

This is Affidavit #1 of Terri Van Sleuwen
made in this case on August 23, 2021

AFFIDAVIT OF TERRI VAN SLEUWEN

I, Terri Van Sleuwen, Retired, of Langley, British Columbia, MAKE OATH AND SWEAR THAT:

1. I am a former employee of the Province of British Columbia in the Gaming Policy and Enforcement Branch ("GPEB") and as such, I have personal knowledge of the facts and matters contained in this affidavit, except where stated to be based on belief, in which case I believe them to be true.
2. I started working at GPEB in March 1999. From September 2006 to May 2015, I was employed as an Executive Director at GPEB. In this position I was responsible for the strategic planning and direction of a performance and compliance audit program that regulated both commercial gaming operations and charitable gaming grant recipients in the province. While in this position, and throughout my career in government, I have been highly aware of record-keeping responsibilities and document retention requirements. My Curriculum Vitae reflecting my full professional history is attached as "Exhibit A" to this affidavit.
3. I understand that Larry Vander Graaf has alleged that Sue Birge asked him to delete an email he sent to Eugene Johnson on April 8, 2011 ("April 8 Email"). That email is attached as "Exhibit B" to this affidavit.
4. While I do not specifically recall receiving the April 8 Email, I have reviewed the email and I do not doubt that it was sent to me and that I would have received it at the time.

TS *dvb*

5. While we both worked at GPEB, I frequently received emails from Mr. Vander Graaf. The content of the April 8 Email does not stand out as unusual for an email from Mr. Vander Graaf at the time.
6. I was aware of Mr. Vander Graaf's position on anti-money laundering efforts before this email was sent on April 8, 2011.
7. I have no recollection of being asked to delete the April 8 Email nor of hearing that any other recipient was asked to delete it.
8. I believe that if I was asked to delete the April 8 Email, or if I had heard that another recipient was asked to delete it, I would have a recollection of that.
9. I believe that if I, or any other recipient, was asked to delete the April 8 Email it would have been raised as an issue at the time as such a request would have been highly irregular and inappropriate.
10. At the time the April 8 Email was sent, government systems retained emails even when they were deleted from an inbox, so merely deleting an email from an inbox would not permanently delete the email. I was aware of this fact, and I am confident that Sue Birge was as well.
11. I have every confidence in Sue Birge's integrity, and I do not believe that she would have instructed Mr. Vander Graaf to delete the April 8 Email.

SWORN BEFORE ME at the City of)
Langley, British Columbia, this)
23 day of August, 2021)

Donna M. Van Beek)
)

A Commissioner for taking

Affidavits for British Columbia

DONNA VAN BEEK
 - NOTARY PUBLIC -
 201 - 20171 92A AVENUE
 LANGLEY, B.C. V1M 3A5

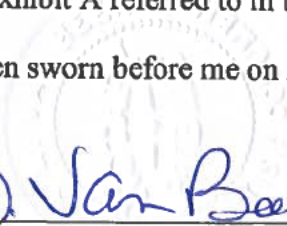


Terri Van Sleuwen


Terri Van Sleuwen



This is Exhibit A referred to in the affidavit of
Terri Van Sleuwen sworn before me on August 23, 2021.


Donna Van BEEK

A Commissioner for taking affidavits in
The Province of British Columbia

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dvb

Terri Van Sleuwen, CPA, CGA

PROFESSIONAL PROFILE

An energetic and enthusiastic executive with solid experience in business and operational planning and a strong strategic management focus and results orientation who embraces innovation and continuous improvement in every facet of her life. As I transition into semi-retirement, I am exploring new opportunities, that continue to utilize my strengths, experience, and passion for helping people succeed. Strengths include:

- 16 years of experience in senior management leading and directing multi-disciplinary professional teams in the public sector.
- 16 years of experience engaging with stakeholders in the public sector environment in order to create and foster relationships that allow programs and projects to succeed.
- 5+ years of experience gaining knowledge of and evaluating local government programs and services to assist them in their accountability to taxpayers and help them improve through provision of our audit reports, best practices booklets and engagement activities.

HIGHLIGHTS

- Excellent communication and problem-solving skills with a proven ability to apply appropriate judgment, diplomacy, and tact.
- Strong project management and financial management skills that ensure projects are managed successfully through milestones, budgets, and effective key performance measures.
- Ability to bring “order to chaos” through collaborative development of goals/priorities and resulting policies, procedures, and performance measures.
- Strategic approach to projects and issues that helps teams identify key factors and underlying issues in order to generate innovative solutions.

VOLUNTEER ACTIVITIES

- | | |
|---|----------------------|
| ▪ Surrey Cares Foundation – Grant Adjudicator | Apr 2021 to Jun 2021 |
| ▪ Pacific Parklands Foundation – Director, Treasurer | Jul 2020 to present |
| ▪ Derby Reach Brae Island Parks Association – Director, Secretary | Feb 2020 to present |
| ▪ CPA Surrey Langley North Delta Chapter – Board Member | Jan 2020 to present |

EMPLOYMENT HISTORY

MINISTRY OF TOURISM, ARTS, CULTURE AND SPORT

Adjudicator

Apr 2021 to Aug 2021

- Project co-lead and adjudicator for the B.C. Major Anchor Attractions COVID recovery grant program which successfully delivered one-time emergency funding to tourism attractions and tour bus companies throughout the province.

AUDITOR GENERAL FOR LOCAL GOVERNMENT, Ministry of Municipal Affairs, Surrey

Deputy Auditor General

Nov 2015 to Aug 2021

- Executive leader responsible for strategic leadership and direction of the provincial performance audit program and a team of professional staff, including engagement activities, development of audit related public information, managing budget and resources planning, operations, performance metrics and reporting; and, mentoring and coaching staff to develop and grow a highly functioning team.
- Ensures overall quality assurance of the office's audit program, adherence to policies, procedures and the Canadian Auditing Standards and maintains a public practice licence with the Chartered Professional Accountants Association. Provides regular reporting on the operations of the office to an Audit Council which provides oversight of the office
- Develops meaningful, plain language audit reports and helpful advice for local governments through researched best practices booklets and plain language audit reports that are publicly available for a wider audience to benefit from.
- Maintains effective consultative and engagement relationships with local governments and other interested stakeholders (both internal and external to government).

Special Projects Advisor

May 2015 to Nov 2015

- Successfully completed a number of priority projects and initiatives to help turn the office around from a period of crisis and helped to address recommendations from an independent review of the office, the needs of the Audit Council and expectations from stakeholders.

GAMING POLICY AND ENFORCEMENT BRANCH, Ministry of Finance, Burnaby

Executive Director

Sept 2006 to May 2015

- Executive leader responsible for strategic planning and overall direction of a multi-faceted performance and compliance audit program that regulated both commercial gaming operations and charitable gaming grant recipients in the province.
- Established and maintained productive working relationships at a senior decision-making level within the provincial and federal governments, as well as, in the commercial and charitable gaming sectors.
- Led a team of 28 professional and unionized audit staff, including developing people and teams, fostering a collaborative work environment, developing, evaluating, and coaching people while promoting accountability and empowerment.
- Responsible for: overall quality assurance for the division; financial decision making, human resources and labour relations; internal and external communications; internal policy making; records management; and operations for a regional office with a \$2.3m budget.

dhb

Manager, Commercial Gaming Audit

Sept 2004 to Aug 2006

- Senior leader responsible for enabling a team of professional staff in the successful planning and implementation of a comprehensive performance and compliance audit program for B.C.'s commercial gaming industry.
- Developed the annual risk-based audit planning; lead the conduct of audits; managed staff development and evaluation; monitored progress and reported on performance metrics.

Charitable Auditor and Commercial Gaming Auditor Mar 1999 to Aug 2004

- Planned, conducted, and reported on performance and compliance audits of charities, licensed and commercial gaming activities throughout the province for comparison to developed criteria and best practices - to ensure compliance with established regulations, policies, and standards.

ACCOUNTANT ROLES

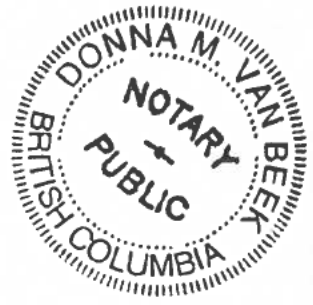
Managed day to day accounting operations for not-for-profit, manufacturing plant & federal government agency during the early days of my accounting career.

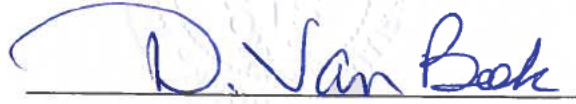
- **Kekinow Native Housing Society, Surrey** Nov 1997 to Mar 1999
- **Western Saws Ltd., Penticton** Nov 1995 to Oct 1997
- **Canada Mortgage and Housing Corporation, Vancouver** Oct 1990 to Sept 1995

PROFESSIONAL QUALIFICATIONS AND EDUCATION

- Chartered Professional Accountant (CPA), Certified General Accountant, 2000.
- Financial Management Accounting Certificate, BCIT, 1991.
- CPA Licenced Practitioner, CPA BC, 2020-21

This is Exhibit B referred to in the affidavit of
Terri Van Sleuwen sworn before me on August 23, 2021.





A Commissioner for taking affidavits in
The Province of British Columbia

DONNA VAN BEEK
- NOTARY PUBLIC -
201 - 20171 92A AVENUE
LANGLEY, B.C. V1M 3A5
[REDACTED]

dvb

Vander Graaf, Larry P SG:EX

From: Vander Graaf, Larry P SG:EX
Sent: Friday, April 8, 2011 10:49 AM
To: Johnson, Eugene SG:EX; McGree, Bill J SG:EX; Van Sleuwen, Terri SG:EX
Cc: Birge, Sue SG:EX
Subject: RE: Q&A - anti-money laundering

Importance: High

Eugene,
 Further to our conversation this date, your request that in order to ensure the Q and A that you have forwarded is in context it appears appropriate to forward you some of the Investigation and Regional Operations insight that surfaced in our review of the report. Again, this Division does not make policy decisions but I agree that it is important for you to understand and put the issues in context. I have taken some clips from the Report and our Division response is underlined

BCLC, in consultation with GPEB, should revise its buy-in/cash-out policy to allow for cash-outs to be paid by cheque, where cash-out cheques clearly and unequivocally indicate that the funds are not from gaming winnings. This change will create an audit trail available to enforcement where one presently does not exist, and will have the added benefit of enhancing patron safety.

This Division believes that this recommendation causes great risk if it means that a person can come into the gaming facility with 100K in \$20 dollar bills or even \$100 dollar bills gamble and loose \$1K and get a cheque for 99K and leave the casino. These cheques stamped as "No Win" can still be placed into any financial institute or account anywhere in the world. Agree there is an audit trail to minimize criminals from saving the funds are gambling winnings. It could also assist investigators in identifying "Unexplained Income" but the Casinos would be greatly assisting money launders by converting cash to a convenient transferrable negotiable instrument. I am of the opinion that a Crown Corporation has a greater degree of responsibility to deter money laundering at the source.(AML) I believe that the public will expect that from a Crown Corporation. I realize some foreign jurisdictions do give cheques at anytime but usually they have immediate on site regulatory scrutiny while other jurisdictions give cheques and do not have concerns about money laundering at all. (Macau etc)

Gaming is almost entirely a cash business in BC. This presents opportunities for organized crime and creates significant safety risks for patrons. Transition from cash transactions to electronic funds transfer would strengthen the anti-money laundering regime and patron safety. BCLC, in consultation with GPEB, should take the steps necessary to develop electronic funds transfer systems that maximize service delivery, create marketing opportunities, and are compliant with anti-money laundering requirements. Agree Player Gaming Fund Account is in place.

Players should be directed/encouraged to use the PGF Account on suspicious currency transactions over \$20k. (especially \$20 bills) Give incentives. Encourage the player (LCT Player) to use the Bank and then transfer the funds to the PGF Account. This also eliminates player safety issues in carrying large amounts of cash, provides an audit trail and is an AML mechanism.

While this policy change could potentially allow a money launderer to place funds in the legitimate economy the subsequent audit trail and reduction in risks associated with carrying large amounts of cash, provide benefits that outweigh the negative aspects of allowing the placement.

I have been classified and testified as a Money Laundering expert in a number of countries and in the Supreme Court of BC and Queens Bench in Manitoba and I have difficulty agreeing with this logic. As previously stated, this recommendation if it means that a person can come into the gaming facility with 100K in \$20 dollar bills or even \$100 dollar bills, gamble and loose \$1K and get a cheque for 99K and leave the casino. These cheques stamped as "No Win" can still be placed into any financial institute or account anywhere in the world. Agree there is an audit trail to minimize criminals from saving the funds are gambling winnings. It could also assist investigators in identifying "Unexplained Income" but the Casinos would be greatly assisting money launders by converting cash to a convenient transferrable negotiable instrument. I believe that the public expect expects a Crown Corporation should have deterrence(AML)as the priority. Patron safety is always a concern and the Player Gaming Fund Account through the banking system is fool proof for individual safety and generally AML, if administered properly. It cannot get any better. However, as previously stated this is a Policy decision but this is the Investigation Division opinion.

- policies prohibiting customers from exchanging small denomination bills for large denomination bills;
It should be noted that this policy is continuously not complied with by Service Providers
 - issuing cheques only in relation to verified gaming wins; and,
It is not effective and it is very difficult to ensure "verified win" but it is a policy

. BCLC has a statutory duty to be curious about cash transactions and to report large or suspicious transactions. Vigilance is needed especially in regard to transactions involving large volumes of small denomination bills. BCLC's obligation is primarily a duty to report. These reporting obligations do not extend to a duty to investigate and confirm the exact provenance of cash used to buy-in. Detailed inquiries and investigation into the legitimate or illegitimate source of cash appropriately fall to the various enforcement and regulatory authorities.

This Division believes that allowing BCLC and the Service Provider the latitude to be just curious and only have an obligation to report is not only risky but somewhat surprising. We do not believe that will be acceptable to public perception. This Division believes that Crown Corporations obligations should be to a higher standard, Shouldn't a Crown Corporation at least have the same obligation and corporate high road as Banks. Alternately, under this logic, I would suggest that it may be prudent to have the regulatory agency on site in the gaming facility, like the OPP in Ontario. This has been suggested previously and was not met with negative push back. It would mean additional resources to this Division but it would fulfill this and a number of other needs. The Regulator would be immediately be alerted to the situation and make additional on site enquiries as to the origin of the cash, the identity and background of the individual. (investigation) It should also be realized that the Investigation and Regional Operations Division has immediate access to police data bases. Alternately the police could be immediately alerted/called.

The information gleaned from the independent audit and Task Force will allow the Senior Official's Committee to make further recommendations, if needed, to the Minister on gaming integrity.

This Division offers a preliminary alternative to the formation of a Senior Officials Committee and Task Force.

The two main reasons for concern in BC Casinos have been and will continue to be Loan Sharking and Money Laundering. Most of the time they go hand in hand. The large of volumes of \$20 bills into Casinos are of preliminary concern. Preliminary Option: Objective, AML, Player Safety, and Audit trail. PGF Account can be utilized for all three objectives.

ohs

Ministerial Directive to prohibit Large Volumes of \$20 bills directly in casinos. #10K-\$20K daily. This will not prevent "smurfing" but will be an improvement.
Strong encouragement, incentive and direction to players to use Canadian Banks/Credit Unions to EFT funds from Canadian Banks/Credit Unions to PGF Account. Customer Service could play a strong role.
Additional Regulatory Investigative staff on site to interview and query suspicious large cash placement at the time it is at the cash cage.
Couple the above with selective targeted enforcement on individuals with the Investigations and Regional Operations providing assistance and intelligence to IPOC and/or CFSEU and/or Vancouver Drug Section and/or Gang Task force. (we are doing this now)
I am of the opinion that this alone could significantly reduce if not eliminate the majority of the problem.

Again, we do not make Policy; we provide area expertise to those who make those decisions with the ultimate goal of ensuring that the Deputy and the Minister are armed with as much information as possible to make informed decisions. Obviously the decision is up to them.

Eugene as discussed and with this in context, Joe, Derek and I will call you on Monday and we will provide you with our recommendations on the Q and A. I must point out that we are extremely busy but we consider this issue as extremely important both publicly and politically.

Thanks

*Larry Vander Graaf, Executive Director
 Investigations and Regional Operations
 Gaming Enforcement
 Gaming Policy and Enforcement Branch
 Ministry of Public Safety and Solicitor General*

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From: Johnson, Eugene SG:EX
Sent: Thursday, April 7, 2011 4:33 PM
To: McCrea, Bill J SG:EX; Vander Graaf, Larry P SG:EX; Van Sleuwen, Terri SG:EX
Cc: Birge, Sue SG:EX
Subject: Q&A - anti-money laundering

Hi Bill, Larry, and Terri,

We've been asked to provide the Minister with briefing material in relation to Rob Kroeker's report on anti-money laundering measures. The attached Q&A provides background to anti-money laundering issues, but does not address the specifics of Rob's report, which are apparently being tweaked.

I've put in questions and information that seem relevant to me, but as anti-money laundering touches on all your business areas, I would appreciate you reviewing what I've included and adding components that seem relevant to you. Please send me your responses by end of day Monday. Please use track changes.

Cheers

Eugene Johnson
Manager, Strategic Initiatives
Gaming Policy and Enforcement
Ministry of Public Safety and Solicitor General



awb