you  
18                        describe a plan that BCLC had to issue a  
19                        directive imposing the a limit on the amount of  
20                        cash that could be paid out to a patron to  
21                        \$25,000 and removing limits on convenience  
22                        cheques. Do you recall that?

23                  A     Yes, I do.

24                  Q     Essentially, you say that BCLC announced the  
25                        roll out of this plan and then withdrew it; is

1                   that fair?

2           A       Yes, it was withdrawn.

3           Q       And your understanding -- what was your  
4                   understanding of the reason why it was  
5                   withdrawn?

6           A       It was -- my understanding and from  
7                   conversations it was withdrawn because they  
8                   didn't want us to go ahead with that in 2000 --  
9                   early 2018 until such time as it was put before  
10                  the Peter German review and that if there were  
11                  going to be any changes made it would be  
12                  included within the Peter German review,  
13                  essentially.

14          Q       Did you understand the rationale for that  
15                  request?

16          A       The rationale, as I understood it, my take on it  
17                  was they didn't want us putting out anything  
18                  before the review was done, and if anything was  
19                  put out, they wanted it to be at the credit of  
20                  the Peter German review at the end of the day.  
21                  So credit should be -- would go to basically as  
22                  a part of what the review process turned over as  
23                  opposed to what we were doing prior to the  
24                  review.

25          Q       Did that direction impede BCLC's ability to more

1                   proactively address money laundering  
2                   vulnerabilities?

3           A     In my opinion, yes.

4           Q     Okay. You met with Ross Alderson in January  
5                   2018; correct?

6           A     Yes.

7           Q     And what did Mr. Alderson relay to you at that  
8                   meeting?

9           A     That was the -- we met for lunch. It was  
10                   shortly after he had -- it was officially  
11                   announced that he had left BCLC. So it was a  
12                   kind of get together for lunch goodbye, and he  
13                   went through a number of issues. He spoke most  
14                   of the way through the conversation, the vast  
15                   majority of it, and provided his information of  
16                   what he did, why he did it and ultimately why he  
17                   left.

18          Q     What did you understand that he -- what he did?

19          A     He openly told me on a number of occasions  
20                   during that meeting that he was providing  
21                   information to Sam Cooper in particular, who is  
22                   with Global News, that he was leaking documents  
23                   to Sam for quite some time to utilize as he  
24                   wished to expose what he felt was the unjusts in  
25                   the gaming industry, which is contrary obviously

1 to our policy.

2 He also advised me that he had downloaded  
3 the -- pretty much the entire contents of his  
4 Z drive, which is a personal storage side of our  
5 computer system where we store all our documents  
6 and we store all our -- anything that we want.  
7 It's kind of a massive directory and it's very  
8 personal to that individual user. It contains a  
9 lot of information. He downloaded that to an  
10 external server and then downloaded that to his  
11 home drive and was basically telling me this for  
12 the purpose of saying, I have access to anything  
13 and everything from documents to files to you  
14 name it on my home drive. So he has basically  
15 cloned his workstation.

16 Q Did you understand that the information that  
17 Mr. Alderson had taken included sensitive and  
18 private information about BCLC patrons?

19 A Absolutely, yes.

20 Q And did it include confidential information  
21 obtained from patrons in patron interviews?

22 A At the time I did not know that, but I believe  
23 that's to be true, yes.

24 Q What steps, if any, were taken by BCLC to stop  
25 the leak of that information and regain control



1 of that private confidential information?

2 A I was not involved in that process, so I -- it's  
3 hard for me to give any details in that area,  
4 but I can say that an investigation -- I'm aware  
5 there was an investigation into that and that  
6 property was seized, returned back from  
7 Mr. Alderson and from his office, and there was  
8 an investigation in terms of a forensic  
9 investigation in terms of what they could  
10 determine, what was being sent out, what was  
11 taken off and when it was taken off. I don't  
12 have details of how that was done. I was not  
13 directly involved in that.

14 Q Was law enforcement notified?

15 A Not to my knowledge, but I don't know  
16 100 percent if it was at any time during that  
17 because, again, I was not part of that direct  
18 process.

19 Q Was GPEB notified?

20 A I'm pretty confident GPEB was notified, yes.

21 Q Were any civil court proceedings initiated?

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

23 Q In light of what occurred with Mr. Alderson  
24 leaking that kind of information to the media,  
25 do you see that there is a risk to privacy

1 interests in giving BCLC access to more  
2 information like police information like CPIC or  
3 PRIME?

4 A Absolutely. And in pretty well every instance  
5 when we work with police -- I mean, with my  
6 police background, I know what's available; I  
7 know what's on the systems they have -- we made  
8 it a point of not wanting to get information  
9 directly from them, and we made a point of not  
10 wanting to get information on their  
11 investigation. And we specifically asked and  
12 including with FSOC we did not want to be  
13 updated, we did not want to get details of their  
14 investigation. It's not our mandate, it's not  
15 our business and we don't want to be responsible  
16 or have in custody of police investigation,  
17 criminal investigations or anything like that,  
18 especially for projects. There's no requirement  
19 for us to need to know. If they had information  
20 that they wanted, we had an investigation  
21 sharing agreement with them. We could provide  
22 it to them, and we did at requests on many, many  
23 occasions, but our ISA with the RCMP was  
24 absolutely a one-way street. We never got  
25 information or asked for information from the

1 RCMP in those kind of regards. Other than the  
2 PTEB list was a mutual benefit that we were  
3 involved with. Other than that, we would never  
4 get involved in those investigations or ask for  
5 it.

6 Q You say in your affidavit that you believe  
7 Mr. Alderson took on more than he could handle  
8 and this resulted in what you say was his  
9 eventual breakdown near the time he departed  
10 BCLC in 2017; correct?

11 A That's correct.

12 Q On what basis do you say that you think  
13 Mr. Alderson had a breakdown in or around this  
14 time?

15 A I would say it's based on my experience as a  
16 police officer. Based on my experience of  
17 working with Ross and knowing him, knowing his  
18 personality, working directly for him, and then  
19 seeing the changes in his behaviour at one  
20 point, seeing the changes in how he did his  
21 work, how he impacted others around him, and  
22 ultimately where it led to, which was concerning  
23 because to me it was very clearly at a point  
24 where he wasn't making sense in terms of what he  
25 was trying to achieve, what was he was doing and

1                   how he was doing it, and I know he was having  
2                   tremendous pressures. And a lot of it came from  
3                   personal dialogue with him, having conversations  
4                   with him, where he gave me information and told  
5                   me information. We were very close in a work  
6                   relationship. We talked often, I mean, multiple  
7                   times a day often. And he provided me  
8                   information of what was happening in his home  
9                   front, health-wise and work life that to me  
10                  indicated that he was overburdened, he had  
11                  overburdened himself, he was taking too much on.  
12                  He was [indiscernible] through him so that all  
13                  the normal channels where other people had job  
14                  duties were all funneled through him and had to  
15                  kind of pass through him and then he established  
16                  those reporting relationships for the law  
17                  enforcement and that was probably the biggest  
18                  key, was the law enforcement relationships. And  
19                  he took that on in its entirety. So nothing  
20                  happened without it going through him. And then  
21                  he got swamped with obviously requests because  
22                  we were doing the work before and I think that  
23                  had an impact on him. And then as a result of  
24                  our conversations at the lunch that I had with  
25                  him, I'm absolutely convinced that he had had a



1 manager and then Ross came along and was my  
2 direct supervisor, that -- my involvement  
3 continued for some time, but then it slowly --  
4 you could see there was a shift where any of the  
5 police meetings, any law enforcement meetings --  
6 not just law enforcement, important meetings.  
7 There was a summit meeting in -- I can't recall  
8 what year it was, but it was a summit meeting  
9 that we hosted at BCLC with all the stakeholders  
10 and all the law enforcement, all the  
11 stakeholders across the region and service  
12 providers that I absolutely should have been at  
13 because that's what I do, and he chose not to  
14 have me attend, and it's in our building. In  
15 retrospect now, I have found out why that  
16 happened, and it made sense in that he wanted  
17 everything to flow through, especially the  
18 police relationship to flow through him, and he  
19 liked that environment, he wanted to get back  
20 into that kind of feeling of being within kind  
21 of the cop circle, and I think that motivated  
22 him. But what it did for me in terms of  
23 communication, it made it very hard for me to  
24 have any communications because it got to a  
25 point where it was -- you know, let me know; I

1                   will look out and find this information out for  
2                   you and get back to you. So I'm getting a lot  
3                   of secondhand information. But I could see that  
4                   have an impact on him because all the requests  
5                   that we were getting from law enforcement -- and  
6                   there was a lot of them -- all started going  
7                   back directly to him and he had to start  
8                   juggling that ball on top of everything else he  
9                   was doing.

10                 Q    Isn't it possible that Mr. Alderson started  
11                   taking on more and more and then ultimately  
12                   leaking information to the media not because he  
13                   was having a breakdown but because he was  
14                   frustrated by the apparent lack of action on  
15                   BCLC's part to address these concerns about  
16                   money laundering and proceeds of crime?

17                 A    If you're asking my opinion, I'd say absolutely  
18                   not. He was the director of AML. He was  
19                   involved in approving every program we put  
20                   together. We went out and went to conferences,  
21                   meetings, did face to face training, meetings  
22                   with the service providers, and most of the time  
23                   when we were doing those, he was very vocal at  
24                   those meetings, explaining the programs that  
25                   we've got in place, referring to them as leading

1 edge, gold standard of money laundering  
2 activities for casinos in Canada, if not North  
3 America, and he was very, very proud of all the  
4 programs and the stuff that we had done, the  
5 accomplishments that we had, and we were getting  
6 the same kind of feedback from our auditors, our  
7 FINTRAC auditors. So everything was going as  
8 good as we could possibly go, considering, you  
9 know, the restrictions we were working under.  
10 Up to that point we did not have law enforcement  
11 engagement. But at that point in time, he's in  
12 the driver's seat, he's driving the bus and we  
13 were not turned down for any program or anything  
14 that we wanted to do. So we had the ability to  
15 basically build out as we wanted -- and we were  
16 doing that. To take himself out of that  
17 position and declare himself to be a martyr as  
18 he did and say, I'm going to save the gaming  
19 industry by being a martyr and expose it, it  
20 made absolutely no sense to me. The  
21 effectiveness of what he was doing was clearly  
22 as a result of his position in there and his  
23 ability to direct the entire AML program in  
24 British Columbia.

25 Q What is the focus of BCLC's anti-money



1                   laundrying work today?

2           A        I think it's probably -- our focus right now  
3                   is -- because we have the restrictions in place  
4                   now that look at cash receipting at 10K, we have  
5                   a heavy focus and always have had on bank drafts  
6                   because we don't want to ensure that the  
7                   criminal side doesn't shift over and try and  
8                   find other ways to invade back into our casino  
9                   environment, so we keep a very close eye on the  
10                  bank drafts side.

11                         The development of cash alternatives and  
12                         continued development of cash alternatives.  
13                         Because ultimately we're trying to move away  
14                         from being -- and I think from my perspective  
15                         it's the best thing to do, to get away from a  
16                         cash-based environment to electronic based and  
17                         working directly through accounts through cash  
18                         alternative programs.

19                         The buy-ins that we're getting right now  
20                         that we're probably the most focused on is  
21                         essentially the buy-ins under \$10,000. We  
22                         obviously have concerns, and GPEB we work with  
23                         them week to week on these same concerns, to  
24                         make sure that people don't -- now because  
25                         there's a receipting requirement at 10K, that

1                   they don't start trying to bring in smaller sums  
2                   and basically do the same kind of thing they  
3                   were doing before but in small chunks and  
4                   basically by being anonymous or moving around  
5                   and trying to divert the system and the rules to  
6                   be able to bring in large amounts of cash spread  
7                   over a number of hours and maybe multiple  
8                   locations in the province. So that's one of  
9                   our -- probably our biggest areas of concern.  
10                  And at this point in time I think we're very  
11                  happy that we've got a pretty good -- we don't  
12                  have an issue there, but that's a focus that  
13                  we've got. And then of course continued  
14                  relationships with GPEB and JIGIT and our  
15                  resources.

16                  Q     Why not implement receipting requirements for  
17                        cash buy-ins in that lower threshold, over  
18                        \$1,000, say?

19                  A     We have looked at and considered and we're  
20                        looking seriously at trying to lower the  
21                        identification aspect of -- there's a reporting  
22                        timeline at 10K right now for FINTRAC. We were  
23                        looking at trying to do a reduction in that to  
24                        give us more focus. But I think everything has  
25                        to be done in balance because I think, again,

1           going back to what I said earlier, there was no  
2           casino operating with the rules that -- within  
3           British Columbia. Like, there's no other casino  
4           you can go to and experience what people  
5           experience when they come here. So people that  
6           normally they're travelling, visitors, they  
7           routinely go to casinos when they come to BC.  
8           It is an entirely different landscape, and that  
9           includes having to provide receipts. So if you  
10          don't identify that there's a risk -- and we're  
11          risk based. If we don't identify it's a risky  
12          piece to have people coming and buying in at 4-  
13          or 5,000 to place a restriction to have  
14          receipting at that level just complicates it and  
15          makes it more difficult for them to deal with  
16          patrons and certainly on the service providers.

17                 We do have continued conversations and  
18                 involvement with FINTRAC, and we have  
19                 legislation changes that come up in June 2021  
20                 which we are adopting and will have in place by  
21                 then, and it's going to be a reporting mechanism  
22                 at \$3,000 level, so anything at \$3,000 or more  
23                 for a cash buy-in is going to require ID  
24                 reporting, and that is going to give us huge  
25                 insight into the analytics of those players and

1                   the tracking of those players for cash. So that  
2                   is a very positive thing and we're looking  
3                   forward to that happening. And I think at that  
4                   point in time from a risk-based approach, we've  
5                   gotten to a very, very good place to be right  
6                   now.

7           Q       Why not implement a cap on the amount of cash  
8                   that could be brought into a casino at, say,  
9                   \$3,000?

10          A       Well, again, that's not a decision that I can  
11                   make, and it's going to be done at the senior  
12                   management CEO level in conjunction with GPEB  
13                   and the ADM's office, because it impacts  
14                   everybody. I mean, that's an option that's  
15                   something that has been put out there and has  
16                   been discussed and there's pros and cons to it.  
17                   But at the end of the day we're looking at  
18                   everything that -- every aspect of the programs  
19                   and the things that we can do and put into place  
20                   and to basically reduce our risk to the lowest  
21                   possible degree and ensure we have 100 percent  
22                   compliance with legislative requirements,  
23                   reporting requirements through FINTRAC.

24          Q       At the end of the day when you're looking at  
25                   these potential anti-money laundering measures,

1                   are you balancing risk on the one hand and the  
2                   impact on revenue on the other?

3           A     No.  As I stated yesterday, and I have said this  
4                   in many, many open forums and through a lot of  
5                   training across the board over the last five  
6                   years to service providers or staff, whether or  
7                   not we make our source of revenue from BCLC  
8                   perspective, whether something is going to  
9                   reduce or impact negatively resources and  
10                  ultimately profits is not my care whatsoever.  
11                 It doesn't concern me.  I don't look at it.  
12                 I've never looked at it and made it a  
13                 consideration.  My focus of my unit and my job  
14                 is the integrity of BCLC, the reputational,  
15                 damages against BCLC, compliance with  
16                 legislation and the requirements that we have  
17                 for reporting, both provincially and federally,  
18                 and whatever we have to do to ensure that's a  
19                 safe environment that is run properly and  
20                 ethically, that's our goal.  I can tell you that  
21                 there is no decision that I have ever made that  
22                 is based on whether or not BCLC is going to make  
23                 money.  That's not my concern.

24           MS. LATIMER:  Okay.  I have no more questions for  
25                   this witness.

1 THE COMMISSIONER: Thank you, Ms. Latimer.

2 Now, I understand that the participants who  
3 may wish to examine Mr. Tottenham are -- will be  
4 doing that next Tuesday. Is that correct,  
5 Ms. Latimer? Or is there anyone that you're  
6 aware of that has indicated they wish to make an  
7 examination or examine today?

8 MS. LATIMER: No one has indicated they would like to  
9 examine Mr. Tottenham today.

10 THE COMMISSIONER: All right. That being the case  
11 and unless I hear the contrary, we'll adjourn  
12 Mr. Tottenham's evidence until next Tuesday.

13 MR. STEPHENS: Mr. Commissioner.

14 THE COMMISSIONER: Yes?

15 MR. STEPHENS: It's Mr. Stephens here for BCLC. I  
16 just wondered if there are just a couple things  
17 in light of what -- how we're going to proceed.  
18 And one thing before I raise that. I just  
19 wanted to mention just for the record,  
20 Mr. Commissioner, that Ms. Latimer asked  
21 Mr. Tottenham about the events after  
22 Mr. Alderson left BCLC, and I just wanted to  
23 state that there are some privileges, legal  
24 privileges associated with what happened after  
25 that, and BCLC does not waive any of those

1           privileges at this time, and I just wanted to  
2           raise that because Ms. Latimer did delve into  
3           that area somewhat, and I just wanted that to be  
4           clear.

5                        Secondly, Mr. Commissioner, there's just a  
6           matter of Mr. Tottenham being put over for a  
7           couple of days. And I just wanted to raise that  
8           with you, and I think I flagged it earlier on  
9           when we were scheduling this.

10           THE COMMISSIONER: Yes.

11           MR. STEPHENS: He has been under examination by  
12           commission counsel and I just thought I'd say  
13           this first, you know, in some regards that's a  
14           direct examination, I suppose, but I have been  
15           regarding that as cross-examination effectively,  
16           and so not speaking to him overnight, for  
17           example. And I don't know that's ever been  
18           expressly articulated, but that's been my  
19           understanding of how we are proceeding. If  
20           we're on that premise, Mr. Commissioner, there  
21           are some documents been brought to our notice to  
22           be possibly put to Mr. Tottenham on cross that  
23           have come in very recently that Mr. Tottenham  
24           hasn't worked -- hasn't been able to review.  
25           And in virtue of that because under the normal

1 course he would be under the same restriction  
2 until Tuesday, I would ask for leave from you to  
3 be able to speak with him about those new  
4 document notices that have come in since -- I  
5 think they started on Tuesday night and we had  
6 some on Wednesday morning.

7 So on that sort of surgical basis, if I can  
8 put it that way, that we be permitted to speak  
9 to Mr. Tottenham about that.

10 THE COMMISSIONER: My first reaction is I don't see  
11 why you shouldn't be able to, but I will turn to  
12 either Ms. Latimer or Mr. McGowan and see if  
13 they have any contrary views.

14 MR. MCGOWAN: No, Mr. Commissioner, in the  
15 circumstances we don't object to counsel  
16 speaking with the witness.

17 THE COMMISSIONER: All right. So I will make that  
18 direction, Mr. Stephens, that you be permitted  
19 to discuss with Mr. Tottenham those documents  
20 that arose or came to your notice and his notice  
21 Tuesday and Wednesday of this week.

22 MR. STEPHENS: And if I could just add,  
23 Mr. Commissioner, we may get some in the days  
24 that follow. It's possible. And I think it  
25 would go without saying, I think under your



1 direction -- I just want to be clear that your  
2 direction would encompass any that come up  
3 subsequently.

4 THE COMMISSIONER: Yes. And thank you for being so  
5 careful, but yes, my direction does encompass  
6 anything new that arises from now until next  
7 Tuesday. All right. Thank you.

8 I think we'll stand this witness down at  
9 this point unless there's anything further.

10 **(WITNESS STOOD DOWN)**

11 THE COMMISSIONER: And I gather we will need a  
12 five-minute break before we're able to engage  
13 with our next witness. Is that correct?

14 MR. MCGOWAN: Yes, Mr. Commissioner. I've been asked  
15 by the hearing coordinator to request  
16 10 minutes.

17 THE COMMISSIONER: 10 minutes. All right. We will  
18 stand down, then, for 10 minutes and  
19 Mr. Tottenham will be adjourned until Tuesday  
20 next at 9:30. Thank you.

21 THE REGISTRAR: This hearing is stood down until  
22 10:42 a.m.

23 **(PROCEEDINGS ADJOURNED AT 10:32 A.M.)**

24 **(PROCEEDINGS RECONVENED AT 10:41 A.M.)**

25 THE REGISTRAR: Thank you for waiting. The hearing

1 is now resumed, Mr. Commissioner.

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

4 MR. MCGOWAN: Yes, the next witness will be Mr. Fred  
5 Pinnock.

6 THE COMMISSIONER: Thank you.

7 **FRED PINNOCK, a witness**  
8 **called for the**  
9 **commission, affirmed.**

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

12 THE WITNESS: Certainly. Frederick Howard Pinnock.  
13 My first name is spelled F-r-e-d-e-r-i-c-k. My  
14 surname is spelled P-i-n-n-o-c-k.

15 THE REGISTRAR: Thank you.

16 THE COMMISSIONER: Yes, Mr. McGowan.

17 MR. MCGOWAN: Thank you, Mr. Commissioner.

18 **EXAMINATION BY MR. MCGOWAN:**

19 Q Good morning, Mr. Pinnock.

20 A Good morning, sir.

21 Q Thank you for taking the time with us this  
22 morning. I've got a number of questions to ask  
23 you about your time with the RCMP and specifically  
24 your time as the officer in charge of the  
25 Integrated Illegal Gaming Enforcement Team.

1                   You were a member of the -- with the RCMP  
2                   for 29 years?

3           A       That's correct.

4           Q       And from 2005 to 2008 you were the commander of  
5                   the Integrated Illegal Gaming Enforcement Team?

6           A       Yes. I left my position in December of 2007.

7           Q       Okay. Thank you. And you were -- that team is  
8                   sometimes referred to as IIGET?

9           A       That's correct.

10          Q       Prior to taking command of IIGET, you were the  
11                  commander of the human source management unit  
12                  within E Division?

13          A       That's correct.

14          Q       Prior to coming to IIGET did you have experience  
15                  conducting investigations connected with the  
16                  gaming industry?

17          A       None.

18          Q       And did you have experience conducting  
19                  investigations related to proceeds of crime or  
20                  money laundering?

21          A       Very little. I was attached to the proceeds of  
22                  crime unit briefly several years before my  
23                  arrival in IIGET, but my role was strictly as an  
24                  agent handler. I have minimal knowledge of the  
25                  modalities of money laundering.

1           Q     Okay. During your time at IIGET did your  
2                    knowledge of the modalities of money laundering  
3                    increase or expand or essentially remain --

4           A     Not particularly, no.

5           Q     Okay. Before you came to IIGET did you have  
6                    some familiarity with the unit?

7           A     Just I was aware of its formation. A couple of  
8                    years before I arrived I was aware that there  
9                    was some good police officers who had taken  
10                   command of the unit. But there was a frequent  
11                   rotation out of these unit commanders and I was  
12                   not sure why.

13          Q     Did you gain any insight as you went forward as  
14                    to why that was?

15          A     Just learned that the person who preceded me,  
16                    Tom Robertson, was physically transferred to  
17                    Kelowna. I don't know the explanations for the  
18                    other departures.

19          Q     Okay. Through your work with the human source  
20                    unit, did you gain any insight into criminal  
21                    activity in British Columbia casinos?

22          A     Yes, I did. I read debriefings occasionally  
23                    from members posted to Richmond detachment whose  
24                    sources reported on an escalating level of  
25                    criminal activity within casinos. Loan sharking

1                   was a big concern. And there were frequent  
2                   references to money laundering as well.

3           Q     Okay. Do you recall any of the specifics of the  
4                   concerns that were raised in the briefings you  
5                   read?

6           A     Just that there was -- what appeared to be  
7                   handlers of these human sources to be an  
8                   escalating presence of gangsters and  
9                   gang-related activities within.

10          Q     When you say "human sources" you're referring to  
11                   informants?

12          A     I am, yes. And the debriefings were pretty much  
13                   exclusively focused on activity within the River  
14                   Rock Casino.

15          Q     So you brought with you to your command of IIGET  
16                   an understanding that there was concerns about  
17                   loan sharking and the possibility of money  
18                   laundering in connection with British Columbia  
19                   casinos?

20          A     That's correct.

21          Q     How was it that you came to be appointed as the  
22                   officer in charge of that unit?

23          A     I was contacted by the officer in charge of  
24                   major crime and asked to take command of the  
25                   unit.

1           Q     Was there a competition or an application  
2                    process, or were you essentially tapped and  
3                    asked to take command?

4           A     I was essentially tapped, yes.

5           Q     You succeeded Sgt. Tom Robertson, who was the  
6                    officer in charge prior to you?

7           A     That's correct.

8           Q     And upon taking over the unit, were you briefed  
9                    by officer Robinson -- is it Robinson or  
10                   Robertson?

11          A     Robertson, yes.

12          Q     Were you briefed by Officer Robertson?

13          A     That's correct, I was. We had I think two or  
14                   three meetings before my official arrival, and  
15                   we met once or twice to discuss goings on  
16                   relative to the unit after that as well.

17          Q     And what did he tell you about the composition  
18                   and approach of the unit under him and as it was  
19                   being transitioned to you?

20          A     He told me about the experience and weaknesses  
21                   of various personnel on the team. He explained  
22                   the geographical distribution of the subunits  
23                   throughout the province. And he also explained  
24                   to me the complicated relationship with our  
25                   partner agency GPEB.

1           Q     What did he tell you about the complications of  
2                   that relationship?

3           A     It was occasionally challenging to be certain  
4                   about who was responsible for what.  There  
5                   seemed to be a lot of grey in the relationship  
6                   between the two units in terms of jurisdictional  
7                   responsibilities, and it was pretty much  
8                   confined to that.

9           Q     Okay.  What did he tell you or did he tell you  
10                  what the focus of the unit in terms of  
11                  investigative targets had been under him?

12          A     It was primarily -- Tom explained that the  
13                  primary focus of his efforts while the commander  
14                  of the unit for what I think was approaching a  
15                  year was primarily common gaming houses and  
16                  video lottery terminals, and he explained that  
17                  the provincial regulator, GPEB, handled lower  
18                  level enforcement.

19          Q     When you say "common gaming houses" you're  
20                  referring to illegal casinos?

21          A     That's correct.  The back room card games, for  
22                  example, that we often see in media and  
23                  entertainment.

24          Q     Yes.  And video lottery terminals are illegal  
25                  slot machines, essentially?

1           A     That's correct.

2           Q     What, if anything, did Officer Robertson tell  
3                 you about the mandate of the IIGET unit?

4           A     It's been 15 years. I can't really remember too  
5                 much about what was explained to me, given the  
6                 lapse of time.

7           Q     Okay. Who was your supervisor at the time?

8           A     I reported to an inspector under me at the major  
9                 crime umbrella Don Adam.

10          Q     And was he your supervisor throughout your  
11                 tenure as the officer in charge?

12          A     No, he wasn't. Don was understandably quite  
13                 preoccupied with Project Evenhanded, which was  
14                 the Pickton investigation, so while he tried, he  
15                 didn't really have the time or energy, I think,  
16                 to pay much attention to IIGET, and as a result  
17                 he was relieved of that responsibility pretty  
18                 much and I then reported to a rotating series of  
19                 inspectors under the major crime umbrella.

20          Q     Did Officer Adam or any of the other inspectors  
21                 you reported to provide you direction about the  
22                 mandate of the unit or priorities in terms of  
23                 targets?

24          A     No. I was pretty much left on my own. I don't  
25                 think that IIGET was a unit of particular



1 interest within the hierarchy of the major  
2 crimes section.

3 Q What gave you that impression?

4 A I get the impression that the other officers  
5 were preoccupied with their own traditional  
6 areas of responsibility and I just -- I think I  
7 would say of the group Leon Van De Waale and  
8 Russ Nash were more engaged with IIGET, but it  
9 just didn't seem to be a priority.

10 Q You spoke of Project Evenhanded. That was an  
11 investigation and ultimately a prosecution  
12 related to a large number of missing and  
13 murdered women predominantly from the downtown  
14 east side which resulted in a significant number  
15 of charges being laid?

16 A That's correct.

17 Q And officer Adam had a position highly placed in  
18 that investigation?

19 A He did.

20 Q You also in addition to having a reporting  
21 relationship to an inspector also reported to a  
22 board?

23 A That's correct. The IIGET consultative  
24 [indiscernible] board, which got together twice  
25 a year.

1           Q     Okay.  And who -- tell the Commissioner about  
2                   the composition of that board, please.

3           A     Certainly.  There was a representative of the BC  
4                   Association of Chiefs of Police.  There was a  
5                   representative of the commanding officer of E  
6                   Division, the RCMP.  There was typically the CEO  
7                   of BC Lottery Corporation, the director of GPEB,  
8                   the Director of Police Services, Kevin Begg, and  
9                   appearances were also made by the Director and  
10                  Deputy Director of GPEB -- forgive me, the  
11                  General Manager of GPEB I think was assistant --  
12                  or Associate Deputy Minister by the name of  
13                  Derek Sturko, and the director of GPEB was Larry  
14                  Vander Graaf, and the Deputy Director was Joe  
15                  Schalk.

16          Q     Did you understand that this board had authority  
17                   to give you direction?

18          A     Yes.

19          Q     Okay.  So you understood this to be sort of a  
20                  direct reporting relationship where they were  
21                  capable of providing you direction that you were  
22                  to follow if given?

23          A     Yes.

24          Q     I don't want to put words in your mouth.  
25                  Correct me if I've got it wrong.

1           A     I'm sorry?

2           Q     I said I don't want to put words in your mouth.

3                     Correct me if my understanding of what your

4                     understanding is is incorrect?

5           A     I was mandated to report to the IIGET

6                     consultative board, and my initial sense was

7                     they were -- they were expected to provide me

8                     directions from the aerial view but that common

9                     policing decisions would be left to me and my

10                    colleagues in the unit.

11          Q     Okay. Did the board ever provide you

12                    instruction as to what the mandate of IIGET was?

13          A     It did, yes.

14          Q     And what instruction did they give you in that

15                    regard?

16          A     There were three tiers of enforcement that were

17                    discussed: high, medium and low, and I was

18                    expected to focus primarily on the mid-level

19                    targets while GPEB was mandated to target the

20                    low-level targets. During 2006 I chose to

21                    disregard the direction of the consultative

22                    board and focus on high level internet gaming

23                    target, which caused some friction, but I felt

24                    it was necessary to make that my priority for a

25                    certain period of time.

1           Q     What would an example of a low and medium-level  
2                    target be?

3           A     Low-level targets would consist of illegal  
4                    lotteries, bingo, things that you might --  
5                    illegal raffles where mid-level targets would be  
6                    common gaming houses, video lottery terminals,  
7                    pyramid schemes at the time, animal fighting,  
8                    things of that nature.

9           Q     Where would money laundering and loan sharking  
10                   fall in the hierarchy?

11          A     High.

12          Q     Did the board or any of your supervisors, the  
13                   inspectors you reported to, give you direction  
14                   as to whether enforcing proceeds, money  
15                   laundering or loan sharking as associated with  
16                   legal casinos fell within the mandate of IIGET?

17          A     It was clear that it did not. So as a result of  
18                   that, sir, I submitted a number of business  
19                   cases and operational plans suggesting that the  
20                   IIGET mandate be broadened to include those  
21                   environments.

22          Q     Yes. I'm going to come and ask you about some  
23                   of those and hopefully tender those business  
24                   cases that you put forward.

25                   Do I take it from -- well, let me ask you

1                   this: was it your understanding throughout the  
2                   tenure of your hosting as officer in charge of  
3                   IIGET that the mandate of IIGET did not include  
4                   enforcing proceeds, money laundering and loan  
5                   sharking as associated with legal, licensed  
6                   casinos?

7                   A     That's correct.

8                   Q     What was the source of that understanding?

9                   A     Well, I detected a significant enforcement gap  
10                  as a result of the lack of a policing presence  
11                  in legal gaming environments, and early after my  
12                  arrival in late 2005, I approached a  
13                  investigator responsible for Hastings park  
14                  racetrack for a bit of a summary of the  
15                  challenges that he encountered as part of his  
16                  area of responsibility. He said he'd be happy  
17                  to provide me with that, but he wanted to get  
18                  authority to do so from his immediate boss, Joe  
19                  Schalk.

20                         Minutes after he did that, Joe Schalk came  
21                         to my office and was quite hostile and expressed  
22                         his displeasure with me for trying to  
23                         effectively build an empire where I was simply  
24                         trying to maximize public safety by getting a  
25                         police presence into racetracks and casinos.

1           Q     Okay. Well, maybe I'll ask my question a  
2                   different way. Why did you think that you did  
3                   not have authority to enforce against money  
4                   laundering, loan sharking and proceeds in  
5                   licensed casinos? Why did you think that wasn't  
6                   your mandate?

7           A     I had the authority as a police officer, but I  
8                   didn't have the apparent mandate to go to those  
9                   environments.

10          Q     Why did you understand you did not have that  
11                   mandate? What was the source of that  
12                   understanding?

13          A     I believe part of it came from the my earlier  
14                   discussions with Tom Robertson who preceded me,  
15                   and my difficulty -- exchange with Joe Schalk as  
16                   well. And I recently had that confirmed in the  
17                   form of an email from a corporal in charge of my  
18                   Prince George unit who explained that was his  
19                   understanding too. And it was unwritten but  
20                   verbally enforced.

21          Q     And to this day you continue to hold that  
22                   understanding as to what you mandate was within  
23                   IIGET?

24          A     Yes.

25          Q     I wonder if we could please have document

1 Canada 000087. Sir, I'm going to take you to a  
2 number of documents which to some extent discuss  
3 the mandate of that unit. This is a memorandum  
4 from Tom Robertson. He's the sergeant that  
5 preceded you as an officer in charge of IIGET?

6 A Yes.

7 Q And it's November 10th, 2004, to all members at  
8 E Division?

9 A Yes.

10 Q And you were at E Division at the time?

11 A I was.

12 Q Okay. I'm just going to start reading about the  
13 fourth sentence in the first paragraph. And  
14 this is titled "Introduction" -- the document is  
15 a memorandum entitled "Introduction and Mandate  
16 of the RCMP's Integrated Illegal Gaming  
17 Enforcement Team."

18 A Yes.

19 Q I'm just reading half way along the fourth line  
20 down:

21 "For clarification, the investigations of  
22 GPEB are Special Constables who  
23 investigate incidents which occur  
24 primarily within the licensed gaming  
25 venues throughout the province, i.e.

1 casinos, bingo halls, racetracks,  
2 teletheatre sites and they enforce the  
3 *Provincial Gaming Enforcement Act*.  
4 Members assigned to IIGET are primarily  
5 mandated to prevent ..."

6 A "Detect."

7 Q "Detect, collect intelligence and  
8 investigate offences of illegal gaming  
9 throughout the province, i.e. common  
10 gaming houses and bookmaking as defined in  
11 part 7 of the *Criminal Code*. While each  
12 of these units has its own  
13 responsibilities, it is believed their  
14 integration will provide a greater  
15 intelligence network of organized crime  
16 within all gaming venues and enforcement  
17 of gaming offences and other criminal  
18 offences often related to gaming, i.e.  
19 loan sharking and money laundering."

20 Do you recall seeing this memorandum before you  
21 took over command of the IIGET unit?

22 A I don't recall having seen it, but I may have.

23 Q Okay. Does that last sentence suggest to you  
24 that the mandate of IIGET in coordination and  
25 cooperation with GPEB did in fact include



1                   enforcing loan sharking and money laundering  
2                   regardless of whether it was associated with a  
3                   legal or illegal casino?

4           A     Yes, it does.

5           MR. MCGOWAN:  If we could turn to Canada 000101.  If  
6                   that prior memo can be the next exhibit, please,  
7                   Mr. Commissioner.

8           THE COMMISSIONER:  Yes, very well.  That will be  
9                   exhibit 150.

10          THE REGISTRAR:  Exhibit 150.

11                   **EXHIBIT 150:  Memo from S/Sgt. T. Robertson re**  
12                   **Introduction and Mandate of the RCMP's**  
13                   **Integrated Illegal Gaming Enforcement Team -**  
14                   **November 10, 2004**

15          MR. MCGOWAN:

16          Q     Sir, I understand this to be the IIGET  
17                   implementation plan from June 2004.  I wonder if  
18                   we could please go to the 11th page of the  
19                   document.

20          THE COMMISSIONER:  Could you give me that number  
21                   again, please, Mr. McGowan.

22          MR. MCGOWAN:  Canada 101.

23          THE COMMISSIONER:  Thank you.

24          THE REGISTRAR:  Is this the right page, Mr. McGowan?

25          MR. MCGOWAN:  Yes.  Thank you, Madam Registrar.

1           Q     Do you recall whether you saw this hearing  
2                    plan -- pardon me, implementation plan?

3           A     I don't recall having seen it, but I have since  
4                    then. In my preparation for this hearing, I  
5                    have seen it.

6           Q     Thank you. I'm going to read to you the first  
7                    two sentences of this 11th page of the document  
8                    which is actually just the second page of text.  
9                    There's a number of cover pages.

10                    "Investigators with the IIGET unit are  
11                    responsible, as with all members of the  
12                    RCMP, with enforcement of all aspects  
13                    *Criminal Code*. The specific mandate of  
14                    the unit is the enforcement of part 7 of  
15                    the *Criminal Code* as it relates to illegal  
16                    gaming. IIGET members will investigate  
17                    unlawful activity in legal venues, such as  
18                    loan sharking, threatening, intimidation  
19                    and money laundering."

20           Does that suggest to you that there was an  
21                    intention that IIGET's mandate would include  
22                    enforcing money laundering and loan sharking  
23                    within legal venues?

24           A     It does.

25           Q     Is this inconsistent with the understanding you

1                   held throughout your tenure as the officer in  
2                   charge?

3           A     That's correct.

4           MR. MCGOWAN:  If that could be the next exhibit,  
5                   please.

6           THE COMMISSIONER:  151.

7           THE REGISTRAR:  Exhibit 151.

8                   **EXHIBIT 151:  Integrated Illegal Gaming**  
9                   **Enforcement Team - Implementation Plan of**  
10                   **Operations - 24-June-2004**

11           MR. MCGOWAN:  If we could please have Canada 000046.

12           Q     Sir, this is a five-year strategic projection  
13                   for provincial policing.  Are you familiar with  
14                   documents of this sort?

15           A     Yes.  I've read them in the past.

16           Q     And this at the bottom appears to come from  
17                   Corporate Planning and Client Services Section  
18                   Corporate Management Branch E Division?

19           A     Yes.

20           Q     And if we could please go to page 69 of the  
21                   document.  I'm looking at the page that has 69  
22                   at the bottom in the centre.  I don't know what  
23                   page of the PDF that is.  Sorry.  Hopefully the  
24                   redacted pages have the page numbers redacted.

25           THE REGISTRAR:  It seems like that page is redacted,



1 racetracks. It does not include video  
2 lottery terminals, slot machines (except  
3 at approved casinos), internet gaming or  
4 customer clubs. Illegal gaming is  
5 operated by traditional and  
6 non-traditional organized crime. It  
7 includes bookmaking, sports wagering and  
8 unlicensed games. This unit will address  
9 criminal involvement in the lottery and  
10 gaming facilities in the province."

11 Do you understand lottery and gaming facilities  
12 in the province to include licensed gaming  
13 facilities?

14 A I do, yes.

15 Q And is this, again, a document that represents a  
16 mandate that was inconsistent with your  
17 understanding of IIGET's mandate?

18 A That's correct, yep.

19 MR. MCGOWAN: If this could be the next exhibit,  
20 please.

21 THE COMMISSIONER: 152.

22 THE REGISTRAR: Exhibit 152.

23 **EXHIBIT 152: RCMP - Five Year Strategic**

24 **Projection: Provincial Policing - 2004-2009**

25 **(redacted)**

1 MR. MCGOWAN: Thank you. If we could please have  
2 Canada 000064.

3 Q Sir, this is a document prepared by you?

4 A Yes.

5 Q In November of 2007?

6 A Yes.

7 Q And this was a document prepared by you in  
8 anticipation of a meeting with the consultative  
9 board?

10 A That's correct.

11 Q And what was your purpose in preparing this  
12 document?

13 A I believe it was for distribution to those in  
14 attendance at the meeting.

15 Q If we could please go to the last page of the  
16 document. And it says -- I'm going to read that  
17 top paragraph to you:

18 "As identified by NCO i/c IIGET ..."

19 Does that refer to you?

20 A It does.

21 Q "-- in previous submissions to the  
22 consultative board, this unit's present  
23 capacity to target at both mid and high  
24 levels is extremely limited. Foundation  
25 documents leading to the creation of IIGET

1 refer to activities such as bookmaking,  
2 internet gaming, money laundering, loan  
3 sharking and VGM distribution as offences  
4 to be targeted. This unit did attempt to  
5 respond at the high level in 2006, which  
6 resulted in reduced production at the mid  
7 level that year. IIGET's resourcing model  
8 is sufficient to address only mid level  
9 illegal gaming activity at this time."

10 Is this your acknowledgement that there was an  
11 intention that your unit would target money  
12 laundering and loan sharking?

13 A Yes. Among the foundation documents leading to  
14 the creation of the unit, yes.

15 Q And when you speak of money laundering and loan  
16 sharking in this document, do you mean in  
17 licensed casinos as well as unlicensed casinos?

18 A Yes.

19 Q Okay. And is this in part of explanation for  
20 why you were not following that directive?

21 A That's correct, yeah.

22 MR. MCGOWAN: Okay. If that could be the next  
23 exhibit, please.

24 THE COMMISSIONER: 153.

25 THE REGISTRAR: Exhibit 153.





1                   laundrying and proceeds of crime  
2                   investigations is important to the overall  
3                   objective, these offences tend to be a  
4                   greater drain on resources and require  
5                   investigators to have a greater skill set  
6                   and more experience. It is anticipated  
7                   and can be expected that IIGET  
8                   investigators will gain the skill set over  
9                   this 18 month period from their experience  
10                  and training."

11                 Does this appear to you, sir, to be an  
12                 indication that during the first 18 months of  
13                 IIGET's tenure the officers assigned to that  
14                 unit will gain the experience necessary to  
15                 transition into investigating money laundrying?

16                 A     That's what it suggests to me, yes.

17                 Q     Did the officers -- I should ask you this: were  
18                 you in command of the unit in a time period at  
19                 or after the 18-month period from its inception?

20                 A     No. I think it existed for two years before my  
21                 arrival.

22                 Q     So when you arrived the 18-month period over  
23                 which it was anticipated the skill set would be  
24                 gained had passed?

25                 A     Maybe it was 18 months after the unit was

1                   formed.  Would you ask that again, please.

2           Q       Well, Let me ask you this:  when you arrived to  
3                   your observation had the officers assigned to  
4                   the unit developed the skill set that would be  
5                   required to investigate money laundering?

6           A       No, no.  I was pretty certain they hadn't.

7           Q       And did they get to that level of skill during  
8                   your tenure as the officer in charge.  To your  
9                   observation?

10          A       No.  If we were going to take on something of  
11                   that magnitude, I would have had to arrange for  
12                   the secondment of specialists, and people with  
13                   that trade craft and set of skills.

14          Q       So the anticipated transition into the  
15                   investigation or money laundering after the  
16                   18-month mark did not happen under your watch?

17          A       That's correct.

18          MR. MCGOWAN:  If that could be the next exhibit,  
19                   please.

20          THE COMMISSIONER:  Very well.  154.

21          THE REGISTRAR:  Exhibit 154.

22                   **EXHIBIT 154:  Integrated Illegal Gaming**  
23                   **Enforcement Team RCMP and GPEB Consultative**  
24                   **Board Meeting - 29-November-2004 (redacted)**

25          MR. MCGOWAN:  If we could please have Canada 000103.

1           Q     So this is a document titled "Backgrounder" and  
2                    it says "for immediate distribution, Integrated  
3                    Illegal Gaming Enforcement Team." Do you know  
4                    if you saw this document before?

5           A     I probably did and I read it more recently as  
6                    well.

7           Q     Thank you. I'm going to read to you the second  
8                    third and first sentence of the fourth document:

9                    "The Integrated Gang Enforcement Team's  
10                    mandate is to ensure the integrity of  
11                    public legalized gaming in British  
12                    Columbia throughout an integrated approach  
13                    that includes the RCMP and the provincial  
14                    gaming policy enforcement branch (GPEB).  
15                    IIGET is in place to preserve the  
16                    integrity of legalized gaming in the  
17                    Province of British Columbia through the  
18                    enforcement of the *Criminal Code of Canada*  
19                    and other statutes. A memorandum of  
20                    understanding between the team's  
21                    integrated members was signed in 2003  
22                    outlining the unit's mandate, roles and  
23                    responsibilities, and governance. Roles  
24                    and responsibilities of RCMP: enforce  
25                    *Criminal Code*; investigate unlawful

1 activities in legal venues."

2 A Yes.

3 Q And does that seem to suggest to you that your  
4 unit did in fact have a mandate, at least  
5 according to this document, to investigate  
6 criminal offences and unlawful activity as  
7 associated with legal venues?

8 A That's what it suggests, yes.

9 Q Was that -- is this mandate inconsistent with  
10 your understanding of the mandate that you  
11 operated with during your time as the officer in  
12 charge?

13 A That's right.

14 Q Were you surprised when the commission provided  
15 you with these documents in advance of you  
16 coming to testify here to see the suggestion  
17 that your unit did in fact appear to have a  
18 mandate to enforce *Criminal Code* offences  
19 including money laundering and loan sharking and  
20 legal casinos?

21 A Yes, it did.

22 Q Had you had that understanding of your mandate  
23 during the time you were the officer in charge,  
24 would that have impacted on the targets you  
25 identified and investigations you pursued or

1 directed your underlings to pursue?

2 A It may have. The underlying messages from  
3 management to whom I reported was get along with  
4 your partner. That's number one. Your partner  
5 agency GPEB. GPEB clearly did not want us  
6 entering those environments. That message was  
7 made clear to me. So in an effort to get along  
8 I thought well, I'm going to have to do it by a  
9 business case and try and get approved for a  
10 broadened mandate so that we can address public  
11 safety in those environments.

12 Q In retrospect seeing these documents did you  
13 need a business case for a mandate it appears  
14 you already have had?

15 A For resource acquisition, yes.

16 Q You've suggested that one of the reasons that  
17 you may not have pursued investigations of money  
18 laundering associated with legal casinos was  
19 because of a concern about your relationship  
20 with GPEB?

21 A Yes. That was the priority as it was explained  
22 to me, and it was explained to others as well  
23 that I've spoken with, that the key was play  
24 nice with your partner; we don't expect you to  
25 hit page 1 all the time; just get along.

1 Q Did you take direction from anyone placed within  
2 GPEB?

3 A Not directions so much as occasional  
4 conversations, what our respective units were up  
5 to.

6 Q They weren't your superiors?

7 A No.

8 Q They couldn't direct you what investigations to  
9 pursue or not pursue?

10 A They did not. They did appreciate that we were  
11 the actual police while they were provincial  
12 Special Constables.

13 Q Which of the units GPEB or the RCMP contingent  
14 of IIGET was better suited to investigating  
15 money laundering, loan sharking and proceeds as  
16 associated with legal casinos?

17 A The RCMP. I've read in the past that GPEB had  
18 no particular interest in targeting organized  
19 criminal activity in those environments.

20 Q Where did you read that?

21 A I believe -- I can't remember. This comment was  
22 attributed to Larry Vander Graaf, the director,  
23 and they were not willing to target serious  
24 organized criminal activity because they were  
25 not mandated to carry firearms and it was a

1                   significant gang presence in those environments.  
2                   I can't remember where I read it. But the  
3                   comment was attributed to Larry Vander Graaf.

4           Q       Was it an official document?

5           A       No.

6           Q       An informal communication -- I'm trying to  
7                   understand. Is this a document that you read in  
8                   an RCMP document or something that came across  
9                   your desk in your official capacity, or was it  
10                  an informal email or something of the sort?

11          A       Yes, I wish I could remember, but I definitely  
12                  read it in black and white.

13          Q       Okay. You were colocated with GPEB, correct,  
14                  your unit?

15          A       Yes.

16          Q       Which means you essentially shared office space?

17          A       We did for a time. When tensions began to  
18                  escalate between our units I acquired office  
19                  space across the hall, and eventually moved my  
20                  unit in there perhaps six months to a year  
21                  before I left.

22          Q       Okay. Did you understand that -- let me ask it  
23                  this way: if your understanding was that  
24                  enforcing proceeds, money laundering and loan  
25                  sharking as associated with legal casinos was

1                   not within your mandate, whose mandate did you  
2                   believe it was?

3           A        There was nobody.  It was -- there was no --  
4                   there was a significant enforcement gap.  There  
5                   was nobody really mandated to do that work.  And  
6                   I felt there should have been.

7           Q        In retrospect, does it appear that perhaps it  
8                   was your unit that was mandated to investigate  
9                   and enforce those matters as associated with  
10                  legal casinos?

11          A        We were not welcome in those environments.

12          Q        Well, maybe I'll just ask you to answer my  
13                   question first.  In retrospect does it appear it  
14                   was your unit that was mandated to enforce those  
15                   offences as associated with legal gaming venues?

16          A        Well, we've seen it written this morning on  
17                   documents, but in practice, we were not expected  
18                   to have any presence in those locations.

19          Q        Okay.  Had you understood at the time your  
20                   mandate was to investigate those matters, would  
21                   you have had the resources necessary to do so?

22          A        No.

23          Q        If you can expand on that, please.

24          A        To properly target organized criminal activity,  
25                   you need significant manpower, and we were



1                   sufficiently resourced to deal with our  
2                   mid-level illegal gaming activity but not  
3                   serious organized crime targeting.

4           Q        Would you have had the capacity if somebody  
5                   suspected to have been bringing proceeds into a  
6                   casino to investigate a single individual with a  
7                   view to building a case that these may be  
8                   proceeds of crime with a view to seizing those  
9                   funds?

10          A        Yes, I believe so.

11          Q        I gather from some of what you've said this  
12                   morning that there was a strained relationship  
13                   between your unit and the Gaming Policy  
14                   Enforcement Branch. Have I picked up on that  
15                   accurately?

16          A        Yes.

17          Q        Why was that?

18          A        Tensions over the mandate and it resulted in  
19                   interpersonal hostility within the main office  
20                   in Burnaby. A couple of my female constables  
21                   were treated harshly by some of the GPEB guys  
22                   and this was after a year or two of tense  
23                   exchanges between me and GPEB management. So  
24                   that resulted in me moving my unit across the  
25                   hall.



1 occasionally lend me a couple of members of this  
2 unit to do -- provide -- to provide support from  
3 a Special Constable point of view, without them  
4 being armed or anything like that.

5 THE COMMISSIONER: Mr. McGowan, I'm just going to  
6 interrupt for a second. Have we concluded with  
7 the Backgrounder?

8 MR. MCGOWAN: Yes. If that could be the next  
9 exhibit. I'm sorry. I didn't realize it was  
10 still on the screen.

11 THE COMMISSIONER: Thank you. That will be the next  
12 exhibit. And we can remove that from the  
13 screen.

14 THE REGISTRAR: Yes. Next exhibit is 155.

15 THE COMMISSIONER: Thank you.

16 **EXHIBIT 155: RCMP Backgrounder (2003-05)**

17 MR. MCGOWAN: Thank you.

18 Q During the time you were the officer in charge  
19 of IIGET, how many, if any, joint investigations  
20 did you conduct with GPEB?

21 A Other than them providing a body or two to  
22 assist on takedown days, there were very few.

23 Q Did you engage in any -- provide assistance to  
24 them or jointly engage in any investigations of  
25 money laundering?

1           A     Not money laundering. I do recall one offence  
2                    related property seizure. It was looked after  
3                    by my unit I think before my arrival, but that  
4                    was the extent of it.

5           Q     Okay. I wonder if we could pull up  
6                    Canada 000055. If you go to the page numbered  
7                    in the top right corner 3 of 6. Sir, I'll just  
8                    ask you to read the first half of that page just  
9                    to yourself.

10          A     I'm sorry. Would you ask that question again,  
11                    please.

12          Q     I'm going to ask you some questions, but I just  
13                    wanted you to refresh your memory by reading the  
14                    first half of this page.

15          A     Thank you. I'll do that. Okay.

16          Q     This is a status report on the IIGET unit?

17          A     Yes.

18          Q     Authored by you?

19          A     Yes.

20          Q     And in this passage I've asked you to read, you  
21                    are -- for lack of a better word, complaining  
22                    about the difficult relationship with GPEB, and  
23                    speaking of the incident you told us earlier  
24                    where you attempted to get information from a  
25                    racetrack investigator?

1 A Yes.

2 Q And ultimately this led to you, it appears from  
3 this document, seeking to move your team away  
4 from GPEB, physically away in terms of office  
5 space?

6 A That's right.

7 Q Did you actually pursue the move away from GPEB?

8 A Yes.

9 Q And did that happen?

10 A It did. And I acquired sufficient space for  
11 what I hoped would also include a casino and  
12 racetrack component as well. Down the road.

13 Q Were you concerned that moving your unit to a  
14 different physical space would negatively impact  
15 on the ability of your unit to integrate and  
16 cooperate with GPEB and investigations?

17 A We were across the hall, sir, and it would have  
18 been about a five-second walk to interact with  
19 anybody on -- in until the Burnaby offices of  
20 GPEB. We did different work, and so I felt it  
21 was the only option, really.

22 Q What was the degree of integration after you  
23 moved the unit?

24 A It didn't really -- it didn't really change.  
25 There was very little integration. We did

1 different jobs.

2 MR. MCGOWAN: If this could be the next exhibit,  
3 please, Mr. Commissioner.

4 THE COMMISSIONER: Very well. That will be 156.

5 THE REGISTRAR: Exhibit 156.

6 **EXHIBIT 156: Memo from NCO IIGET "E" Division**  
7 **Re Status Report - Integrated Illegal Gaming**  
8 **Enforcement Team- 14-March-2007 (redacted)**

9 MR. MCGOWAN: If we could please have next -- I  
10 believe it's Canada 00061. Yes, if we can just  
11 go down so I can see the date on the bottom  
12 right, please. Yes, this is the document I'm  
13 looking for.

14 Q Sir, this is a document prepared for the  
15 consultative board?

16 A Yes.

17 Q And prepared by you?

18 A It was.

19 Q And essentially this document, at least in part,  
20 sets out details of some of the investigations  
21 that have been undertaken?

22 A Yes.

23 Q When did you take over -- and this is you  
24 summarizing the work of the unit, essentially?

25 A Yes, I believe for the previous six months.

1 Q When did you take over command of the unit?

2 A September of 2005.

3 Q If we turn to the third page of the document,  
4 please. Second page of text. This is -- I have  
5 a less vetted version. That's the correct page,  
6 if you can go back to the page you were at,  
7 Madam Registrar. Down one page.

8 Sir, there's an August 4th entry. It  
9 relates to an August 2015 forfeiture and loan  
10 sharking incident.

11 A August 2005.

12 Q August 2005. Thank you.

13 A Yes.

14 Q This was an incident where you came to  
15 understand that your unit apprehended a loan  
16 shark entering the River Rock Casino  
17 or entering -- yes, the River Rock Casino and  
18 ultimately resulted in a significant cash  
19 seizure?

20 A Yes. That was before my arrival. My  
21 understanding had been that members of Richmond  
22 detachment had actually done the apprehending  
23 and GPEB and we provided support in the form of  
24 offence-related property seizure.

25 Q And ultimately \$200,000 was seized and forfeited

1 as a result of this?

2 A I believe it was.

3 Q In reviewing this, did this seizure that took  
4 place prior to your placement in the unit, did  
5 that give you some insight into the potential  
6 impact your unit could have by targeting loan  
7 sharks and seizing proceeds of crime?

8 A Yes. It was a bit of a one-off case, but it was  
9 I think a good example of what could be done, if  
10 the will was there, to have us involved in those  
11 environments.

12 Q And do I take it because you understood  
13 enforcing loan sharking and money laundering and  
14 proceeds of legal casinos was outside your  
15 mandate you didn't pursue similar investigations  
16 and attempt similar procedures?

17 A Yes. We weren't welcomed in those places.

18 Q Leaving aside whether you were welcome, was it  
19 the fact that you understood this to be outside  
20 your mandate, was that one of the reasons you  
21 didn't pursue similar investigations and attempt  
22 similar seizures?

23 A Yes.

24 Q And I'll ask you about the other comment you  
25 made. Why do you say you weren't welcome?



1           A     It is probably best explained by Joe Schalk's  
2                    reaction to me when I was attempting my  
3                    information gathering dealing with areas that he  
4                    felt were GPEB's jurisdiction and not ours.

5           MR. MCGOWAN:   Okay.  If that document could be the  
6                    next exhibit, please.

7           THE COMMISSIONER:  Very well.  157.

8           THE REGISTRAR:  Exhibit 157.

9                    **EXHIBIT 157:  S/Sgt. F. Pinnock - Integrated**  
10                   **Illegal Gaming Enforcement Team Performance**  
11                   **Report for IIGET Consultative Board -**  
12                   **23-July-2007 (redacted)**

13          MR. MCGOWAN:

14          Q     Mr. Pinnock, you offer at least in part your  
15                    explanation for not pursuing certain  
16                    investigations a sense that you didn't feel  
17                    welcome, and I gather from what you said, that  
18                    lack of welcome emanated from GPEB.

19          A     That's correct.

20          Q     Was a lack of welcome in your mind on the part  
21                    of a provincial regulator justification for the  
22                    RCMP not pursuing an investigation of  
23                    significant criminal offence?

24          A     No, but the clear message from my managers was  
25                    get along with these guys, and so I tried.  Let

1 me just read to you, if I can, a portion of an  
2 email that explains the climate preceding my  
3 arrival, if you don't mind.

4 Q Well, I'll need to know what you're reading  
5 from. Is this a document that we've provided to  
6 you in advance of you testifying?

7 A No. It's an email from one of my corporals who  
8 had the same understanding as I did.

9 Q Is it a document that you've can given to us?

10 A No.

11 Q Okay. Well, sir, we have a process here where  
12 we've got a number of lawyers and a number of  
13 those who are representing a number of  
14 participants, and certain entitlement to  
15 documents. So maybe what I'll do is I'll ask  
16 you to put that aside for now. And,  
17 Mr. Commissioner, I'm going to suggest I carry  
18 on with my questioning but that prior to my  
19 finishing I look at this document with a view to  
20 determining whether it's appropriate to  
21 distribute it to participants and consider  
22 putting it before you.

23 THE COMMISSIONER: Yes. All right. That's fine.

24 Mr. Pinnock, if you can arrange to send the  
25 document to Mr. McGowan, that would be helpful.

1 MR. MCGOWAN:

2 THE WITNESS: I should say, Mr. McGowan, I did make a  
3 reference to this email and put it in my most  
4 recent will-say submitted to you.

5 MR. MCGOWAN:

6 Q Is this a document that you forwarded to one of  
7 the lawyers in our commission previously?

8 A No, I just paraphrased it in my will-say.

9 Q Do you have it in a way that you can forward it  
10 to Mr. McCleery right now? Is it just in hard  
11 copy or is it an actual email you can forward?

12 A It is in hard copy.

13 Q Do you have access to a scanner where you are?

14 A Yes, I can do that.

15 Q Okay. Why don't I carry on now,  
16 Mr. Commissioner, for a little bit longer.  
17 We've had a break not too long ago. And then we  
18 can take a break before I finish and we can deal  
19 with this document.

20 THE COMMISSIONER: All right. That would be helpful.  
21 Thank you.

22 MR. MCGOWAN:

23 Q And, Mr. Pinnock, I don't want you to get a  
24 sense that we're not interested in the document.  
25 We just have a bit of a process to follow to

1                   make sure everyone has had a chance to --

2           A        I concede that.

3           Q        Sir, during your time as the officer in charge  
4                   of IIGET, either based on information you  
5                   obtained or came into before you took command  
6                   and information you gathered during your tenure  
7                   as the officer in charge, did you form a view as  
8                   to the extent that there was an issue with  
9                   proceeds entering British Columbia casinos or  
10                  loan sharking or money laundering associated  
11                  with licensed casinos in British Columbia?

12          A        I did. Largely on the basis of informative  
13                   briefings that I had read.

14          Q        What view had you formed in that respect?

15          A        That simply the offences of money laundering and  
16                   loan sharking were escalating in frequency,  
17                   particularly in the River Rock Casino, but to a  
18                   lesser extent in other big ones.

19          Q        If the witness can be please be shown  
20                   document 000107.

21                   Sir, the first paragraph of this -- and I  
22                   don't know what this document is. It's an  
23                   undated memorandum that's been provided to us by  
24                   Canada without context. I'm not criticizing  
25                   them, but I'm doing it because it appears to be

1                   relevant. But I tell you that only so you  
2                   understand. I can't give you more context to  
3                   the document. It says:

4                   "Richmond RCMP detachment has become  
5                   involved in a working group with Great  
6                   Canadian (River Rock) RCMP Integrated  
7                   Illegal Gaming Enforcement Team and  
8                   British Columbia Lottery Corporation to  
9                   target loan sharks and other organized  
10                  criminal activity related to gambling."

11                A     Yes.

12                Q     Were you a member of that working group?

13                A     Yes. That was -- I think we only met once, if  
14                   I'm not mistaken. There was communication back  
15                   and forth between me and the officer in charge  
16                   of Richmond RCMP detachment. I think you've  
17                   heard from him earlier in this commission.  
18                   Richmond detachment had a significant concern  
19                   about the activities going on in the River Rock  
20                   Casino, and they wanted to have a more  
21                   significant presence in there and it was their  
22                   hope that we could provide some assistance.

23                Q     So for your part you only participated in one of  
24                   these meetings?

25                A     Yes.

1 Q And did it ever come to fruition that the River  
2 Rock, IIGET and BCLC coordinated in an attempt  
3 to target loan sharks and other criminal  
4 activity associated with the River Rock or any  
5 other casino, licensed casino?

6 A This was just before I left, I believe, and I'm  
7 not sure what ever did happen with that.

8 MR. MCGOWAN: Thank you. If that could be the next  
9 exhibit, please, Mr. Commissioner.

10 THE COMMISSIONER: Very well. Are we at exhibit 158  
11 now Madam Registrar?

12 THE REGISTRAR: This one will be 158.

13 THE COMMISSIONER: Thank you.

14 **EXHIBIT 158: Undated memo detailing IIGET and**  
15 **BCLC working group to target loan sharks and**  
16 **other organized criminal activity**

17 MR. MCGOWAN:

18 Q Sir, you told us that you formed a view as to  
19 increasing proceeds, loan sharking and money  
20 laundering associated with the River Rock and  
21 licensed BC casinos from sourced debriefings you  
22 had read. Did you also gain information about  
23 that during your time as the officer in charge  
24 of IIGET from GPEB personnel?

25 A Not from GPEB personnel, but I did hear from

1                   concerned police officers within my circle that  
2                   they had heard rumblings that things were  
3                   getting out of hand in those environments.

4           Q        During your time as the officer in charge of  
5                   IIGET did you ever have information passed to  
6                   you from GPEB about suspicious cash entering  
7                   British Columbia casinos?

8           A        No.

9           Q        Did you ever have information communicated to  
10                   you by a member of the public or any citizen  
11                   associated with any of the gaming facilities?

12          A        No. Oh, I should mention that one security  
13                   employee, I believe from River Rock, he did  
14                   approach me and then Corporal Randy Mortensen  
15                   with a complaint about what he'd observed, and  
16                   what follows. He was watching a loan shark  
17                   engaged in his business to the point where the  
18                   loan shark complained to his manager, the  
19                   security employee's manager, about this young  
20                   man following him around.

21                   The security employee's manager then walked  
22                   over to him and scolded him for disrupting the  
23                   loan sharking activity, saying it was bad for  
24                   business. The security employee then observed  
25                   the casino manager escorting the loan shark over

1                   to a corner of the casino where it was well  
2                   known weren't covered by security cameras, and  
3                   the young security employee observed the loan  
4                   shark reengage in that activity.

5           Q        Okay. Do you know the name of this individual?

6           A        I wish I did. No.

7           Q        Did you take a note of the conversation?

8           A        I believe I did write it down years and years  
9                   ago, but I've destroyed my notebooks.

10          Q        Okay. Do you recall --

11          A        I asked then Corporal Mortensen if he had a note  
12                   in his notebooks, and he's still serving. He  
13                   says he remembers the conversation very well,  
14                   but couldn't locate the name or contact  
15                   information either.

16          Q        Yes, thank you for that. Do you recall what  
17                   facility this individual indicated to you they  
18                   worked at?

19          A        I believe it was River Rock.

20          Q        Do you recall what year this meeting took place?

21          A        '06.

22          Q        During the time you were the officer in charge  
23                   of IIGET, what was the focus of the  
24                   investigations that you directed your personnel  
25                   to undertake?



1           A     Well, the first project that we undertook was a  
2                    pyramid scheme that resulted in a successful  
3                    case on Vancouver Island. Then the focuses on  
4                    video lottery terminals and common gaming  
5                    houses. Then it became a -- kind of an  
6                    all-consuming investigation into an internet  
7                    gaming company in '06. And then more  
8                    concentration on common gaming houses  
9                    thereafter.

10          Q     Okay. Madam Registrar, the document that has  
11                    been previously marked does not need to be  
12                    displayed anymore.

13                    During the time you were the officer in  
14                    charge of IIGET, how many officers were assigned  
15                    to that unit?

16          A     There were 12 positions, and I believe we  
17                    fluctuated between 9 and 12 positions being  
18                    filled throughout my time.

19          Q     In addition to officers assigned to the unit,  
20                    how many other personnel were assigned?

21          A     There was one public servant clerk.

22          Q     Did you have any analysts?

23          A     Oh, as a matter of fact we did have an analyst  
24                    for a few months before my departure, yes.

25          Q     Now, you've mentioned to us that you made a

1                   business case for expanding the mandate of the  
2                   unit. Did that also include a business case to  
3                   expand the resources of the unit?

4           A       Yes. There were two parallel business cases.

5           Q       Yes. If we could please have Canada 000077.

6                   This is a business case drafted by you in an  
7                   effort to seek the expansion of a mandate and  
8                   increased resources for the unit in June of  
9                   2007?

10          A       Yes.

11          Q       Is this your first proposal or your second?

12          A       I believe it was.

13          Q       I'm going to take a moment to look at my notes.

14                   Yes. We'll come to the second one so you can  
15                   see the date on that one as well.

16          A       Thank you.

17          Q       If we turn to the second page of the document,  
18                   first page of text. You'll see first line of  
19                   the bottom paragraph:

20                                "IIGET is currently mandated to

21                                investigate illegal gaming activity only."

22          A       Yes.

23          Q       And you wrote that because that is what you  
24                   understood to be the mandate at the time?

25          A       That was the mandate in practice, yes.

1           Q     And I wonder if you can just briefly summarize  
2                     for the Commissioner what you were proposing in  
3                     this business case and who you were proposing it  
4                     to?

5           A     Yes. It was for the attention of the officer in  
6                     charge of major crime E Division who would then,  
7                     with his commentary, forward it on if it was  
8                     supported. It was to have a significant team  
9                     built, and operating out of the Burnaby office  
10                    space, which I had moved into with my unit. And  
11                    it would consist of some intel specialists,  
12                    proceeds of crime specialists, and standard  
13                    investigators to target the ongoing organized  
14                    crime activity in casino and racetrack  
15                    environments.

16          Q     And what was the ongoing organized crime  
17                     activity that you felt needed to be addressed?

18          A     Loan sharking, money laundering, extortion, drug  
19                     trafficking, and I imagine there were probably  
20                     some other forms of criminal activity that one  
21                     could reasonably expect to encounter there.

22          Q     What became of this business case? What became  
23                     of your proposal?

24          A     It did get consideration at senior levels within  
25                     E Division. Nothing was immediately formed

1                   after my departure. The officer who followed  
2                   me, I think, made another -- created another  
3                   business case. Inspector Wayne Holland created  
4                   another business case with a view to having a  
5                   broadened mandate as well, as well as attracting  
6                   more resources for the mid-level enforcement  
7                   team that I led for him.

8           Q       Your first proposal, did you understand that it  
9                   was rejected at some point?

10          A       No. It was returned to me with some suggested  
11                   modifications in terms of financial forecasting,  
12                   but it was never rejected as far as I was aware.

13          Q       If it wasn't rejected, why the second proposal?

14          A       One was for expansion of my mainstream team and  
15                   the other one was for casinos and racetracks.

16          Q       Okay. I gather because from what I've read in  
17                   this proposal that you had identified a concern  
18                   about organized crime presence and organized  
19                   crime activities associated with licensed  
20                   casinos?

21          A       Yes.

22          Q       Did you consider while you were waiting for this  
23                   to be considered and for the, I guess, some  
24                   months or years after it was submitted taking  
25                   some initiative or initial action to target

1                   those potential offences and concerns?

2           A       Not until the -- I did not, to answer your  
3                   question. I didn't feel that the climate  
4                   involving my partner agency was such that we  
5                   could go in there without an officially endorsed  
6                   broadened mandate.

7           MR. MCGOWAN: If this could be the next  
8                   Mr. Commissioner.

9           THE COMMISSIONER: Very well. That will be 159.

10          THE REGISTRAR: Exhibit 159.

11                   **EXHIBIT 159: Integrated Illegal Gaming**  
12                   **Enforcement Team (IIGET) - A Provincial Casino**  
13                   **Enforcement - Intelligence Unit, June 27, 2007**

14          MR. MCGOWAN: If we could please have -- actually,  
15                   before I move on, I want to -- let's go to  
16                   Canada 000054.

17          Q       Sir, this is an email from you to Dick Bent?

18          A       Yes.

19          Q       Who is Dick Bent?

20          A       At that time he was the Deputy Criminal  
21                   Operations Officer for contract policing in BC.

22          Q       Okay. And you -- is it fair to say in this  
23                   email you're making the case for municipal  
24                   policing involvement and contribution to the  
25                   expanded unit that you were proposing?

1 A That's right.

2 Q And why was that?

3 A Because a number of the locations that hosted  
4 this organized criminal activity were in  
5 municipal jurisdictions.

6 Q When you say "municipal jurisdictions" you mean  
7 jurisdictions like Vancouver that have a  
8 municipal police force and are not policed by  
9 the RCMP?

10 A I'm very sorry, yes, that's exactly what I  
11 meant.

12 Q Thank you. And was part of the rationale for  
13 proposing this that those municipalities  
14 received financial contributions from gaming  
15 revenue?

16 A Yes. And they would also -- these  
17 municipalities would benefit from enforcement  
18 efforts, so I felt that they should make a  
19 contribution in terms of resourcing.

20 MR. MCGOWAN: If that could be the next exhibit,  
21 please.

22 THE COMMISSIONER: Very well. That will be 160.

23 THE REGISTRAR: Exhibit 160.

24 **EXHIBIT 160: Email from Fred Pinnock re IIGET**  
25 **Business Cases - DD 07JUN27 - 19-June-2007**

1                   **(redacted)**

2                   MR. MCGOWAN:

3                   Q     And were you also looking to solidify  
4                             contributions from RCMP police to jurisdictions  
5                             such as Richmond?

6                   A     Yes.

7                   Q     And did you have discussions with Ward Clapham  
8                             in that regard?

9                   A     Yes.

10                  Q     I wonder if you could just briefly explain to  
11                             the Commissioner the nature of those discussions  
12                             and what became of them.

13                  A     I do recall -- and keep in mind, this was  
14                             13 years ago, but I do recall meeting with Ward  
15                             Clapham in concert with then Chief  
16                             Superintendent Bent and Superintendent Russ Nash  
17                             about the notion of us working with Richmond  
18                             detachment, if we had our mandate run to include  
19                             legal gaming environment such as casinos.

20                  Q     And --

21                  A     There were followup emails and phone calls too.

22                  Q     Yes, and was part of the discussion that the  
23                             Richmond -- the municipality of Richmond would  
24                             dedicate some funding to support the expansion  
25                             of this unit and its expanded enforcement

1                   presence in relation to the River Rock?

2           A        I'm not sure if we -- it's been a long time.

3                   I'm not sure if we talked about a funding

4                   mechanism. I do recall they were inclined to

5                   provide a couple of bodies to assist.

6           Q        Okay. If we could please go to Canada 000052.

7                   This is a July 2007 business case for the

8                   expansion IIGET?

9           A        Yes.

10          Q        And what was -- maybe I'll just go to the first

11                   page of text. The second paragraph of the

12                   executive summary:

13                   "An increase in police resources with a

14                   proportional increase in support staff

15                   will permit a more complete range of

16                   service delivery from IIGET. This will

17                   ensure that all three levels of illegal

18                   gaming enforcement are addressed. IIGET

19                   will then be positioned to comply with the

20                   terms and conditions of the MOU."

21          A        Yes.

22          Q        What are you proposing in relation to expansion

23                   in this business case, sir?

24          A        That we be given enough personnel to properly

25                   address high and mid-level targeting while



1 leaving the lower rung of the enforcement to  
2 GPEB.

3 Q And the high and mid-level targeting you are  
4 speaking of this in this business case, is that  
5 exclusively illegal gaming activity or is it  
6 also illegal conduct associated with licensed  
7 casinos?

8 A These would be illegal gaming offences.

9 MR. MCGOWAN: If that could be the next exhibit,  
10 Mr. Commissioner.

11 THE COMMISSIONER: 161.

12 THE REGISTRAR: Exhibit 161.

13 **EXHIBIT 161: S/Sgt. F Pinnock - Business Case**  
14 **for the Expansion of Integrated Illegal Gaming**  
15 **Enforcement Team (IIGET) - 20-July-2007**  
16 **(redacted)**

17 MR. MCGOWAN:

18 Q In conjunction with completing and submitting  
19 the business cases you have, did you also  
20 complete a performance review of IIGET to submit  
21 to the consultative board in conjunction with  
22 these business cases?

23 A Yes, I believe I did.

24 Q If we could please have Canada 000061.

25 Is this a document we had marked

1                   previously? I believe it may have been.

2           THE COMMISSIONER: Yes, it is.

3           MR. MCGOWAN: Yes.

4           THE REGISTRAR: It was marked as exhibit 157,  
5                   Mr. McGowan.

6           MR. MCGOWAN: Thank you.

7           Q     And is this the performance report that you  
8                   completed for that purpose? We looked at it  
9                   earlier in relation to the cash seizure.

10          A     I'm not sure. Is my signature visible on the  
11                   bottom?

12          Q     If we move to the bottom right corner, Madam  
13                   Registrar. You'll see it's dated July 23rd and  
14                   it says that it's submitted by staff sergeant  
15                   Fred Pinnock?

16          A     Yes.

17          Q     So that is the document we were just speaking  
18                   of?

19          A     Yes.

20          Q     Thank you. That can come down now, Madam  
21                   Registrar.

22                   Sir, during your tenure as the officer in  
23                   charge of IIGET, did you feel that you had the  
24                   support of your superiors in the consultative  
25                   board?

1           A     I felt that it was a charade. I don't feel the  
2                   consultative board particularly cared about the  
3                   performance of this unit, and I don't feel my  
4                   superiors particularly cared. The mandate  
5                   was -- in real terms the expectation was play  
6                   nicely with your partner, get along, do not --  
7                   we don't expect big things from you, and public  
8                   safety was not a priority of my superiors with  
9                   respect to gaming in my opinion, and I think it  
10                  was a game in the view of the consultative board  
11                  as well.

12           Q     I wonder if you can tell the Commissioner, point  
13                   to anything specifically that was said to you  
14                   that supports your view that it was a charade  
15                   that big things weren't expected of you and the  
16                   priority was to play nice with GPEB.

17           A     Yes. Joe Schalk told me once very early after I  
18                   think taking exception with my sort of rather  
19                   intense desire to make things happen, he said in  
20                   effect, when we drew this thing up, we expected  
21                   you RCMP guys to come here off the road for a  
22                   couple years and relax. This is not what we had  
23                   in mind.

24           Q     Joe Schalk wasn't your superior?

25           A     No, he wasn't. But he was a longtime GPEB man

1                   and I think involved in early discussions about  
2                   the formation of IIGET.

3           Q       Can you point to anything that was said to you  
4                   by a superior or a member of the consultative  
5                   board that gave you the impression that big  
6                   things weren't expected of your unit and that  
7                   the priority was to play nice with GPEB?

8           A       I spoke with Calvin Chrustie, who was a retired  
9                   superintendent who about a year before my  
10                  arrival had also been approached to take command  
11                  of the unit. That was the message he got from  
12                  the then officer in charge, he told me.

13          Q       Calvin Chrustie wasn't a member of the board?

14          A       No.

15          Q       He wasn't your superior?

16          A       No.

17          Q       Can you point to anything that was said to you  
18                   by a superior or a member of the board that gave  
19                   you the impression that big things weren't  
20                   expected of your unit or that the priority was  
21                   to play nice with GPEB?

22          A       No.

23          Q       How did your tenure as the officer in charge of  
24                   IIGET come to an end?

25          A       I was so frustrated and exasperated with my

1                   journey with this unit that I went on medical  
2                   leave in December of 2007.

3           Q        Okay. You were succeeded by an Officer Holland?

4           A        That's correct.

5           Q        Did you brief him in respect of the unit's  
6                   operation and mandate prior to him taking over  
7                   or after he took over?

8           A        No.

9           Q        Did you have any discussions with him in respect  
10                  to facilitating a transition of command?

11          A        No.

12          Q        Are you aware that there was an effectiveness  
13                  review of IIGET in -- that was released in  
14                  January of 2008?

15          A        Yes. I contributed information in that review.

16          Q        Okay. I wonder if we could have -- I'll give  
17                  you the document number -- GPEB00549, please.

18                    Sir, there's, as I understand it, a more  
19                    comprehensive document that sets out in greater  
20                    detail the review, but this is an overview of  
21                    the effectiveness review that was conducted?

22          A        Yes.

23          Q        And you had a chance to review this when it came  
24                  out or subsequent to it coming out, pardon me?

25          A        I read it recently.

1 Q Okay. Did you read it at the time?

2 A No. I was gone.

3 Q Okay. And it goes through setting out what the  
4 focus of the investigations were over a number  
5 of years; is that fair?

6 A Yes.

7 Q It talks about 2005, 2006, the first bullet  
8 point:

9 "Significant RCMP staff turn over took  
10 place."

11 Was that consistent with your observation?

12 A Yes.

13 Q Did that present a challenge for you?

14 A Sure. But I was accustomed to it. I had run  
15 many units in the past.

16 Q "2006, 2007, the consultative board  
17 directed GPEB investigators to focus on  
18 low-level investigations and the higher  
19 level targets were a focus of the RCMP  
20 investigators."

21 Second bullet point:

22 "RCMP investigators focused on one  
23 high-level case that was transferred to an  
24 American enforcement agency; no other  
25 takedowns of illegal gaming occurred in BC



1 high-level investigation in 2006 used the  
2 RCMP resources and did not bring results.  
3 IIGET's ability to tackle high level  
4 investigations was not demonstrated.  
5 Staffing issues and turnover further  
6 compromised investigations and knowledge  
7 transfer."

8 Do you agree with that assessment of what was  
9 going on with IIGET in that time period?

10 A I do, yes.

11 MR. MCGOWAN: If that could be the next exhibit,  
12 please, Mr. Commissioner.

13 THE COMMISSIONER: Very well.

14 THE REGISTRAR: Next number is 162, Mr. Commissioner.

15 THE COMMISSIONER: Thank you.

16 **EXHIBIT 162: Overview of the Report on the**  
17 **Integrated Illegal Gaming Enforcement Team**  
18 **(IIGET) Effectiveness Review by Catherine Tait -**  
19 **March 31, 2009**

20 THE COMMISSIONER: If you could take that down now,  
21 Madam Registrar. Thank you.

22 MR. MCGOWAN:

23 Q Did you become aware that subsequent to this  
24 review IIGET was ultimately disbanded?

25 A Yes. I believe it was a year after the review



1                   was made public.

2           Q       And were you consulted as to your views as to  
3                   advisability of disbanding IIGET?

4           A       No.

5           Q       Did you have a view as to the advisability of  
6                   disbanding that unit?

7           A       I thought it was really unfortunate. I thought  
8                   that represented a gap in public safety for  
9                   citizens of British Columbia.

10          Q       Did you communicate that view to anybody at the  
11                   time?

12          A       No. I was retired.

13          MR. MCGOWAN: Mr. Commissioner, I'm going to move on  
14                   to another topic. I wouldn't usually ask for a  
15                   second break. But I do think it's important  
16                   that we get an opportunity to see that email  
17                   that Mr. Pinnock has and distribute it to  
18                   counsel who are present in the hearing today so  
19                   we can consider what to do with it.

20          Q       Mr. Pinnock, do you think you could -- how long  
21                   would it take you to scan and send that document  
22                   to Mr. McCleery?

23          A       Under 10 minutes.

24          MR. MCGOWAN: I wonder if it makes sense, then, to  
25                   take 15 minutes, Mr. Commissioner.

1 THE COMMISSIONER: I think that does make sense and  
2 if you require more time to get input from other  
3 counsel we can make it a little longer. But if  
4 you just communicate with the hearing  
5 coordinator, that would be helpful.

6 MR. MCGOWAN: Thank you, Mr. Commissioner.

7 THE COMMISSIONER: 15 minutes.

8 THE REGISTRAR: This hearing is adjourned for a  
9 15-minute recess until 12:20 p.m.

10 **(WITNESS STOOD DOWN)**

11 **(PROCEEDINGS ADJOURNED AT 12:05 P.M.)**

12 **(PROCEEDINGS RECONVENED AT 12:19 P.M.)**

13 **FRED PINNOCK, a witness**  
14 **for the commission,**  
15 **recalled.**

16 THE REGISTRAR: Thank you for waiting. The hearing  
17 is now resumed.

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

19 MR. MCGOWAN: Yes, Mr. Commissioner. I have now  
20 received and reviewed the document.

21 Mr. Pinnock, thank you for sending it.

22 Madam Registrar, I'm not asking that the  
23 document be displayed.

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

25 Q I'll just ask you a few questions about the

1 document, Mr. Pinnock.

2 Mr. Pinnock, this is an email sent from  
3 somebody named Geoff Parks to you?

4 A That's right, yes.

5 Q Who is Mr. Parks?

6 A Mr. Parks was in charge of the Prince George  
7 suboffice within IIGET I think between 2004 and  
8 2006. He was then transferred out in early  
9 2006.

10 Q You provided the commission with a copy of an  
11 email from Mr. Parks to yourself dated  
12 August 31, 2020?

13 A That's correct.

14 Q And was this an email that he sent to you in  
15 response to some communication that preceded it?

16 A Yes. He expressed his support for my  
17 involvement in this public inquiry, and I asked  
18 him in an email if he wouldn't mine sending me  
19 his written recollection of the circumstances  
20 surrounding legal gaming versus illegal gaming  
21 and IIGET's -- sort of the real practical  
22 realities of the RCMP contingent of IIGET in  
23 terms of access to those legal gaming  
24 environments.

25 Q And I'm not going to read what he said, sir, but

1           he provided you a response that in large measure  
2           cites information he received from officer Tom  
3           Robertson as the source of his understanding?

4           A     That's right, yes.

5           MR. MCGOWAN:   Mr. Commissioner, Officer --

6           THE WITNESS:   And reenforced [indiscernible].

7           MR. MCGOWAN:   Mr. Commissioner, Officer Robertson is  
8           the next witness.  Having read this email and  
9           understanding that Officer Robertson appears to  
10          be the source of this understanding, it's my  
11          view the better source of information is Officer  
12          Robertson for this, and as a result I'm not  
13          seeking to put this email to Mr. Pinnock or  
14          tender it.

15          THE COMMISSIONER:  All right.  Have other  
16          participants received copies of this?

17          MR. MCGOWAN:   Yes, Mr. Commissioner.

18          THE COMMISSIONER:  All right.  Thank you.

19          MR. MCGOWAN:   And it may be that one of the other  
20          participants seeks to do something with this  
21          document and we can address it when that is the  
22          case.

23                         I will just say to the hearing staff,  
24                         Mr. Pinnock, you have attempted to redact what I  
25                         gather is sort of personal pleasantries at the

1 beginning and end of the email?

2 A That's right, yes.

3 Q I'll just say for the benefit of the hearing  
4 staff and you, Mr. Pinnock, the redaction was  
5 not particularly effective. The pen you used  
6 does not obscure the text. So if we get to the  
7 stage, perhaps it's something we ought to  
8 address before the document is displayed.

9 A Okay.

10 THE COMMISSIONER: All right. That's fine. Thank  
11 you, Mr. McGowan.

12 MR. MCGOWAN:

13 Q Mr. Pinnock, you have told the Commissioner  
14 about concerns that you developed relating to  
15 cash entering casinos?

16 A Yes.

17 Q And those concerns, I understand, from the  
18 evidence you've given related to concerns about  
19 proceeds, money laundering and loan sharking?

20 A Yes.

21 Q And did you communicate those concerns to your  
22 superiors during your time as the officer in  
23 charge of IIGET or subsequently?

24 A Yes. Generally in writing.

25 Q Okay. And in what form or writing?

1           A     Emails, I believe, and business case that dealt  
2                   with that very matter.

3           Q     And who did the emails that you believe you  
4                   sent -- who was the recipient of those?

5           A     Typically it was the officer in charge of major  
6                   crimes section, occasionally references -- or  
7                   emails were sent to Chief Superintendent Dick  
8                   Bent if it was part of an ongoing conversation,  
9                   that was the chain of command.

10          Q     And what was the nature of the concerns that you  
11                 were identifying in those emails?

12          A     Just in general terms. My belief that there was  
13                 an increasing gangster presence within those  
14                 casinos, and a corresponding increase in illegal  
15                 activity.

16          Q     During your time as the officer in charge of  
17                 IIGET, did you attempt to communicate these  
18                 concerns to anyone in government?

19          A     Not while I was in charge of IIGET, no.

20          Q     Subsequent to your time as the officer in charge  
21                 of IIGET, did you attempt to, or did you  
22                 communicate these concerns to anyone in  
23                 government?

24          A     Yes. I asked Naomi Yamamoto, who I was then  
25                 dating in 2009. She was a new MLA after the

1                   2009 election. I believe the election was in  
2                   May. Shortly thereafter, I asked her to go and  
3                   speak with the cabinet minister responsible for  
4                   gaming, Rich Coleman, to arrange a meeting  
5                   between me and him to alert him to what I  
6                   believed to have been out of control organized  
7                   criminal activity in casinos. She did this.  
8                   She told me she did this. And she told me that  
9                   it was in a group setting, and she described his  
10                  reaction as brutal and dismissive and  
11                  embarrassing to her. My conclusion from that is  
12                  that he did not want to be seen to be told.

13                Q     Did she report to you the words that she says  
14                  were spoken by Minister Coleman?

15                A     No. At no time has she ever in our time  
16                  together disclosed one word ever said in a  
17                  cabinet or caucus setting. She did characterize  
18                  that interaction, though, in that fashion.

19                Q     Did she tell you who else was present?

20                A     No. Caucus colleagues. Nobody specific.

21                Q     Did she tell you the nature of the meeting, if  
22                  it was a meeting, that was taking place when she  
23                  says she raised this issue?

24                A     She said nothing more about it.

25                Q     Did you ever have a meeting with Minister

1 Coleman about this issue?

2 A Never have. No.

3 Q Did you ever have any communication with  
4 Minister Coleman about this issue?

5 A None.

6 Q Did you have communication with anybody else in  
7 government in or around that time about this  
8 issue?

9 A I did. In the fall of 2009, several months  
10 after Naomi Yamamoto went to Mr. Coleman, I was  
11 approached by a reporter. I gave an interview,  
12 and then Solicitor General -- or public safety  
13 and solicitor general Kash Heed was scammed by  
14 the media on television. And I watched his  
15 reaction of displeasure to my comments that had  
16 been provided to the reporter. I've known Kash  
17 Heed for over 35 years. We met a couple of  
18 weeks later to discuss it.

19 Q In 2009?

20 A In 2009. And he said to me in effect that is  
21 what's going on, Fred, but I can't say that  
22 publicly; you know it's all about the money.  
23 And he -- and I did not audio record that  
24 conversation. He did refer to Mr. Coleman as  
25 being largely responsible for this along with



1                   senior Mounties who were complicit, and that's  
2                   about all I can recall of that conversation at  
3                   this time.

4           Q       As precisely as possible can you tell me when  
5                   you say this meeting took place?

6           A       I'm going to suggest early November 2009.

7           Q       Where did it take place?

8           A       We were out, I think, for lunch or coffee. I  
9                   believe it was in Victoria. I'm not entirely  
10                  sure.

11          Q       Can you tell us what the venue was, what the  
12                  restaurant or coffee shop was you were at?

13          A       I'm afraid I can't.

14          Q       Who was present?

15          A       Just me and him.

16          Q       Did you take any notes of the conversation?

17          A       No.

18          Q       What led to the meeting? What preceded it that  
19                  caused the two of you to be together meeting at  
20                  this time? You told us there was a conversation  
21                  following the scrumming of Minister Heed, but  
22                  was there further communication after that that  
23                  resulted in the two of you getting together?

24          A       Yes. Now, he was a caucus colleague and friend  
25                  of Naomi's, and I can't remember how it was

1                   arranged that we would get together and talk  
2                   about it, but he did make those disclosures to  
3                   me within a couple of weeks of me going public  
4                   with my concerns to the media.

5           Q       And to assist us in orienting this, when you  
6                   went public, who did you give your interview to?

7           A       I believe it was to the *Public Eye*, an online  
8                   publication.

9           Q       Okay. When you got together in the fall of 2009  
10                   with Minister Heed, what did you say to him? I  
11                   want you to as carefully as possible communicate  
12                   to the Commissioner the words that you spoke.

13          A       I have paraphrased that in my will-say. If you  
14                   don't mind I'll have a look.

15          Q       I just want to just so everybody knows what's  
16                   happening here, prior to us initially contacting  
17                   you and as part of your efforts to reach out to  
18                   the commission you provided the commission a  
19                   document setting out some of the information  
20                   that you could provide that you felt was  
21                   helpful.

22          A       Yes.

23          Q       Is that a fair assessment? And you have  
24                   subsequently on your own but not in response to  
25                   any requests from the commission updated that

1 document a couple of times and provided those  
2 updates to us?

3 A Yes, I did incorporate new information.

4 Q And when -- the document that you're referring  
5 to, when did you create it?

6 A The three iterations were created I think in  
7 October of 2019, June of 2020 and August of  
8 2020, if I'm not mistaken.

9 Q In creating those did you draw on anything other  
10 than your memory?

11 A Yes. I did retrieve online the contents of my  
12 interview in the *Public Eye*. I can't recall  
13 anything else being used for reference.

14 Q So you first created this document referencing  
15 your conversation with Minister Heed in 2019?

16 A I'm sorry. Ask that again, please.

17 Q You first created a written record of your  
18 conversation with Minister Heed in 2019?

19 A That occurred in 2018. Yes, I should clarify.

20 Q The document you're reading from right now.

21 A Oh. Yes, that's right.

22 Q It contains a summary of the conversation that  
23 you say you had in 2009?

24 A That's right, yes.

25 Q Okay. And that is the first time you wrote down

1                    what you recall occurring in that conversation;  
2                    is that --

3                    A     That's right.

4                    Q     Okay. Given that, I think what I'd like you to  
5                    do, sir, as carefully as possible from your  
6                    memory tell the Commissioner the words that you  
7                    spoke to Minister Heed and the words that he  
8                    spoke to you during your fall 2009 conversation  
9                    in the restaurant or coffee shop in so far as it  
10                   relates to anything to do with the illegal  
11                   activity, organized crime, casinos or cash in  
12                   casinos or anything of the like.

13                   A     I believe I said to him, I'm convinced that Rich  
14                   Coleman knows what's going on inside those  
15                   casinos. And I don't remember the terminology  
16                   that I used, but he -- Kash Heed confirmed my  
17                   perception.

18                   Q     Confirmed your perception in what regard?

19                   A     He confirmed that I was accurate in my belief,  
20                   and he did feel that Rich Coleman had created  
21                   this and it received the sort of tacit support  
22                   of senior Mounties in this province.

23                   Q     Did Minister Heed tell you whether he understood  
24                   there to be an issue of organized crime and cash  
25                   in casinos, "he" Minister Heed?

1 A Yes, he did, I believe, yeah.

2 Q Did he address with you what, if anything, was  
3 being done to combat that issue?

4 A No. Because it's all about revenue generation.

5 Q Sorry, you say it's all about revenue  
6 generation. Is this your assessment or are you  
7 recounting something that occurred in the  
8 conversation?

9 A I believe he told me it's all about the money.

10 Q "He" being ...

11 A Kash Heed, I'm sorry.

12 Q Did you raise with him any concern about a lack  
13 of response to the developing issue of organized  
14 crime in British Columbia casinos?

15 A I can't recall verbalizing that. You're aware  
16 that several years later, in 2018, I did a  
17 telephone conversation with him where we both  
18 went into greater detail about that and his  
19 belief --

20 Q I -- yes. Sorry, I didn't mean to cut you off,  
21 sir.

22 A That's okay. His belief in terms of what has  
23 led to the current circumstances in casinos and  
24 racetracks.

25 Q Let me ask you -- I want to stay focused at

1                   least for now on the 2009 conversation. You've  
2                   indicated that Minister Heed indicated to you  
3                   that Rich Coleman knew what was going on,  
4                   Mr. Coleman knew what was going on. Did  
5                   Minister Heed tell you why he believed that?

6           A        No, he didn't.

7           Q        Did he report to you whether or not that was  
8                   supposition on his part or whether it emanated  
9                   from a conversation he had with Minister  
10                  Coleman?

11          A        He didn't get into the origins of that belief in  
12                  that conversation.

13          Q        Did he give you --

14          A        He seemed to know.

15          Q        Did he give you any -- did he communicate to you  
16                  any rationale for, I gather, what you had  
17                  perceived to be a lack of adequate response to  
18                  the issue?

19          A        No. I don't recall getting into it.

20          Q        You mentioned reference by Minister Heed to  
21                  revenue. In what context did he make  
22                  representations about revenue emanating from  
23                  gaming in that conversation?

24          A        He said -- I'm pretty sure the words were, it's  
25                  all about the money, Fred. Without getting into

1                   any greater detail.

2           Q       Did you ask him whether, as the sitting  
3                   solicitor general, he had directed any sort of  
4                   enforcement response?

5           A       It didn't come up.

6           Q       Can you recall anything else that may be  
7                   relevant to our mandate that occurred during  
8                   your fall 2009 conversation with Minister Heed?

9           A       It was a fairly brief discussion on that theme.  
10                   We didn't get into much detail and I can't  
11                   recall anything else that would -- from that  
12                   conversation that would assist the Commissioner  
13                   today.

14          Q       You mentioned that Minister Heed referenced  
15                   senior RCMP members. Did he name them?

16          A       He did.

17          Q       Before we go the next step, what did Minister  
18                   Heed tell you about their involvement or the  
19                   relevance that they had to the issues you were  
20                   talking about?

21          A       He didn't get into details, I'm afraid.

22          Q       What did he tell you as best you can recall?

23          A       He named three or four officers, including Dick  
24                   Bent, who I had that reporting relationship  
25                   with, and that was the extent of his reference

1 to senior police involvement.

2 Q But in what context was he raising these names  
3 as it relates to organized crime in casinos?

4 A The context was it was a game being played by  
5 senior police officers, who were -- I think the  
6 term he used were "puppets for Coleman."

7 Q Did he say what action or inaction on the part  
8 of these officers made it a game?

9 A He did not.

10 Q Who are the other officers he named?

11 A I believe he named Al Macintyre. I believe he  
12 named Gary Bass, Dick Bent, and I can't remember  
13 if there was a fourth.

14 Q These are officers that were known to you?

15 A Yes.

16 Q You had recently moved on from your tenure as  
17 the officer in charge of IIGET when you had this  
18 conversation with Minister Heed?

19 A I had, yes.

20 Q Did you call up any of these officers and ask  
21 them for their accounts or encourage them to  
22 take action in the face of your concerns?

23 A No.

24 Q Did you have communications with anyone else in  
25 the RCMP in or around this time or subsequently



1                   to query inaction or encourage action on their  
2                   part?

3           A        I don't believe I did, no.

4           Q        Did you communicate the concerns that you told  
5                   us you communicated to Minister Heed and  
6                   attempted communicate to Minister Coleman to  
7                   anyone else in government, other than your then  
8                   girlfriend, I believe now wife?

9           A        No, I don't recall.

10          Q        When you say you don't recall, does that mean  
11                   you may have and don't recall now or --

12          A        I don't recall having contacted anyone else at  
13                   all in government.

14          Q        Subsequent to retiring from the RCMP, have you  
15                   been provided information other than public  
16                   sources such as the media information about  
17                   issues related to organized crime in casinos or  
18                   money laundering, loan sharking or proceeds in  
19                   British Columbia casinos?

20          A        I do recall having heard some anecdotal  
21                   references to former police officers working in  
22                   the casino environment, two, I believe, who had  
23                   statements attributed to them, along the lines  
24                   of, I really wish I hadn't seen that, referring  
25                   to some form of criminal activity within the

1 casinos. I never spoke to those individuals  
2 directly about it, but statements were  
3 attributed to them by friends of mine.

4 Q Aside from that, does your knowledge about what  
5 is happening in British Columbia casinos since  
6 your retirement come from public sources such as  
7 the media?

8 A Yes.

9 Q Did you speak about the issue -- you told us you  
10 had a subsequent conversation -- conversation or  
11 conversations quite recently, 2018, with  
12 Minister Heed where you say he communicated  
13 again about the issue you've spoken about  
14 earlier and confirmed some things. Subsequent  
15 to 2009 until those 2018 conversations did you  
16 and Minister Heed -- well, let me ask you this:  
17 subsequent to 2009 during the period he was  
18 still in government, did you have any further  
19 conversations with Minister Heed about the  
20 issues of organized crime or cash in British  
21 Columbia casinos?

22 A No, I don't believe so.

23 MR. MCGOWAN: Those are my questions. Mr. Pinnock, I  
24 believe some of the lawyers for other  
25 participants will have come questions for you as

1 well. Thank you for taking the time to answer  
2 mine.

3 THE WITNESS: Thank you.

4 THE COMMISSIONER: Thank you. Mr. Simonneaux for the  
5 Government of Canada, who I understand has been  
6 allocated 10 minutes.

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

8 **EXAMINATION BY MR. SIMONNEAUX:**

9 Q Good afternoon, Mr. Pinnock. Can you hear me  
10 okay?

11 A I can. Thank you.

12 Q So as was mentioned, my name is Dorian  
13 Simonneaux, and I'm one of the counsel  
14 representing Canada.

15 I'd like just to ask you a few questions to  
16 start about the -- about when you first joined  
17 IIGET. So you joined in September of 2005; is  
18 that correct?

19 A It is correct, yeah.

20 Q And you told commission counsel at the start of  
21 your testimony, I left my position in December  
22 of 2007; is that right?

23 A Yes.

24 Q So you were the non-commissioned officer in  
25 charge of IIGET for approximately two years,

1                   three months by my count. Does that sound about  
2                   right?

3           A     Yes. Yes.

4           Q     And you would agree with me that after 2008 you  
5                 were no longer with the RCMP?

6           A     That's right.

7           Q     And you have not been an active duty RCMP member  
8                 since 2008; right?

9           A     That's correct.

10          Q     You told commission counsel that money  
11                 laundering investigations are complex; is that  
12                 correct?

13          A     Yes.

14          Q     And you also told commission counsel that you  
15                 needed specialized training to investigate; is  
16                 that correct?

17          A     Yes.

18          Q     Can you elaborate, please, on why money  
19                 laundering investigations are complex.

20          A     I think there are very few experts out there, in  
21                 truth. It involves multiple jurisdictions, it  
22                 involves -- to properly investigate it involves  
23                 a variety of search mechanisms, communication  
24                 with other governments and law enforcement  
25                 agencies dealing with financial institutions,

1                   and it's not an area of particular concentration  
2                   from me as a police officer.

3           Q       Thank you.  Just to clarify, you put forward two  
4                   business cases, correct?  Two proposals?

5           A       Yes.

6           Q       And just so that we've got it right, the first  
7                   proposal was the expansion proposal, and that  
8                   was in June of 2007; is that right?

9           A       Sounds about right, yes.

10          Q       And the second, then, would be the funding --  
11                   what I will call the funding renewal or the  
12                   funding increase proposal in July of 2007; is  
13                   that right?

14          A       Yes.  Sounds right.

15          Q       With respect to those two business cases, you  
16                   identified a need for the business cases and  
17                   brought the matter up with Chief Superintendent  
18                   Dick Bent; is that right?

19          A       Yes.

20          Q       And he did instruct you to put together those  
21                   business cases; correct?

22          A       Yes.

23          Q       And you did work to complete the business cases?

24          A       I did, yeah.

25          Q       And other RCMP members, including your

1                   superiors, also assisted in providing  
2                   information necessary to complete the business  
3                   cases?

4           A        I don't know that they did, but there was  
5                   communication with officers in between me and  
6                   Chief Superintendent Bent in terms of the chain  
7                   of command.

8           Q        Okay. I believe you said that you don't know  
9                   whether those business cases received RCMP  
10                  approval; is that correct?

11          A        That's correct.

12          Q        Do you know if the business cases eventually  
13                  made their way to the IIGET consultative board?

14          A        I don't know. I don't know. I think they were  
15                  mainly used for internal purposes. And to  
16                  better answer your preceding question -- I'm  
17                  sorry -- I'm quite sure that these were not  
18                  approved or advanced after my departure from  
19                  IIGET.

20          Q        And, sorry, by that you mean not approved or  
21                  advanced internally within the RCMP?

22          A        That's right, yes.

23          Q        And then just to conclude, a few questions about  
24                  your conversation with Minister Heed in 2009.  
25                  You don't have a recording of that conversation;

1 right?

2 A That's correct.

3 Q And you don't have notes either?

4 A That's correct.

5 Q And that conversation occurred 11 years ago.

6 You would agree?

7 A Yes.

8 Q And you never asked the three or four senior  
9 mounties that you named if those allegations  
10 were true, did you?

11 A I did not.

12 Q I'm going to suggest to you that all you have on  
13 the -- on this conversation with Minister Heed  
14 in 2009 is a recollection of a conversation  
15 where those allegations may have been made.  
16 Would you agree?

17 A Yes. But I do remember having that  
18 conversation, and this -- this led to my  
19 decision to audio record my conversation with  
20 Kash Heed on the 10th of July 2018. I wanted  
21 him to repeat to me the essence of what he told  
22 me in 2009. I wanted to secure and preserve  
23 that evidence. That's what I did.

24 MR. SIMONNEAUX: Thank you. Those are my questions,  
25 Mr. Commissioner. Thank you, Mr. Pinnock.

1 THE COMMISSIONER: Okay. On behalf of the British  
2 Columbia Lottery Corporation, Mr. Smart has been  
3 allocated 25 minutes.

4 MR. SMART: Thank you.

5 **EXAMINATION BY MR. SMART:**

6 Q Mr. Pinnock, I understand from your evidence,  
7 and I think it's commonsense, but that it's the  
8 police that have the expertise and resources to  
9 investigate money laundering in casinos.

10 A Yes, that's right.

11 Q The Gaming Policy Enforcement Branch  
12 investigators certainly couldn't do it alone  
13 without the assistance of police?

14 A I would agree with that.

15 Q And the investigators with the BC Lottery  
16 Corporation couldn't do it either, could they?  
17 They're not police officers. They don't have  
18 the resources or the legal authority to conduct  
19 criminal investigations into money laundering  
20 and casinos. Do you agree with that?

21 A I do.

22 Q What their mandate was, was to observe, record  
23 and report. You understood that?

24 A I wasn't sure, but that makes sense to me.

25 Q Yes. Report it to FINTRAC and report it to the



1                    police authorities that do have the resources  
2                    and the legal authority to investigate?

3            A        That makes sense, yes.

4            Q        You had come from human sources where the human  
5                    source unit, and you joined and were made the  
6                    officer in charge of the Integrated Illegal  
7                    Gaming Enforcement Team -- was it in the end of  
8                    2004 or 2005? I didn't get the date right?

9            A        September of 2005.

10          Q        Okay. And it sounds from your evidence like it  
11                    was a frustrating experience for you.

12          A        It was, yes.

13          Q        Okay. As Mr. McGowan highlighted, this was to  
14                    be an integrated enforcement team, gaming  
15                    enforcement team, and it didn't turn out that  
16                    way?

17          A        That is correct, sir.

18          Q        And where do you place the responsibility for  
19                    that during your time when you were there?

20          A        It's difficult to say. It was an established  
21                    protocol by the time I arrived.

22          Q        Yes.

23          A        And so I suspect, you know, we were all to  
24                    blame, GPEB and the RCMP, in terms of not being  
25                    able to hammer out a proper and effective

1                   working relationship. It was never healthy from  
2                   the day I arrived until the day I left.

3           Q       The comment you made attributed to Mr. Schalk,  
4                   essentially this was to be a place for RCMP to  
5                   have a year or two-year reprieve from their  
6                   usual duties?

7           A       Yes.

8           Q       How did you -- that's what you recall him  
9                   saying?

10          A       Yes. I was very taken aback. I'll never forget  
11                   it.

12          Q       Sounds like to use the expression there was a  
13                   bit of a turf war going on between the members  
14                   in your unit and GPEB.

15          A       I think the relations out in the satellite  
16                   offices were pretty constructive and positive.  
17                   In the main office, though, in Burnaby where we  
18                   were co-housed with the bulk of the GPEB people,  
19                   it was a bit tense, yes.

20          Q       Sounds like more than just a bit tense. It ends  
21                   up where you moved across the hall to have a  
22                   distance away from the GPEB members.

23          A       There was some yelling going on periodically,  
24                   yes.

25          Q       And it sounds like you were frustrated in part

1                   because you didn't agree with sort of the  
2                   mandate that you have to carry out the  
3                   responsibilities that the team were supposed to  
4                   carry out.

5           A       Yes. I felt that for the police not to have a  
6                   role to play in enforcing the law inside those  
7                   legal gaming environments was wrong, but I  
8                   was -- as you heard, I was discouraged from  
9                   doing that.

10          Q       But you were quite candid in saying that you had  
11                   not followed the direction of the board in  
12                   carrying out an investigation into a higher  
13                   level illegal gaming enterprise?

14          A       That's right. I felt it was the right thing to  
15                   do.

16          Q       And you felt it was the right thing to be able  
17                   to investigate the money laundering, loan  
18                   sharking and other criminal activities that were  
19                   occurring within casinos?

20          A       Yes.

21          Q       You felt quite passionately about that is my  
22                   sense.

23          A       Yes, I'm a former drug investigator and I  
24                   thought that was work that was very necessary.

25          Q       Yes. I was -- doesn't matter what I felt, but I

1 think it's a bit surprising that Mr. McGowan  
2 took you to some of the documents that set out  
3 the mandate of the IIGET team that included,  
4 actually, investigating crime in casinos. You  
5 weren't aware of that?

6 A I probably did read them at some point. But it  
7 didn't reflect the current reality. That was  
8 part of my frustration.

9 Q What you felt -- and you felt a lack of support  
10 from other senior officers during your time  
11 there?

12 A Yes. I felt there was no particular interest in  
13 the IIGET program from -- demonstrated by my  
14 superiors.

15 Q You felt that the GPEB officers really didn't  
16 seem to be doing very much themselves?

17 A It was a pretty relaxed environment. There were  
18 some hard workers on that unit and I had some  
19 hard workers on my unit as well, but it was a  
20 pretty relaxed atmosphere.

21 Q Okay. And having been a former drug enforcement  
22 officer, you felt quite strongly that this unit  
23 should be not just maintained but it should be  
24 expanded and investigating illegal activities in  
25 casinos should be one of its primary

1                   responsibilities?

2           A       Yes, I did.

3           Q       And that just didn't happen?

4           A       No. It was an enforcement gap that I was  
5                   annoyed by.

6           Q       Yes. And I mean, ultimately there's -- it  
7                   sounds like it's both health reasons and just  
8                   frustration with your -- with the limitations  
9                   that were being placed on you that caused you to  
10                  retire.

11          A       That's correct.

12          Q       Yes. And your frustration with the lack of what  
13                  you perceive as a lack of investigation and  
14                  enforcement in casinos has been with you ever  
15                  since?

16          A       It has. It has.

17          Q       And the result of -- as you learned of IIGET  
18                  being -- the integrated -- Integrated Illegal  
19                  Gaming Enforcement Team being disbanded is that  
20                  there was a gap in trying to deter and prevent  
21                  criminal activity, money laundering in casinos?

22          A       That's right, yes.

23          Q       And that gap remained in your mind for many  
24                  years?

25          A       It did. I believe a unit has been formed in the

1 last few years.

2 Q Yes.

3 A To address that.

4 Q And that frustration, as you say, has stayed  
5 with you, and that's why you have been active in  
6 advocating for changes with how -- with large  
7 suspicious cash transactions that were coming  
8 into casinos?

9 A Yes. And all the other organized criminal  
10 activity that goes along with it.

11 Q Yes. I mean, I know you've talked about and  
12 you've been quite candid in saying that you  
13 recorded conversations with Kash Heed in 2018?

14 A I did, yes.

15 Q And Mr. Heed is someone who you knew as a former  
16 Deputy Chief of the Vancouver Police Department  
17 and chief of the West Van Police Department?

18 A Yes.

19 Q So you had a working relationship as police  
20 officers?

21 A Yes. We've known each other through policing  
22 for about -- well, our entire careers.

23 Q Yes. And he for a period of time was a fellow  
24 cabinet minister with your now wife?

25 A Yes.

1           Q     So you had a relationship that one could say was  
2                    friends to some extent?

3           A     Yes.

4           Q     Yes.  It must have been a big step you to -- let  
5                    me back up and say this:  you phoned him in July  
6                    of 2018?

7           A     I did.

8           Q     And you decided to tape record that  
9                    conversation?

10          A     Yes, I did.

11          Q     Without him knowing, of course?

12          A     Yes.

13          Q     And then you met for lunch with him in early  
14                    September and again without his knowledge  
15                    recorded that conversation -- what you talked  
16                    about at lunch?

17          A     That's right.  And there was a subsequent  
18                    recorded phone call on the 31st of December, but  
19                    there was nothing said that would be of  
20                    assistance to the commission.

21          Q     Okay.  I mean, that's -- you know, that's -- do  
22                    you agree with me that's quite exceptional,  
23                    somebody that you had known for many years, you  
24                    phone up to surreptitiously record your  
25                    conversations with that person?





1 A That's correct.

2 Q He made a number of -- he provided information  
3 to you, made a number of candid -- provided his  
4 opinion about a number of different individuals,  
5 didn't he?

6 A He did.

7 Q Insofar as -- as you've said, you've never  
8 spoken to Minister Coleman yourself. You  
9 attempted -- your present wife attempted to  
10 facilitate that and it didn't happen?

11 A That's correct.

12 Q So you don't know what information he was given  
13 by GPEB or any others involved in the casino  
14 business, do you?

15 A I don't.

16 Q You don't know what directions he may have  
17 given, efforts he may have made to try and deal  
18 with money laundering in casinos?

19 A Yes, I'm not aware.

20 Q And if we go back to -- isn't -- Mr. Pinnock,  
21 gaming was expanded in this province you know in  
22 the late 1990s. That was a decision that was  
23 made by government and it was an effort to  
24 balance the potential for revenue for charities  
25 and for government, for municipalities, to

1 balance that against the social evils that come  
2 with gaming. Do you agree?

3 A It's possible. I don't know.

4 Q I mean, one way to get rid of money laundering  
5 is to close down casinos. Do you advocate that?

6 A No. I think that form of entertainment, if it's  
7 not tainted by organized criminal activity, is  
8 great. I have no issues with it at all.

9 MR. SMART: Thank you, Mr. Pinnock. I have no  
10 further questions.

11 THE WITNESS: Thank you.

12 THE COMMISSIONER: Now on behalf of the Great  
13 Canadian Gaming Corporation, Ms. Harmer, who has  
14 been allocated 10 minutes.

15 **EXAMINATION BY MS. HARMER:**

16 Q Mr. Pinnock, my name is Melanie Harmer and I'm  
17 counsel for the Great Canadian Gaming  
18 Corporation. Can you hear me okay?

19 A I can. Thank you.

20 Q Thank you. If at any time you have difficulty  
21 hearing me, please let me know.

22 A Thank you.

23 Q Mr. Pinnock, is it fair to say that your  
24 evidence today has been that you had very little  
25 to do with legal casinos during your time with

1                   the IIGET?

2           A       That's correct.

3           Q       And you were focused on illegal casinos; that's  
4                   right?

5           A       In large part, yes.

6           Q       Or perhaps illegal gaming would be a better --

7           A       That's correct.

8           Q       Better descriptor.

9                   And you left the IIGET team is it 12 or  
10                  13 years ago

11          A       December 2007, yes. Almost 13.

12          Q       You gave evidence earlier today about not being  
13                  welcome in legal casinos and I understand that  
14                  you attributed this to your understanding of  
15                  sensitivities on behalf of GPEB; is that fair?

16          A       Yes.

17          Q       Did you ever attend Great Canadian's casinos  
18                  such as the River Rock, while you were the  
19                  officer in charge of the IIGET team?

20          A       I never did.

21          Q       And so you wouldn't say that anybody at Great  
22                  Canadian made you unwelcome in their casinos?

23          A       Not in my case, no.

24          Q       Mr. Pinnock, you described --

25          A       If I could say something, though. It has been

1                   the experience of another police officer with  
2                   whom I've spoken that he was very unwelcome in  
3                   that environment, and to the point where he was  
4                   followed wherever he went inside by staff.

5           Q       Mr. Pinnock, you said that you yourself never  
6                   attended the casino?

7           A       I never did.

8           Q       So you yourself never had that experience?

9           A       I never did, no.

10          Q       Who was that officer that you just spoke of?

11          A       His name is David Au, now retired. A-u is the  
12                   spelling of his surname.

13          Q       Do you know when he retired?

14          A       Couple or a few years ago, I believe.

15          Q       Okay. But you have not personally experienced  
16                   anything like that?

17          A       I did not, no.

18          Q       Because in fact you didn't actually go to the  
19                   legal casino during your time with IIGET?

20          A       I've been -- I think I entered one in Prince  
21                   George, and that was it.

22          Q       Okay. Never the River Rock?

23          A       No.

24          Q       Mr. Pinnock, you described a security employee  
25                   that you thought might have worked at the River

1                   Rock. I think you weren't sure. And you said  
2                   that he told his manager, told you of a story  
3                   where his manager spoke with a loan shark. Is  
4                   that right?

5           A        Yes.

6           Q        And you weren't part of that conversation in any  
7                   way yourself, and by that I mean the  
8                   conversation between the manager and the  
9                   so-called loan shark?

10          A        Sorry, I wasn't part of that conversation, no.  
11                   What was your question again?

12          Q        My question is whether you were part of this  
13                   conversation that you were told about?

14          A        No.

15          Q        Do you know the name of the manager?

16          A        I don't. The circumstances of that were simply  
17                   that this young gentleman who worked as a  
18                   security employee was so concerned by what had  
19                   happened that he came to us to alert us to what  
20                   was going on. And he told us what he had  
21                   experienced.

22          Q        So he came to you and he alerted you of this  
23                   concerning situation. Did you do anything to  
24                   investigate this further or assign any of your  
25                   officers to investigate this?

1           A     No. I did bring it up to one of my inspectors,  
2                   to whom I reported as well as Joe Schalk, the  
3                   Deputy Director of GPEB, and Mr. Schalk advised  
4                   that they had been made aware of this earlier.

5           Q     Are you aware of the outcome of any  
6                   investigation that they did?

7           A     No.

8           Q     And did you make any further inquiries about the  
9                   outcome of that investigation?

10          A     I'm not sure if one was undertaken.

11          Q     Mr. Pinnock, you gave some evidence earlier  
12                 about what you said was out of control criminal  
13                 activity at casinos while you were at IIGET.

14          A     Yes.

15          Q     And the tenor of your evidence was that you did  
16                 nothing to investigate this while you were with  
17                 IIGET.

18          A     That's right. The reality was that -- I know it  
19                 contradicts some of the foundational documents  
20                 leading to the formation of IIGET, but we  
21                 weren't in practice welcome as an enforcement  
22                 presence in any of those places.

23          Q     You've just told me that had nothing to do with  
24                 my client, Great Canadian, not making you feel  
25                 welcome, that was between you and GPEB?

1 A Yes.

2 Q And you were at the time the officer in charge  
3 of the IIGET unit?

4 A Yes.

5 Q So you'll agree with me you could have  
6 investigated what you perceived as out of  
7 control criminal activity?

8 A It would have caused a ton of problems with my  
9 partner agency and that was not something I was  
10 prepared to do.

11 Q Okay. You weren't prepared to investigate this,  
12 even though you perceived it as a problem?

13 A Yes. So I did draft a business case to have my  
14 mandate run so that we would be in a position to  
15 be an enforcement presence in those  
16 environments, but I retired before anything was  
17 done.

18 Q I think that you told Mr. McGowan a little bit  
19 earlier that in fact maybe that legal casinos  
20 were within your mandate.

21 A The foundational documents do say that, but that  
22 was not our experience. The email that I sent  
23 in over the break reenforces my perception.

24 Q Is it fair to say that IIGET didn't offer any  
25 assistance to legal casinos during your time

1                   with IIGET?

2           A       During my time, that's correct.

3           Q       And did the RCMP make any arrests during your  
4                   time with IIGET for other money laundering or  
5                   proceeds of crime that were related to legal  
6                   casinos?

7           A       Not during my time, no.

8           MS. HARMER: I have no further questions. Thank you,  
9                   Mr. Pinnock.

10          THE COMMISSIONER: Thank you, Ms. Harmer.

11                   Ms. Mainville for Mr. Robert Kroeker, who  
12                   has been allocated 20 minutes.

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

14          **EXAMINATION BY MS. MAINVILLE:**

15          Q       Mr. Pinnock, did Peter German interview you for  
16                   his review on dirty cash?

17          A       He did not.

18          Q       Do I understand that you thought you should have  
19                   been interviewed?

20          A       Yes. I thought I had information of value to  
21                   provide.

22          Q       Did you try to speak with him or approach him?

23          A       No.

24          Q       And why not?

25          A       I don't know. I probably should have, but I



1                   didn't.

2                   Q     Is it your understanding that Dr. German was  
3                             assistant commissioner for the RCMP responsible  
4                             for the Lower Mainland when the decision was  
5                             made to disband IIGET?

6                   A     I've heard that he was, so ...

7                   Q     So you don't have any direct knowledge of that?

8                   A     No, I don't.

9                   Q     And I understand that in your discussions with  
10                            Minister Heed he believed, at least, that Peter  
11                            German was one of the decision-makers in respect  
12                            of the decision to disband IIGET; is that right.

13                  A     He said that, yes.

14                  Q     Do you know what the basis for his belief is?

15                  A     I'm afraid I don't.

16                  Q     Is it fair to say that he believed that when  
17                            Dr. German was appointed to conduct his review,  
18                            he believed him to be in a conflict of interest?

19                  MR. MCGOWAN:  Mr. Commissioner, I'm just going to  
20                            interject.  I suggest it's not appropriate to  
21                            ask this witness what another witness believed.  
22                            If she wants to ask what he was told about from  
23                            this other person, I don't object to that.

24                  THE COMMISSIONER:  I think that's a fair comment,  
25                            Ms. Mainville.

1 MS. MAINVILLE: Yes. I don't disagree. Thank you.

2 Q Were you -- did minister --

3 MR. MCGOWAN: Mr. Commissioner I've just been passed  
4 a note from the hearing coordinator. I believe  
5 there is an issue with -- I believe the  
6 recording of the hearing has had an issue and we  
7 need to pause while that gets rectified. Madam  
8 Registrar, is this something we should stand  
9 down for?

10 IT SUPPORT: No, we just need two minutes, please.

11 THE COMMISSIONER: All right. Thank you. We'll  
12 just --

13 MR. MCGOWAN: Why don't we stand down for five  
14 minutes, Mr. Commissioner.

15 THE COMMISSIONER: Why don't we do that. I think  
16 that makes sense.

17 THE REGISTRAR: This hearing is stood down for five  
18 minutes until 1:21 p.m.

19 **(WITNESS STOOD DOWN)**

20 **(PROCEEDINGS ADJOURNED AT 1:16 P.M.)**

21 **(PROCEEDINGS RECONVENED AT 1:20 P.M.)**

22 **FRED PINNOCK, a witness**  
23 **for the commission,**  
24 **recalled.**

25 THE REGISTRAR: Thank you for waiting. The hearing

1                   is now resumed. Mr. Commissioner.

2           THE COMMISSIONER: Yes, thank you. Ms. Mainville.

3           THE WITNESS: Can I say something, Mr. Commissioner?

4           THE COMMISSIONER: Yes.

5           THE WITNESS: I want to just -- I've had an  
6                   opportunity to talk with Mr. Jaffe, and he  
7                   reminded me of the need for clarity on two  
8                   points. One is I have encountered Rich Coleman  
9                   in the past. Our interaction was at a BC  
10                  Liberal fundraiser back in -- I think it was  
11                  2010, and that I -- we didn't say anything to  
12                  each other, but I extended my hand to shake it  
13                  and he -- he's a big fella. He tried to crush  
14                  my hand. First and only time that's ever  
15                  happened to me in my life. Anyway. I took that  
16                  to be a message to me.

17                   The other point I'd like to raise is I  
18                   didn't respond adequately to counsel for the  
19                   Government of Canada when he was canvassing my  
20                   recollection of my 2009 conversation with Kash  
21                   Heed. Kash Heed confirmed everything that he  
22                   said during that encounter and he expanded on it  
23                   in greater detail in my audio recorded  
24                   conversation held with him on the 10th of July  
25                   2018, 11 years later.

1 THE COMMISSIONER: All right. Thank you,  
2 Mr. Pinnock.

3 MR. MCGOWAN: Mr. Commissioner, if I may just step in  
4 at this point. The witness is under what is  
5 essentially the equivalent of cross-examination  
6 and not to, in my view, be speaking with anybody  
7 about his evidence, including his counsel. I  
8 wonder if it might be appropriate for you to  
9 caution the witness in that regard. I say that  
10 in part because it's my expectation that the  
11 witness will not finish today and will be coming  
12 back tomorrow, so there will be a period over  
13 the intervening afternoon and evening where that  
14 instruction will be important.

15 THE COMMISSIONER: All right. Well, you've heard  
16 Mr. McGowan's remarks, Mr. Pinnock, and I agree  
17 that that is an appropriate direction to make.  
18 So if we're not finished with you by the end of  
19 the day, that will bind you until you conclude  
20 your evidence. All right. Thank you.

21 THE WITNESS: Thank you.

22 THE COMMISSIONER: Yes, Ms. Mainville.

23 MS. MAINVILLE: Thank you.

24 **EXAMINATION BY MS. MAINVILLE (continuing):**

25 Q Mr. Pinnock, did Minister Heed express to you

1 concerns about Dr. German being appointed to  
2 conduct his reviews on money laundering?

3 A Yes, he did. He mentioned that he was critical  
4 of Attorney General David Eby in the  
5 conversation with Mr. Eby on that issue.

6 Q So he conveyed to you that he conveyed his  
7 concerns regarding Dr. German's appointments to  
8 Minister Eby?

9 A He did say that, yes.

10 Q And was that shortly after Dr. German had been  
11 appointed to conduct his first review?

12 A I'm not sure of the timing. I'm sorry.

13 Q And I was referring to the timing of Minister  
14 Heed's conversation with Minister Eby in so far  
15 as he conveyed that to you.

16 A No mention was made of when that occurred.

17 Q Did he tell you what, if anything, Minister Eby  
18 responded when those concerns were expressed to  
19 him?

20 A Yes. I recall Mr. Heed saying that Mr. Eby went  
21 silent on the phone.

22 Q And did you understand that Minister Heed, when  
23 expressing these concerns to Minister Eby, was  
24 quite forceful? Is that what he conveyed to  
25 you?

1 A He did, yes.

2 Q Did Minister Heed indicate to you whether he and  
3 Minister Eby discussed Ross Alderson?

4 A Not to my recollection.

5 Q Did Minister Heed convey to you that he had told  
6 Minister Eby that he -- that Ross Alderson  
7 needed to be protected as a whistle-blower?

8 A Yes, I now remember that, yes.

9 Q And do you recall what Minister Heed reported to  
10 you in terms of Minister Eby's response to that?

11 A Yes. It was something to the effect of he will  
12 protect the whistle-blower.

13 Q And I understand that you subsequently had  
14 communications or a communication directly with  
15 Minister Eby.

16 A Not directly, no. Through his counsel.

17 Q Through his counsel you provided information  
18 about, I would say, the subject matter of your  
19 evidence today?

20 A That's correct, yes.

21 Q And was that in or around September 2018?

22 A Yes, it was.

23 Q And was that set up by way of Minister Heed?

24 A No. I believe it was Mr. Eby's office contacted  
25 me.

1 Q To obtain information?

2 A And arrange for the meeting with counsel.

3 MS. MAINVILLE: Those are all my questions. Thank  
4 you.

5 MR. MCGOWAN: Mr. Commissioner, I note the time. We  
6 are at 1:30. I understand there's a reasonably  
7 significant allotment to counsel for the Gaming  
8 Policy Enforcement Branch. I anticipate there  
9 may be some re-examination from some counsel,  
10 including possibly commission counsel, and  
11 there's a matter related to that I'd like to  
12 consider over the evening, afternoon and  
13 evening. So I'm -- if Ms. Hughes want to start,  
14 we may be able to make use of a few minutes, but  
15 the witness is going to have to come back  
16 tomorrow in any event, so it may be that it  
17 makes sense to adjourn at this point. I see  
18 Ms. Hughes is on, and I'll let her address that  
19 point.

20 THE COMMISSIONER: All right. Thank you.

21 Ms. Hughes.

22 MR. MCGOWAN: You aren't on mute, but we can't hear  
23 you, Ms. Hughes. Yes, Ms. Rajotte.

24 MS. RAJOTTE: I'll speak for Ms. Hughes. She seems  
25 to be having a problem with her microphone.

1                   We're content to proceed tomorrow.

2           MR. MCGOWAN: Given the status of her audio, maybe  
3                   that makes sense.

4           MS. RAJOTTE: Thank you.

5           THE COMMISSIONER: Mr. Pinnock, are you available  
6                   tomorrow morning?

7           THE WITNESS: Certainly. Thank you.

8           THE COMMISSIONER: All right. Thank you. We will  
9                   adjourn until tomorrow at 9:30.

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

11          THE REGISTRAR: This hearing is adjourned until  
12                   9:30 a.m. on November 6th, 2020. Thank you.

13                   **(WITNESS STOOD DOWN)**

14                   **(PROCEEDINGS ADJOURNED AT 1:29 P.M. TO NOVEMBER 6, 2020)**

15

16

17

18

19

20

21

22

23

24

25