

# Commission of Inquiry into Money Laundering in British Columbia

Austin F. Cullen, Commissioner

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Steven Davis

Via Email: [REDACTED]

March 20, 2020

Michael Bowman  
TD Bank Group  
31 West 52<sup>nd</sup> Street  
New York, NY 10019-6101

**Attention: Michael Bowman, Global Chief AML Officer**

Dear Mr. Bowman,

**Re: Misuse of Bank Drafts – TD’s Response**

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We write regarding TD’s knowledge of, and response to, the potential misuse of its bank drafts in casinos in British Columbia.

We understand the following:

- TD, through its representatives Pierre McConnell, Mike Cowley, and Anna Gabriele, has attended meetings and provided its views as part of Project ATHENA, which is an RCMP public-private initiative to combat money-laundering that initially focused on the misuse of bank drafts to launder illicit proceeds through British Columbia casinos.
- In early 2018, as part of Project ATHENA, participants discussed a bank draft intelligence probe. Specifically, the use by casino patrons of bank drafts not sourced from their own bank accounts, contrary to source of funds declarations. Key to the typology that was identified through Project ATHENA is the exploitation of bank drafts that lack any identifying information about the purchaser of the draft or source of funds.
- In October 2018, TD’s representatives reported that the initiative had been presented to TD’s national leadership, and raised concerns around privacy, problems with determining the source of funds for bank drafts, and TD acting as an extension of law enforcement.
- In April 2019, information from BC Lottery Corporation (“BCLC”) was presented to Project ATHENA participants that showed TD had issued over 500 bank drafts that were used by gamblers in BC casinos in suspicious circumstances (e.g. the gambler had used two or more banks and/or purchased three or more bank drafts). This was at the high

end of all participating Canadian financial institutions. TD's representatives indicated that they would be engaging with new leadership on the issue.

- By July 2019, the same BCLC data indicated that TD remained the top issuing institution of bank drafts that met these criteria, in terms of dollar value.

We are unaware of any action or response that TD has taken to address this issue.

At this time, so that we can understand TD's knowledge of and response to this issue, we request that you please:

- a. confirm whether the above summary is factually accurate;
- b. outline TD's views of and position regarding the use of bank drafts to facilitate money laundering through BC casinos, and more broadly;
- c. identify any response that TD has undertaken, or anticipates undertaking, in response to the potential misuse of its bank drafts in BC casinos, and more broadly, to facilitate money laundering; and
- d. provide all relevant records, including any studies, reports, or statistical data, in respect of (a), (b) and (c).

Without limiting the generality of the above requests, areas of interest to the Commission include:

- 1) specifics as to what details TD believes it can and cannot include on bank drafts, and the legal or institutional reasons why that is the case;
- 2) any training provided by TD to its employees in respect of potential money laundering involving bank drafts; and
- 3) TD's input on any other difficulties associated with implementing changes to its bank drafts.

We ask that you provide your response **by April 15, 2020**.

We appreciate this opportunity to take the benefit of TD's knowledge in respect of the potential misuse of bank drafts. If you have any questions or concerns, feel free to contact myself or Nicholas Isaac.

Sincerely,



Steven Davis  
Junior Counsel

cc: Brock Martland, Q.C. and Nicholas Isaac