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October 21, 2020
(Via Videoconference)

(INTERVIEW COMMENCED)

CAITLIN RIDDOLLS,
interviewee.

MR. ISAAC: Okay. I've started the recording. If we could begin, please, by -- with counsel just introducing themselves, and perhaps we'll lead off. I'm Nicholas Isaac and with me is Steven Davis, both from the Cullen Commission.

MS. YATES: I'm Jill Yates and with me is Kevin Hanowski both from McCarthy Tétrault representing Toronto Dominion Bank. Also acting as counsel is Catherine Keyes from TD Legal.

MR. ISAAC: Thank you. And, Ms. Riddolls, if you would please introduce yourself and state and spell your last name, please.

MS. RIDDOLLS: My name a Caitlin Riddolls, last name is spelled R-i-d-d-o-l-l-s. I am the vice president and head of anti-money laundering for Canadian banking invasion technology and shared services at TD Bank.

MR. ISAAC: Thank you, Ms. Riddolls.

INTERVIEW BY MR. ISAAC:

Q Ms. Riddolls, if you do not hear or understand

1 the question, whether that is technology-related
2 other otherwise, please do let me know and I'll
3 repeat it. I'm also going to be showing you
4 certain documents. I understand those documents
5 are available to you. I will give you the
6 reference number.

7 If you could just let me know when you do
8 that have that document in front of you and we
9 will make sure we are looking at the same
10 portion of the record. Most of those records
11 will be ones that have a prefix of TD. There
12 may be a couple that do not and I'll make sure
13 we are looking at the same document when we do
14 that.

15 Some of the records as well you will see
16 have yellow highlighting on them, and where that
17 is the case I will be showing you those portions
18 of the documents primarily as an aid to memory.
19 So I would ask that you be careful not to read
20 the highlighted portions of those documents into
21 the record unless you are specifically asked to
22 do so. We'll be careful around that.

23 MS. YATES: Nicholas, just before you start, if I
24 could just confirm for the record that the
25 transcript from this proceeding is confidential

1 and will be kept confidential by counsel
2 pursuant to the terms of our exchange of
3 correspondence?

4 MR. ISAAC: That's correct. We will provide that to
5 you first for your review once the transcripts
6 are ready.

7 MS. YATES: Thank you.

8 MR. ISAAC:

9 Q And, sorry, Ms. Riddolls, you mentioned at the
10 beginning your role. I think you said you are
11 the VP and head of AML with Canadian banking and
12 direct channels. Is that accurate?

13 A The larger segment name is invasion technology
14 and shared services, but it does include direct
15 channels, yes.

16 Q And how long have you held that position?

17 A Since June of 2016.

18 Q Can you just describe in general terms what your
19 role and responsibilities are in that position?

20 A I lead a team of AML compliance professionals
21 who are advisors to the retail bank of TD to
22 communicate expectations regarding compliance
23 with AML requirements and to perform a challenge
24 function with respect to the effectiveness of
25 the design and operation of the controls they

1 implement to deliver against those requirements.

2 Q And who do you report to? Who is sort of
3 immediately above you?

4 A I report to Michael Bowman who is the chief
5 anti-money laundering officer for TD Bank.

6 Q Okay. So we are going to be primarily focusing
7 on Project ATHENA today. If I could begin by
8 just asking when did you first become involved
9 in or aware of Project ATHENA?

10 A In December of 2018 I was invited to attend a
11 meeting with the B6 banks, FinTRAC and I believe
12 it's a representative from the RCMP to discuss
13 the -- the topology that had been identified
14 regarding the use of bank drafts. Ultimately I
15 learned that was what the purpose of Project
16 ATHENA was. That was my first introduction.

17 Q And was that an in-person meeting or by
18 telephone?

19 A I attended by telephone. Many of the people
20 were physically in the room together.

21 Q Was there anyone else from TD that attended?

22 A Yes.

23 Q Who was that? Who was there from TD?

24 A Lilly De Felice who is the associate vice
25 president of AML policy training and governance.

1 Q Who from the RCMP, do you recall, was -- you
2 interacted with there at that meeting?

3 A I don't recall. I wasn't in the room so I
4 didn't view any of the materials.

5 Q Would you mind pulling up TD document 468,
6 please.

7 A Sorry, 468?

8 Q 468, correct.

9 A I have it.

10 Q Okay. So this hopefully will be -- it appears
11 to be a four-page chronology that was prepared
12 by you on or about March 23rd; is that correct?

13 A It was prepared by Mark Bachrynowski, one of my
14 direct reports, at my direction.

15 Q And the chronology appears to contain the text
16 of a number of emails. Did Mark or you copy and
17 paste those emails into the chronology?

18 A My understanding is that Mark cut and paste them
19 from emails.

20 MR. ISAAC: I just will note for counsel that we
21 don't have most of the emails themselves in the
22 chronology. I don't think that that is a
23 problem assuming the accuracy of what is
24 actually contained in here. It's actually
25 easier in many ways, but just to note that.

1 Q It appears as though the chronology begins on
2 December 11th, 2018. Is that this meeting that
3 you referred to?

4 A Yes.

5 Q Okay. And how did that -- how did that meeting
6 come about? I think you said that you were
7 invited to attend this?

8 A My manager Michael Bowman was invited to attend,
9 and when he was unable to he delegated his
10 position at the meeting to me.

11 Q Was that a meeting in British Columbia?

12 A I don't recall. I attended by phone.

13 Q Okay. And it appears that you sent an email on
14 December 11th to someone by the name of Aaron
15 Clark?

16 A Yes.

17 Q Who is Mr. Clark?

18 A Aaron Clark at the time was the vice president
19 of everyday banking which is the product group
20 responsible for our deposit products and
21 services including payments such as bank drafts.

22 Q And based on the chronology it appears that you
23 communicated to Mr. Clark that you had had this
24 meeting with the RCMP and others and you
25 provided some background to Mr. Clark about that

1 including that some other banks or were
2 implementing a process to include payer names.
3 Is that accurate?

4 A Yes.

5 Q Okay. And you also expressed a concern at this
6 point that TD might risk becoming an outlier if
7 it did not do similarly. Is that accurate as
8 well?

9 A I raised the potential that we may -- if it --
10 we did not have a similar practice, we may have
11 a differentiated control framework from our
12 peers, yes.

13 Q And you asked Mr. Clark whether or not TD
14 currently included payer information on bank
15 drafts and if not would it be difficult to
16 implement such a change; is that correct?

17 A Yes.

18 Q Okay.

19 A At the time I believe I asked if he would -- if
20 we had done it. If that was a current practice.
21 If we already included it on the draft.

22 Q Was anyone else copied on that email?

23 A Not to the best of my knowledge. I believe it
24 was sent directly to Aaron.

25 Q And did Mr. Clark ever respond to that

1 December email?

2 A He did not.

3 Q The next item in the chronology appears about
4 five months later on May 15th, 2019, and it
5 seems as though you sent another email to
6 Mr. Clark on that date; is that correct?

7 A Yes.

8 Q Did you have any followup with Mr. Clark in the
9 interim between your initial email and this
10 followup?

11 A I did not. Not on this topic.

12 Q Just going back to that December 11th meeting
13 that you had, was that the first time that you
14 learned and had any insight into this typology
15 identified by the RCMP about the use of bank
16 drafts through BC casinos?

17 A Yes.

18 Q What prompted your May 15th followup with
19 Mr. Clark?

20 A I was preparing for some upcoming governance
21 meetings where this was a topic I wanted to
22 continue to discuss, so as part of the
23 preparation I typically review action items,
24 items I have noted for discussion and would have
25 come across my unanswered email and followed up.

1 Q Had there been any further discussions, I mean
2 between December and May, around this issue that
3 you were involved in or aware of?

4 A Between Aaron Clark and me, no.

5 Q It appears as well from the chronology that on
6 or about May 17th you were contacted by
7 Mr. Kevin Doherty along with Lilly De Felice and
8 James; is that correct?

9 A Yes.

10 Q Is that a reference to Winnifred James or is
11 there another James that that would refer to?

12 A That is a reference to James Hatchard who was my
13 colleague performing a similar function with
14 respect to our wholesale banking and wealth
15 unit.

16 Q I think I skipped over this, but your followup
17 to Mr. Clark, again it appears as though you
18 expressed similar sort of background information
19 and expressed similar concerns about TD
20 potentially being targeted if it became an
21 outlier on bank draft anonymity; is that
22 accurate?

23 A I did reiterate the background, the context of
24 the topology and that I wanted to understand our
25 current position, yes.

1 Q And what about that issue of potentially being
2 targeted if TD did not -- or did not sort of
3 keep up or become an outlier?

4 A So yes, I did reference that if our control
5 frameworks were not similarly updated there was
6 the potential risk that we could be targeted by
7 money launderers who wanted to leverage this
8 typology.

9 Q And May 17th followup from Mr. Doherty, it
10 appears as though at that point he communicated
11 what we refer to as sort of the two key asks
12 from Project ATHENA. The first of those focuses
13 on what TD and all of the other participating
14 financial institutions were being asked to do
15 with the information that they were being
16 provided in the project in terms of using it to
17 conduct independently internal reviews which
18 might feed into or initiate investigations,
19 reviews on the AML.

20 And then the second of those key asks was to
21 potentially address the key aspect of bank draft
22 anonymity. Do you recall those sort of two key
23 asks being communicated?

24 A That is consistent with the contents of the
25 email, yes.

1 Q At it appears from this point on you had a
2 significant role on the second of those asks, on
3 the bank draft anonymity front; is that right?

4 A Yes.

5 Q What visibility or involvement did you have on
6 the first of those asks, on the use of the
7 intelligence that the RCMP was providing for the
8 purposes of analysis? Was that something you
9 had any visibility or involvement in?

10 A Not at this point, no. I do have a role or my
11 team has a role in reviewing and decisioning
12 customers who might be considered for
13 [indiscernible] marketing or close
14 [indiscernible] relationship with TD.

15 Ultimately should any of the customers
16 identified as being related to Project ATHENA be
17 recommended for review for [indiscernible]
18 market we would have been engaged to help
19 decision the de-market, but no, we were not
20 directly involved in any of the investigations
21 nor necessarily privy to the progress of such
22 investigations.

23 Q Okay. You said not at that point. I think I
24 understand that that process that you just
25 described wouldn't have begun at TD until, I

1 think, December 2019. Is that when you became
2 more aware or involved in that first part of the
3 Project ATHENA asks?

4 A I couldn't speak to that because I personally
5 don't decision most of the escalated Demarkets.
6 I only do it as a contingency when my direct
7 reports are on vacation.

8 Q Okay. Just going back to the chronology then
9 and focusing first on that December 11th, 2018
10 meeting that you had. Just be fair to say at
11 that point you were aware about the concerns
12 that the RCMP had identified regarding the use
13 of bank drafts including bank drafts from TD to
14 potentially launder money through BC casinos;
15 right?

16 A I was aware that there was an emerging typology.
17 There were many topologies at any time emerging.
18 I was aware that this was one of interest for
19 discussion. There was no specific conversation
20 of TD's bank drafts in that meeting that I
21 recall. It was a general discussion of a
22 typology.

23 Q And also at that December 2018 point you were
24 aware that some banks already included payer
25 names on their drafts and that other banks were

1 implementing changes to do so; correct?

2 A I was aware that HSBC had suggested they had or
3 were going to make a change, and in the meeting
4 some of the participants from the other banks
5 had indicated they would look into it. The only
6 bank of the B6 that -- there was one bank that
7 had it as a standing practice pre-existing
8 Project ATHENA for another purpose.

9 Q I think you also indicated you were aware and
10 had expressed the risk of TD potentially being
11 targeted by money launderers if it became an
12 industry outlier in that regard?

13 A Correct.

14 Q Okay.

15 A Noting that from a risk perspective the primary
16 mitigating factor of including the purchaser
17 name on the draft is a benefit to the casino.
18 There is an ancillary vulnerability potentially
19 to TD that should all other financial
20 institutions in financial practice there is a
21 potential that money launderers may -- who
22 wanted to continue to use the typology may
23 target TD, yes.

24 Q And you had communicated all of that by email in
25 December 2018 to Mr. Clark in everyday banking;

1 right?

2 A In highly summarized form, yes.

3 Q Are you aware of any action being taken or -- on
4 this issue between December 2018, your email,
5 and May 2019 on the issue of the bank draft
6 anonymity at TD?

7 A I am not, noting that at this time we were still
8 assessing whether purchaser name was in fact
9 printed on the face of the draft. We were still
10 scoping current state.

11 Q Did Mr. Clark ever reply to your second followup
12 email?

13 A He did not.

14 Q Do you know why he didn't respond to either of
15 your two emails?

16 A I do not.

17 Q It appears as though following those two emails
18 you began dealing with other individuals in
19 everyday banking. I suppose can we use the
20 acronym EDB?

21 A Sure.

22 Q You began dealing with other people within EDB;
23 is that right?

24 A Yes.

25 Q And one of them appears to be Nancy Lascelles;

1 is that correct? Is she in EDB?

2 A At the time she was a senior manager in everyday
3 banking, yes.

4 Q And another name appears to be Winnifred James.
5 Who is Winnifred?

6 A Winnifred at the time was a manager in the
7 everyday banking.

8 Q I think another name that appears is Mark
9 Bachrynowski?

10 A Yes, Mark Bachrynowski is my direct report. He
11 is the associate vice president in AML who
12 directly oversees the retail -- the Canadian
13 personal banking segment.

14 Q Focusing in on this followup process that you
15 appear to have engaged in with EDB in May 2019,
16 can you describe that process and how it
17 progressed?

18 MS. YATES: Just a minute, Nicholas. I think we are
19 heading -- that question in particular but you
20 are heading pretty deep into management and
21 operations of the bank which, as you know, is a
22 federal issue, so I think you need to keep the
23 focus on knowledge and response to potential
24 misuse of TD Bank drafts to facilitate money
25 laundering which is not where this is.

1 MR. ISAAC:

2 Q I would like to ask about the knowledge and
3 response, not generally about your engagement
4 with EDB but specifically on this issue.

5 Were you able to confirm through your
6 inquiries whether or not TD at that time was
7 including payer information on bank drafts?

8 A Yes, with a clarification that we had been
9 asking the question using correct terminology,
10 we had asked if the payor name was put on the
11 draft name when TD is the payor. So there was
12 some back and forth clarifying what the true
13 intent was hence some back and forth emails you
14 would be seeing.

15 Q And the result of those initial inquiries with
16 EDB was that TD Bank was not at that time
17 including payor information -- the payor
18 information that you were interested in at that
19 time; is that correct?

20 A It was confirmed that purchaser information was
21 not printed on the face of the draft, but we
22 were collecting the information in our records
23 so that information would be available to TD
24 personnel.

25 Q After you had confirmed that what was or was not

1 happening with the bank drafts at that time, did
2 you have or discuss or address potential ways to
3 address the anonymity with EDB?

4 A We asked them to consider the feasibility of
5 adding the purchaser name to the face of the
6 draft.

7 Q Just so -- I understand there are sort of two
8 possible ways, categories of ways of dealing
9 with this. One is what might be called a system
10 or technology solution that involves some
11 process of automatically including the
12 information when a bank draft is printed. And
13 then a second approach is a sort of a low tech,
14 more low tech manual solution where the
15 information is manually recorded on the bank
16 draft. Is that consistent with your
17 understanding of the two broad approaches that
18 are possible?

19 A Yes.

20 Q Okay. And you mentioned that you sort of had
21 discussions about feasibility. Did you discuss
22 both of those possible approaches in discussing
23 feasibility at this point?

24 A Yes.

25 Q Okay. And what was the response back from EDB

1 in terms of what the feasibility was with
2 respect to these two possibilities?

3 A From previous experience in deploying changes
4 across the branch network Canadian personal
5 banking expressed a strong preference for an
6 automated solution and a national solution. The
7 rationale provided was if there is a potential
8 risk for which we want to put in a risk
9 mitigant, we would put it in on a national
10 basis, and also to avoid the risk of human error
11 because manual processes are inherently prone to
12 human error to the extent they are just an
13 individual remembering to follow procedure there
14 was a preference for an automated solution to
15 ensure consistency and to put in place
16 monitoring over the level of adherence to any
17 process change. It's a lot more difficult to do
18 so on a manual basis.

19 Q And during this time looking at that preference
20 for an automated system solution, was there any
21 timeline or feasibility analysis or sort of
22 looking at how much that -- what that might
23 involve and how long it would take to implement?

24 A Early on we were clarifying the feasibility. We
25 had not moved to the stage of formally

1 initiating a project to scope it. There was a
2 high-level estimate provided in terms of the
3 cost it would take, but the bank has a number of
4 change initiatives at any point in time for
5 different reasons and it would need to be put
6 into a formal intake process to be scoped and
7 prioritized against other commitments including
8 regulatory commitments.

9 Q Just focusing on that period May to end of
10 July period, was it put into a formal intake
11 process, that system solution?

12 A It was not. There were high-level discussions
13 had to scope the cost and the impacts, but
14 everyday banking confirmed back to us there were
15 additional considerations that would need to be
16 formally considered given their other
17 priorities.

18 Q Were those additional conditions, were those
19 other than the preference for a national
20 solution, or can you explain what you mean by
21 there were other considerations?

22 A Whether the solution is manual or automated, it
23 would still need to be prioritized against other
24 change initiatives that have already been
25 scheduled, several of which would relate to

1 different regulatory commitments. Even a manual
2 change must go through a very sophisticated
3 change management and impact assessment and
4 scheduling and prioritization and approval for
5 resourcing, all of which take time and
6 resources.

7 Q Okay. I know we described those sort of two
8 processes, the system solution and the manual
9 solution, but as I understand it they were not
10 necessarily mutually exclusive. Was there any
11 discussion at that time about implementing a
12 manual solution even on a -- just a regional
13 basis even in the interim as work was done
14 towards a system solution?

15 A That possibility was discussed and everyday
16 banking confirmed that TD Bank does not
17 generally implement regional risk management and
18 control processes. They do somewhat on an
19 enterprise basis. It would -- and their
20 preference would be to work towards a national
21 solution, not a regional solution.

22 Q Okay. Was there -- despite that preference from
23 EDB and the general preference for a national
24 system-wide solution, was there any discussion
25 about making an exception in the circumstances

1 or departing from that preference at least in
2 the interim with a manual solution?

3 MS. YATES: Nicholas, you've got to provide time
4 frames, please, because obviously things have
5 happened over the period of time. Are you
6 talking about now -- where we are now, or are
7 you talking about a particular point in time?

8 MR. ISAAC: No, I am sorry, I'm referring
9 specifically for a May to end of July time
10 period.

11 MS. YATES: Of what year?

12 MR. ISAAC:

13 Q Of 2019.

14 A The conversations with everyday banking
15 confirmed that unless there was a regulatory
16 requirement they did not want to deviate from a
17 strategy they had put in place to improve the
18 level of oversight and consistency in risk
19 management frameworks across the branch network.

20 Q You mentioned that there was an estimate for the
21 system solution, at least a preliminary one at
22 that point. What was the estimate for
23 implementing a system solution?

24 A The estimate was approximately \$1 million to
25 implement an automated solution.

1 Q Was there an estimated time frame as well for
2 were it to move ahead how long it would take to
3 implement?

4 A No, because at this stage of the change
5 management assessment process there was a
6 high-level discussion with the technology team
7 to give a high-level estimate to get a time
8 frame committed. It would need to go through
9 the formal change in due process, be approved to
10 assign resources to scope it and consider its
11 prioritization among the other regulatory and
12 other previously committed change dates. A
13 different date.

14 Q So just focusing then still on that same 2019
15 May to end of July time frame, I understand as
16 part of your work on this you were collecting
17 information on peer practices as well; is that
18 right?

19 A I wasn't directly involved in obtaining
20 information on peer practice, and the
21 information I got regarding confirming peer
22 practice occurred -- I would have to check. I
23 believe it was a bit later.

24 Q Perhaps --

25 A Sorry, 2019. Yeah. Sorry, my colleague had

1 reached out to her peers for anecdotal
2 information on their practices in this time
3 frame. That is correct.

4 Q Okay. And it may be helpful if you would like
5 to look at document -- TD document 272.

6 A I have it, yes.

7 Q And, I apologize, for some reason my computer
8 has just decided not to show me that document
9 anymore. We might return to that. I'll say as
10 background this appears to be related to the
11 peer practice consultation process that was
12 engaged in. Is that right?

13 A I wasn't directly involved in this process, but
14 the contents appear consistent with that, yes.

15 Q And what did you learn from the results of that
16 peer process in terms of what other peer
17 financial institutions were doing at that time?

18 A I learned that different banks were at different
19 stages in the process of assessing, implementing
20 and putting in place permanent systemic
21 processes. Different banks were all at
22 different stages in their contemplation at how
23 and if they wanted to implement purchaser name
24 on bank drafts.

25 Q Did you receive any information either directly

1 or indirectly from Anna Gabriele and her teams
2 what they were learning regarding the same
3 question of peer practice through the Project
4 ATHENA meetings?

5 A I didn't have any communications with Anna
6 Gabriele, no.

7 Q Would you please turn up document 1203. That is
8 a non-TD record.

9 A I have it.

10 Q If you could go to -- this is just to identify,
11 this is a five-page meeting minutes from an
12 April 24th, 2019 Project ATHENA meeting which I
13 believe Ms. Gabriele attended. And if you could
14 scroll down to page 3 of that document.

15 A Okay.

16 Q So there is a heading there called "Bank Draft
17 Amendments." Do you see that?

18 A I do.

19 Q Immediately below that:

20 "HSBC made their drafts undesirable to
21 money launderers by including the
22 purchaser's name and the account
23 information. This information is written
24 on by the tellers."

25 And the next bullet is:

1 "HSBC currently looking into system to
2 embed this information on to their
3 drafts."

4 You see that?

5 A Yes.

6 Q Okay. So that kind of refers back to those two
7 categories of approaches I think that we
8 discussed, the manual and the systems solution
9 and those appearing to be happening in parallel.
10 If you see down there is another heading called
11 "Round Table on Individual Financial Institution
12 Thoughts on Amending Drafts." Do you see that?

13 A I do.

14 Q And this says:

15 "Number 1: HSBC has implemented the
16 change as they wanted their drafts to be
17 less desirable to criminals. This process
18 took no time to implement. All it took
19 was communication to each bank staff that
20 they are now to write the purchaser's name
21 and the account on the draft. Currently
22 looking into a system where this is
23 embedded on the draft."

24 And just pausing there, I don't want to leap
25 back and forth too much in the chronology, but

1 this approach, this manual solution done through
2 communication to bank staff, that is what TD
3 Bank has implemented now, I believe, as of
4 September 14th or 15th, 2020; is that right?

5 A Yes, but I could provide some more context.
6 Based on what HSBC put in place, TD put in place
7 a process that took significantly more effort
8 because it involved formally updating
9 procedures, updating job aids, researching the
10 potential objections from customers, exploring
11 the impact on clearing through correspondence
12 from writing on the face of a draft. So
13 actually a tremendous amount of due diligence
14 has taken place in order to put in the process.
15 I also can't speak to how analogous it is to
16 HSBC's in terms of scope, level of adherence,
17 monitoring oversight.

18 Q Understanding you may not have full insight into
19 exactly what HSBC implemented, but just in terms
20 of ultimately the manual solution as being the
21 one that was implemented there. Just going
22 back, and we will later on ask some questions as
23 well just about what the current process is and
24 what was implemented. The next item here is
25 number 2 is BMO. It says:

1 "BMO shares the same view as HSBC
2 currently looking at training and
3 communication strategy and system for
4 vetting this information on the drafts."

5 Then 3:

6 "Scotiabank does not distribute a high
7 enough volume of drafts in order for the
8 VPs to get on board. Require further
9 data, not just from casinos."

10 4 is RBC:

11 "Handwriting purchaser name on the drafts
12 starting May 2019. Currently looking into
13 long-term solution."

14 The next item is TD:

15 "TD is looking to engage their new
16 leadership and get their buy-in."

17 Then finally CIBC:

18 "CIBC has no current input. They already
19 have the purchaser's name embedded on the
20 drafts."

21 I think you mentioned there that you were aware
22 that there was one bank that had already sort of
23 a pre-existing system solution; is that right?

24 A That was my understanding.

25 Q Okay. Was that CIBC?

1 A It was.

2 Q Okay. This is --

3 MS. YATES: Nicholas, I just want to note for the
4 record you have read out all of this document
5 with the exception of the BMO entry. You cut
6 that off, and so just with reference to this
7 document I think in order for it to be an
8 appropriate description of the document you
9 should be reading out all of number 2 as well as
10 all of number 1, 3, 4, 5 and 6 as you did.

11 MR. ISAAC: I'm happy to do so. It was in the
12 interests of efficiency as opposed to anything
13 else. I'll just go back to that second entry.
14 It says:

15 "BMO shares the same views as HSBC
16 currently looking at training and
17 communication strategy and a system for
18 embedding this information on their
19 drafts."

20 It goes on to say:

21 "Want input from CBA --"

22 I expect that's probably a reference to the
23 Canadian Bankers Association,

24 "-- and other FIs in order to have a clear
25 consensus and direction. Requires CBA to

1 be on board."

2 MS. YATES: Thanks.

3 MR. ISAAC:

4 Q So this is in April 24th, 2019. So I was asking
5 whether or not you had been provided this
6 information from the attendees or those who had
7 been briefed on it as part of your process, or
8 was your -- the outreach that was being done on
9 peer practice completely separate from that?

10 A I'm not familiar with the document or its
11 accuracy. The information received was from two
12 of my colleagues. Kevin Doherty works with Anna
13 Gabriele, so it's possible some of the
14 information he sourced could have been from this
15 conversation, but I don't want to speculate. I
16 don't know specifically where the information
17 about peer practice was obtained by my
18 colleagues.

19 Q Perhaps just looking then factually about where
20 there was convergence here. I'll have to ask
21 you just to look -- I can't read the document
22 right now but TD272. Would be fair to say by
23 July 2019 which was a couple of months after the
24 updates that we just looked at that were shared
25 as part of this round table at the Project

1 ATHENA meeting, that based on the information
2 that you had all but one of the peer banks had
3 implemented either a manual solution, sometimes
4 just regionally or system solution to include
5 purchaser information? Is that the information
6 that you had at that time? By that I mean by
7 July 2019.

8 A I did have a summary of this information in
9 July 2019, yes.

10 Q That is accurate, it was all but one of TD's
11 peer banks had implemented a manual solution or
12 a system solution at that time?

13 A That is my understanding, yes.

14 Q So would you agree just relating back to that
15 December 2018 message that you sent to Mr. Clark
16 that by July 2019 with the exception of that one
17 other peer bank TD was an outlier at this point?

18 A I wouldn't say that TD was necessarily an
19 outlier because I can't speak to the scope or
20 the effectiveness of the solutions put in place
21 by the other banks, nor the timing.

22 Q You had expressed a concern back in
23 December 2018 about the potential for a bank to
24 be targeted if it did become an outlier. Was
25 that something that after you had received this

1 information about what peer practice was that
2 you discussed or shared with anyone else at TD?

3 A I don't believe I used the word -- phrase "I had
4 a concern." There was -- I made an observation
5 that there was the potential. I think I might
6 have used -- I have to look back at the
7 document. I used the phrase potentially
8 concerning but didn't say I had a concern.

9 There were conversations between me and my
10 team, the global anti-money laundering team
11 about what steps, if any, we felt we needed to
12 take to advance this conversation in the interim
13 versus the longer-term plan of implementing an
14 automated solution in conjunction with an
15 already planned in-house technology
16 [indiscernible] impacting same systems.

17 Q You said it would be helpful to look at
18 something for that. You want to look back at
19 TD document 468. That is the chronology. And
20 you can just -- I'm not asking you to read this
21 into the record but if you would like to read
22 the entry under the December 11th, 2018 email.

23 A Correct. I did not use the phrase "I had a
24 concern." I said "should."

25 Q You --

1 A I described that we could be left as a
2 concerning outlier if everybody else moved to
3 implement purchaser on draft and TD was alone
4 with no solution.

5 Q Okay. So the outlier and the concerns were
6 there, you are sort of expressing them in one
7 phrase there; right?

8 A Again, it was a potential eventuality that could
9 manifest itself.

10 Q Was the volume -- so we do understand -- and
11 this would have been primarily through
12 Ms. Gabriele's team -- that by this point
13 July 2019 TD had been receiving information from
14 Project ATHENA showing that between March 2018
15 and into 2019 that its bank drafts were a high
16 proportion of the drafts that had been flagged
17 through Project ATHENA and that actually by the
18 end of April 2019 it had received information
19 and the SIU had conducted some preliminary
20 analysis confirming that it was the largest
21 single source of the bank drafts being
22 identified through Project ATHENA. Is that
23 something that you were aware of in this period
24 May to July 2019?

25 A I was not.

1 Q Was the volume of TD Bank drafts that were being
2 identified through Project ATHENA something that
3 you discussed with anyone else at TD in the
4 context of these May to July efforts to address
5 the bank anonymity issue with EDB?

6 MS. YATES: Nicholas, if you are going to take the
7 witness or put to the witness the notion of
8 volumes identified through Project ATHENA, I
9 think to be fair you need to take her to one or
10 more of the documents that talks about that
11 point.

12 MR. ISAAC:

13 Q Well, perhaps I could ask without speaking to
14 the specific number. Just generally was the
15 volume or proportion of bank drafts something
16 that you discussed with --

17 A I was not aware of any volumes to be discussed.

18 Q So the end of this chronology appears to be
19 July 29th, 2019. You see that? If we scroll
20 down to -- we are looking at TD468.

21 A Yes.

22 Q And July 29th, 2019. And here it appears as
23 though the next step here is a discussion with
24 Mr. Bowman to determine whether or not he
25 supports pursuing this request with business.

1 Do you see that?

2 A I do.

3 Q Did you have that discussion with Mr. Bowman?

4 A I did.

5 Q What did you discuss and what was the outcome of
6 that meeting?

7 A We discussed given the magnitude of the
8 regulatory changes and the number of projects
9 already in flight for Canadian personal banking
10 was this an item we wanted to prioritize ahead
11 of regulatory commitments knowing that could
12 jeopardize our regulatory commitment time
13 frames, or was that something we would revisit
14 later as part of an already planned email
15 emission.

16 Q Which of those -- what was the decision or the
17 outcome at the end of that meeting?

18 A The direction was to prioritize regulatory
19 commitments over an industry practice.

20 Q During that meeting was the volume of bank
21 drafts, TD bank drafts that had been identified
22 through Project ATHENA something that was
23 discussed?

24 A It was not. It was not known to me at the time.

25 Q And was the concern about potentially being an

1 outlier something that was discussed during that
2 meeting?

3 A No.

4 Q So just in terms of -- this is then -- it's the
5 end of the chronology here in July of 2019. I
6 think you indicated that the decision was at
7 that time not to put the bank draft anonymity
8 ahead of any other priorities at the time? Is
9 that accurate? I don't want to put words in
10 your mouth at all.

11 A The decision was that given the number of
12 regulatory commitments and projects to deliver
13 on those regulatory commitments already in
14 flight that we would not derail and prioritize
15 an industry practice or regulatory compliance
16 project and we would revisit addressing the
17 purchaser name on drafts as part of a larger AML
18 project that was being stoked for delivery later
19 on.

20 Q Was there a timeline or a target date identified
21 for when that revisiting of the issue would
22 occur?

23 A The project to which we were going to
24 investigate attaching this potential change had
25 a delivery date of June 1st, 2021.

1 Q And was there any decision taken about whether
2 or not to conduct further scoping, planning or
3 analysis about the potential options for dealing
4 with it at that time? Between that meeting and
5 this future comeback date?

6 A That would be conducted as part of the scoping
7 for the requirements for the large AML project
8 that was to be delivered for June 1st, 2021.

9 Q But nothing in the interim?

10 A The requirements-gathering process takes many
11 months for a large scale technology and process
12 change so the conversation -- that
13 requirements-gathering process would take place
14 over the course of a period of time. It's not
15 like nothing would have happened between
16 July 29th, 2019, and June 1st, 2021. And we did
17 implement an interim procedure and have
18 initiated a project to deliver the automated
19 solution in that interim period.

20 Q I understand that TD also put its participation
21 in Project ATHENA on hold in July 2019 due to
22 other operational priorities. That is by being
23 on hold that appears to mean not attending any
24 further TD -- sorry, any further Project ATHENA
25 meetings or further analysis, end-to-end

1 analysis of the intelligence that was being
2 provided. Were you aware of that decision to
3 put TD's participation in Project ATHENA on hold
4 in July?

5 A I don't believe so. I do not manage the
6 operations function. That would be my
7 colleague.

8 Q So would you please bring up TD document 228.

9 A I have it.

10 Q Sorry, I'm actually having a little technology
11 issue on my end. Just bear with me one moment.
12 Once populated documents are coming up blank for
13 me which is clearly not what we want. Okay. I
14 have the document now.

15 So TD document 228. This is a
16 one-page email chain dated -- the top is dated
17 June 26, 2019. Do you see that?

18 A Yes, I do.

19 Q Okay. And it appears from the bottom of the
20 chain that Mr. Doherty is emailing you June 26
21 "Project ATHENA/TD Bank Drafts" is the title. I
22 take it from this email chain, both that and the
23 one above, that Mr. Doherty is asking for the
24 progress of your efforts for everyday banking;
25 is that fair?

1 A Yes.

2 Q Okay. At the top you respond from -- you are
3 writing to Ms. De Felice and you say:

4 "No worries. Not my number 1 priority
5 right now. Not sure why Kevin is running
6 with this."

7 Can you explain to me what you mean by:

8 "No worries. Not my number one priority
9 right now. Not sure why Kevin is running
10 with this."

11 A Lilly was apologizing for not having reached out
12 to her colleagues to gauge industry best
13 practice in a timely way. I was confirming that
14 it was not as time sensitive that she had been
15 slightly delayed in doing so.

16 Q Sorry, in fairness I think the email right below
17 from Ms. De Felice says:

18 "Oops. Thanks for the reminder. I knew I
19 was missing something."

20 A Correct. So the information was not as time
21 sensitive because the request for discussion was
22 already taking place with everyday banking. A
23 day or two was not going to make or break those
24 conversations. And my statement, "not sure why
25 Kevin is running with this," is due to the fact

1 that Kevin is associate vice president in our
2 operations team. He would normally be
3 responsible for overseeing the progress of any
4 investigations. He was not normally involved in
5 monitoring the progress of business changes.

6 Q Okay. So going back to the -- I'm not talking
7 about the chronology document but just the
8 timeline a little bit. We had that July 29th,
9 2019 meeting where the decision that you
10 referred to was taken. And it appears as though
11 the next records, at least that we have seen,
12 occur in mid March 2020 dealing specifically
13 with the bank draft question.

14 Was there anything that happened that you
15 are aware of in terms of planning, budgeting,
16 scoping or otherwise regarding the -- addressing
17 the bank draft anonymity issue whether through a
18 technology or manual solution between July 29th,
19 2019, and mid March, March 15th, 2020?

20 A Significant efforts were taken to initiate
21 standup staff, resource and obtain funding for a
22 large AML amendment project to be delivered on
23 June 1st, 2021. The requirements gathering was
24 firming up over the end of 2019, the beginning
25 of 2020 at which time the conversation about

1 bank drafts resumed, and that was the project
2 that we had envisioned would deliver the
3 technology solution that had been discussed.

4 Q So specifically on the bank draft issue, when
5 did you say that the conversation resumed?

6 A It's very difficult to disentangle the bank
7 draft conversation from the larger project, the
8 infrastructure project before we got into
9 detailed requirements. The specific
10 conversations about bank drafts would have
11 resumed in March 2020 as consistent with the
12 requirements process.

13 MR. ISAAC: Okay. I mean, I'll say we haven't seen
14 any records that refer to or indicate anything
15 specifically happening or being discussed or
16 considered or assessed with respect to the bank
17 drafts between July 29 and March 15th, so if
18 there are -- if there is anything regarding
19 that, we'd ask that that be produced, if it
20 exists.

21 **REQUEST 1: Provide any records that refer to or**
22 **indicate anything happening or anything being**
23 **discussed, considered or assessed with respect**
24 **to the bank drafts between July 29, 2019, and**
25 **March 15, 2020**

1 MS. RIDDOLLS: For context, the focus between
2 June and March was on standing up that larger
3 project and then once you got a project
4 resourced, staffed, approved, funding obtained,
5 then you start working through the detailed
6 requirements. So it's not unusual for not to be
7 specific requirements or specific deliverables
8 outlined in those initial project initiation
9 stages.

10 MR. ISAAC:

11 Q So I just want to be clear about this. So
12 nothing specifically picking up on the bank
13 draft issue in that time period July 29th and
14 March 15th?

15 A Yeah. That's correct.

16 Q Okay. So there's this sort of eight-month
17 period between that July 29th decision and
18 March 15th. On March 16th, 2020, you'll recall
19 that commission counsel had a telephone call
20 with Mr. Bowman, yourself and Ms. De Felice. Do
21 you recall that?

22 A I actually don't.

23 Q No. Leaving aside the specific date do you
24 recall having a phone call with commission
25 counsel in mid March?

1 A I don't recall the specifics of it, no.

2 Q Okay. March 20th, 2020, the Cullen Commission
3 sent a letter to TD Bank. You are aware of and
4 you've seen that letter; correct? Is that a
5 yes?

6 A Yes.

7 Q And one of the topics identified in that letter
8 were questions regarding TD's knowledge of and
9 response to the use of its bank drafts in
10 BC casinos; correct?

11 A Yes.

12 Q Okay. And that document is in the non-TD
13 records, I think. I don't think we need to pull
14 it up now, but it is a March 20th, 2020 letter,
15 and the letter asks that TD identify any
16 response that it has undertaken or anticipates
17 undertaken in response to the potential misuse
18 of bank drafts. Specifics as to what details TD
19 believes it can and cannot include on bank
20 drafts, the legal or institutional reasons why
21 that is the case, and also TD's input on any
22 other difficulty associated with implementing
23 changes to its bank drafts. So that letter was
24 forwarded to you; correct?

25 A Correct.

1 Q And you will recall that chronology that we
2 referred to earlier on, that's TD document 468
3 that appears to have been put together
4 March 23rd, 2019?

5 A Yes.

6 Q Would it be fair to say it was the
7 combination -- I appreciate I'll leave out the
8 phone call, but it was the March 20th commission
9 letter that prompted that chronology to be put
10 together?

11 A That's accurate.

12 Q And just prior to that March 20th letter, would
13 it be accurate to say that no decision had been
14 taken to add the name of purchasers to bank
15 drafts either manually or as a system solution
16 at that time?

17 A There had been no formal project approved to do
18 so, but we had communicated the expectation to
19 everyday banking back in -- I believe it was
20 August 2019 that we would expect them to add the
21 name of purchasers to drafts at some point.

22 Q Okay. But there hadn't been sort of a choice or
23 between whether that might be done manually or
24 as a system solution; correct?

25 A The decision had not yet been made, but we were

1 working with the businesses' stated preference
2 to deliver an automated solution as part of a
3 larger AML technology project delivery.

4 Q Okay.

5 A Or coincident with.

6 Q And, again, is it that sort of March 20th date
7 no specific planning had been completed in terms
8 of developing a timeline, cost estimate or
9 target date for specifically either a systems or
10 manual solution to the bank draft question;
11 correct?

12 A Correct.

13 Q It appears as though the next sort of documents
14 that we see are some correspondence regarding
15 information to respond back -- to prepare to
16 respond back to the Cullen commission's
17 March 20th letter. Would you pull up document
18 TD456, please.

19 A I have that document.

20 Q Bear with me please one second. So this is a
21 four-page email exchange. It begins -- the
22 email exchange occurs between May 26 and May 29,
23 2020, and the subject is "draft requirements."
24 Are we looking at the same document?

25 A Yes.

1 Q Down at the bottom there is an exchange that is
2 going on between Mark Bachrynowski, Ketan Shah
3 and John Long, and that was forwarded to you and
4 there is sort of a conversation that continues
5 about that. Who is John Long?

6 A John Long is the senior manager of consumer
7 regulatory programs in Canadian personal
8 banking.

9 Q Who is Ketan Shah?

10 A Ketan Shah is another employee within Canadian
11 personal banking who helps facilitate regulatory
12 change projects.

13 Q And if you go to page 3 of this document, and
14 just without reading all of the text here but
15 looking at the bottom of page 3, Mr. Long
16 writing to Mr. Bachrynowski sends an email. The
17 bottom of that says:

18 "Do we have any idea what sort of
19 timelines the commission is looking for?
20 It would be helpful to provide a timeline
21 for the group to work towards. I am
22 assuming they would like that done ASAP."
23 There's a response above that from
24 Mr. Bachrynowski back to Mr. Long and then a
25 further response from Mr. Bachrynowski dated

1 May 29th back to Mr. Long saying:

2 "Hello. Just wanted to check in and
3 confirm that we'll be able to get the
4 answers to the below questions by
5 4:00 p.m. today."

6 And then there's a further response from
7 Mr. Long above that back to Mr. Bachrynowski
8 apologizing for the delay in responding and
9 providing some updates. And then just above
10 that there's a response back from Mr. Long to
11 Mr. Bachrynowski saying:

12 "Hi, Mark. Just received an update and
13 technology will not be able to provide
14 estimates until mid next week at
15 Shaw@KetanShah. We should regroup early
16 next with the team. We had a kickoff with
17 and continued with discussing the manual
18 solution."

19 Just pausing here, it would be fair to say at
20 the point of this email exchange there hasn't
21 been a determination of whether or not to pursue
22 a manual or a system solution, one or the other,
23 a timeline, a budget or target implementation
24 date; is that accurate?

25 A At this point in time a project intake request

1 had been submitted. That is the precursor
2 activity to have a formal project be initiated,
3 then the details that you have discussed would
4 be confirmed. So at this time that sequence of
5 events had begun, but correct, we had not yet
6 confirmed the method by which purchaser names
7 would be put on drafts or the specific time
8 frame. Those are normally fleshed out through
9 the project lifecycle.

10 Q When was the project intake request submitted?

11 MS. YATES: Just a minute here. This has all been
12 pretty deep, I think, into management and
13 operations, so you are going to need to tie your
14 question back to the stated purpose of this
15 meeting in terms of knowledge and response and
16 potential misuse.

17 MR. ISAAC:

18 Q When was the project intake submitted for
19 addressing the bank draft anonymity issue
20 specifically?

21 A I don't have that date. The fact that it had
22 been submitted was confirmed on May 26th.
23 Ostensibly it was submitted prior to that date.

24 MR. ISAAC: I'd like to leave a request, please, that
25 we have the confirmation of the date which the

1 project intake was submitted for the proposed
2 change to the bank draft anonymity issue
3 specifically.

4 MS. YATES: We'll take that under advisement.

5 **REQUEST 2: Advise when the project intake**
6 **request was submitted for the proposed change to**
7 **the bank draft anonymity issue**
8 **(***TAKEN UNDER ADVISEMENT***)**

9 MR. ISAAC:

10 Q If you continue back with the email exchange
11 that we were looking at in TD document 456,
12 there is a -- this is now forwarded by
13 Mr. Bachrynowski to you May 29th, 2020. You
14 then respond back to Nancy Lascelles and Kevin
15 Moffatt. Who are Nancy Lascelles and Kevin
16 Moffatt?

17 A Kevin Moffatt is a vice president in Canadian
18 personal banking who manages the governance and
19 control team including regulatory changes
20 throughout commercial bank, and Nancy Lascelles
21 at this time in her new role reports to Kevin
22 Moffatt overseeing regulatory change management,
23 regulatory compliance in Canadian personal
24 banking.

25 Q Okay. Moving up to page 1 of this document

1 there is an email from Nancy Lascelles to you,
2 Mr. Moffatt, Mr. Bachrynowski and Mr. Long. It
3 says:

4 "Caitlin, thanks for the note. We
5 completely appreciate importance of your
6 reply today. We got input from TS --"

7 Is that technology solutions?

8 A It is.

9 Q I'm getting good at guessing acronyms I think at
10 this point.

11 "-- that they can't get us the estimate
12 less than 15 minutes ago so we are working
13 on a draft response based on that."

14 Do you see that?

15 A I do.

16 Q Okay. So at this point the draft response that
17 was provided was based -- was based without an
18 estimate in terms of the time frame. Was
19 that -- what estimate was being asked for from
20 TS?

21 A A cost estimate.

22 Q Cost estimate. Okay. And then we don't need to
23 pull it up now, but TD Bank provided a response
24 back to the Cullen Commission dated June 15th,
25 2020. Would you mind -- actually I changed my

1 mind. Would you mind pulling that record up,
2 please. Should be in the non-TD records folder.

3 A What is the document number?

4 Q It doesn't have a number, but it's given a
5 descriptive name of "June 15, 2020 Response to
6 Cullen Commission March 20 Letter." Do you have
7 that?

8 A I do.

9 Q So if you turn to page 3 of that letter.

10 A I have it.

11 Q There is a portion that begins:

12 "While there is no legal or regulatory
13 requirement for TD to add purchaser
14 identified information on bank drafts, TD
15 is determined that there are likewise no
16 legal or regulatory restrictions against
17 doing so. As indicated above given the
18 potential practical benefits identified by
19 Project ATHENA, TD will proceed with the
20 investment required to enable it to add
21 purchaser identifying information on its
22 bank drafts."

23 Just pausing there, I think you indicated that
24 in your discussions with everyday banking back
25 in the earlier May 2019 to July 2019 time spot

1 that there had been sort of a preliminary
2 estimate of \$1 million. Was there an updated
3 estimate at this point in terms of the cost?

4 A I couldn't say. The everyday banking manages
5 the project to work through assessments and
6 sizings.

7 Q The next paragraph in the letter says:

8 "TD considers how and when to implement
9 this change. TD is currently exploring a
10 technology solution to print the name of
11 the purchaser on each draft which it would
12 target to be deployed nationally. There
13 are numerous important operational changes
14 already cued for deployment within TD,
15 some of which are driven by legal or
16 regulatory requirements. The timing and
17 order of these operational changes may
18 also be affected by the challenges of
19 COVID-19. In light of this the current
20 plan is for bank draft technology solution
21 to be deployed no later than June 2021."

22 Just pausing there, I think you indicated
23 earlier this broader process, and I don't want
24 to apply this wrong label to it but this broader
25 AML process that was underway had a general

1 June 2021 target date; is that correct?

2 A Yes.

3 Q So at this point at least based on this letter
4 there hadn't been a plan to implement a solution
5 in advance of that broader June 2021 date; is
6 that accurate?

7 A The requirements that were given were to develop
8 an automated solution as per the businesses
9 preference and to deliver no later than
10 June 2021, so through the course of project
11 scoping they would confirm the feasibility of
12 the resource and to deliver on what to give us
13 the date by which it could be implemented.

14 Q Okay. The next sort of thing in the sequence at
15 least as we have is September 14th, 2020, and
16 that is as we understand it the date where
17 effective September 14th, 2020, TD implemented a
18 regional change to its bank draft policy which
19 was a manual solution rolled out in the pacific
20 region; is that correct?

21 A Correct.

22 Q And is that something that you were involved in,
23 Ms. Riddolls?

24 A To the extent that my team provided the
25 requirements and reviewed the documents and

1 communications to make sure they were accurate,
2 from an AML perspective, the Canadian personal
3 banking business was responsible for organizing
4 and managing implementation of the change.

5 Q Okay. When did the work to develop and roll out
6 that change begin, that September 14th, 2020
7 regional change?

8 A I can't speak to when the business began the
9 discussions. First formal project date of which
10 I am aware was on July 29th. A formal
11 technology intake for the automated solution was
12 submitted and confirmation from pacific region
13 that they would support an exception to the
14 branch banking practice of deploying
15 national-only solutions. Both of those
16 confirmations were provided on July 29th. There
17 would have been work started before that but I
18 would not have insight into what would lead up
19 to the formal project milestones that -- to
20 which I'm referring.

21 Q Just to sort of distill this change, it is a
22 policy change that involved essentially
23 communicating to bank staff in the pacific
24 region the new requirement to write purchaser's
25 names and accounts on the draft. Is that

1 accurate? In that region?

2 A That was a component of the project, yes.

3 Q Okay. And it might be helpful if you would like
4 to pull up TD document 497. Really just for
5 your own reference.

6 A I have it.

7 Q That appears to be an email that is
8 communicating this change and giving directions
9 to bank drafts. So what were the other
10 components -- sorry, you referred to that that
11 was part of it, the instruction to bank staff
12 and associated job aid. What were the other
13 components relating to this specific policy
14 change?

15 A As I previously mentioned, there was a great
16 deal of impact assessment and consultation and
17 communication required to support this including
18 confirming with our privacy department the
19 ability to put purchaser name on drafts, working
20 with our correspondent clearers to confirm it
21 would not impact clearing of writing the
22 purchaser name on US dollar [indiscernible] bank
23 drafts to educate our phone channel, our
24 complaints teams, the customer call-in with
25 complaints regarding the practice to educate our

1 FIU on unusual transaction reports that might be
2 submitted should the customer refuse to allow
3 their name to be put on a draft.

4 We have also put in place a monitoring
5 program to develop a process to monitor
6 adherence to this process that is currently in
7 the process of being prototyped, so I just don't
8 want to describe the process as simple as
9 communicating a process change. It actually is
10 a fairly complex project to deliver a change to
11 any branch banking process and practice.

12 Q No, and to be fair to you, Ms. Riddolls, I
13 wasn't suggesting that the work to make the
14 change was simple, but just trying to understand
15 the nature of the policy change itself once all
16 of that preparatory work had been done that the
17 actual changes involves bank employees in the
18 pacific region being instructed and giving some
19 guidance on writing in the name of the
20 purchasers on the bank drafts.

21 A And refusing to sell a draft where the purchaser
22 objects to putting a name on the draft.

23 Q And you mentioned this other sort of preparatory
24 work related to that, the impact assessments,
25 consultations, consultations with other

1 departments. Did that work begin after May 15th
2 or May 20th, 2020?

3 A I didn't oversee that work so I couldn't give
4 you the specific time frames.

5 Q Okay. And if you -- it appears as though in
6 support of the change -- so this email refers to
7 sort of two components. One is there is a
8 two-page job aid, which is TD498.

9 A Yes.

10 Q And that appears to be sort of a clear
11 instruction about how to approach this policy
12 change that could be communicated to staff; is
13 that right?

14 A Yes.

15 Q And then the other thing that is referred to is
16 a huddle. And I take that means -- is that
17 essentially a group staff meeting at affected
18 branches where the changes are communicated?

19 A I don't know for sure. I'm not familiar with
20 the details of branch management practices.

21 Q Do you know what the cost of implementing this
22 solution was? Is that something that you are
23 aware of?

24 A Not aware. No.

25 Q Okay. Is TD still looking at a systems solution

1 as well?

2 A Yes. There's an active technology project under
3 development to deliver this systems solution.

4 Q Is that still looking at a June 2021 target
5 date?

6 A Yes.

7 Q By the time this solution, this September 14th
8 policy change was rolled out, based on your
9 knowledge, Ms. Riddolls, was TD Bank the last of
10 the six big banks to implement a solution to the
11 bank draft anonymity in British Columbia?

12 A No, that is not my understanding.

13 Q Okay. It's still the one other financial
14 institution I think we identified earlier which
15 was an outlier at that point. Is that your
16 understanding of the only exception?

17 A I only have anecdotal information. I haven't
18 done the investigation myself to confirm again
19 the extent, timing or comprehensiveness of our
20 peers practices in this regard.

21 Q Okay. I want to ask just a question relating
22 back to the -- what you expressed in
23 December 2018 about the risk that could be
24 associated -- the potential risk that could be
25 associated if there becomes a divergence in

1 practices among various peers and if any one
2 bank or several banks become an outlier with
3 respect to any practice. You would agree that
4 money launderers are pretty creative? They look
5 to exploit vulnerabilities whether those are
6 real or imagined. Is that fair?

7 A I would say -- we could generalize and say that.
8 I would suggest that the publication of
9 FinTRAC's typology would have given money
10 launderers insight as to the current or pending
11 practices of banks, and I would suggest they
12 would likely consider new ways of laundering
13 money given it was clear that FinTRAC had called
14 attention to bank drafts.

15 Q In fact I think one of the items that was
16 identified in the Project ATHENA meetings was
17 this branch draft typology was itself a shifting
18 of typologies on the part of money launderers
19 away from the publicized hockey bags of cash to
20 a different typology. You understood that as
21 well; right?

22 A I understand that typologies shift over time and
23 criminals are adaptive and as banks implement
24 controls and as it becomes public where our
25 banks are focusing, money launderers are quick

1 to shift to new typologies, yes.

2 Q Because of that it is also important for banks
3 to become fast and responsive to emerging
4 typologies and threats?

5 A I actually would say the existence of FinTRAC's
6 typology would have already deterred potentially
7 a lot of activity by raising awareness that
8 banks were going to be looking for bank draft
9 usage.

10 MR. ISAAC: Okay. Well, thank you very much. I have
11 no further questions, and thank you very much
12 for your time today and attending the meeting.
13 Unless there's anything else, I will press stop
14 on the record.

15 MS. YATES: Nothing from us.

16 **(INTERVIEW CONCLUDED)**

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Lana Grace Allen, RPR, RCR, CCP
Official Reporter