

This is the 1st Affidavit of
Jan (Joe) Schalk in this matter
And was made on August 23rd, 2021

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA
The Honourable Mr. Austin F. Cullen, Commissioner

AFFIDAVIT OF JAN (JOE) SCHALK

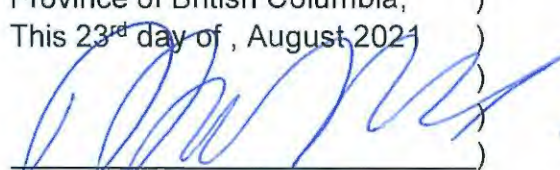
I, Jan (Joe) Schalk, retired, of Delta, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

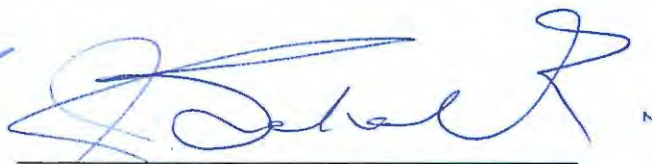
1. I am the former senior director of investigations for the Gaming Policy Enforcement Branch ("GPEB") and as such have personal knowledge of the matters and facts hereinafter deposed to save and except where the same are stated to be based on information and belief, and as to those matters and facts, I verily believe them to be true.
2. I was employed by GPEB from July 2002 to December 2014.
3. During my tenure at GPEB reports would be received by GPEB made under s. 86 of the *Gaming Control Act*, SBC 2002, c. 14.
4. In the casino gaming sector the British Columbia Lottery Corporation ("BCLC") did not operate the casinos but was responsible for conducting and managing casino gaming and financial integrity.
5. The casino operators were the service providers.
6. In other areas of commercial gaming in British Columbia such as lotteries and e-gaming BCLC would itself be the service provider, but this was not so in the case of casino gaming.
7. The casino operator as the service provider would make s. 86 reports to GPEB and would copy BCLC with the reports.
8. Casino operators did have security, who provided security guard services, and a surveillance department. Casinos did not employ investigators. The vast majority of s. 86 reports originated from the casino operator's surveillance departments.
9. Section 86 reports could cover a broad range of activities. When service providers made their initial s. 86 report they only provided basic information such as the category of incident and minimal details of incident. The details of the incident would be obtained from the casino, acting as service provider, as part of the GPEB investigation.
10. Section 86 reports could deal with a broad variety of matters including: suspicious cash transactions, persons who were prohibited from entering the

casino, cheat at play, theft, or a variety of other incidents. In the vast majority of s. 86 reports the service provider would be communicated with and would be advised what action would be or had been taken. In cases where this was not communicated to service provider the subject of the report was such that no further action would be taken.

11. If BCLC had made the s. 86 report in the vast majority cases BCLC would be communicated would in the vast majority of cases be advised what action would be or had been taken. If this communication did not take place, it was because no further action was taken.
12. In cases in which further investigative steps were taken, including situations where the matter might be referred to law enforcement/Crown counsel the service provider would be contacted as a source of evidence, and in circumstances where BCLC might have evidence BCLC would be contacted.
13. In the case of suspicious cash transactions GPEB would contact the entity making the s. 86 report, the casino operator as the service provider. Since s. 86 reports dealing with suspicious cash transactions would invariably originate from the service provider's surveillance department the GPEB investigator would speak to the surveillance department obtain the details of the incident and might obtain the video of the incident. The service provider was told that the information gathered was to track suspicious cash transactions. GPEB then would most often forward this information on to law enforcement.
14. The service providers were required to enter details associated with every s. 86 report into database which was managed by BCLC. BCLC would give access to GPEB, on request, to the information entered into the database. GPEB would not seek information from the BCLC database on a frequent basis because the GPEB investigators would follow up on s. 86 reports from the various service providers who would have obtained the same information directly from the service provider.

SWORN BEFORE ME at the City)
of Port Coquitlam, in the)
Province of British Columbia,)
This 23rd day of , August 2021)


A Commissioner for taking)
Affidavits for British Columbia)


Jan (Joe) Schalk)

Philip A. Riddell
Barrister & Solicitor
6222-2850 Shaughnessy St.
Port Coquitlam, BC V3C 6K5