

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

AFFIDAVIT NO. 2 of ROBERT KROEKER

I, **ROBERT KROEKER**, of the City of Vancouver, in the Province of British Columbia, hereby make oath and say as follows:

1. I swore an earlier affidavit dated January 15, 2021 for use in this Inquiry, which was filed as Exhibit 490 to the Inquiry ("**Affidavit No. 1**").
2. Attached as Exhibit 24 to my Affidavit No. 1 is BCLC's assessment of a 2016 Gaming Policy and Enforcement Branch ("**GPEB**") audit aimed at quantifying the dollar amount of cash buy-ins obtained from or connected to provincially banned cash facilitators ("**2016 Audit**"). The 2016 Audit reviewed 45 incidents and concluded that casino sites "knowingly accepted cash that they acknowledged was obtained from a banned individual and appeared of questionable source".
3. GPEB's conclusion that the cash from banned individuals had "knowingly" been accepted by the casino sites was based on a finding or assumption that the cash drop-offs were live monitored – such that the money had been traced from a banned cash facilitator to the point of the cash buy-in in real time, and nevertheless accepted by the casino. BCLC's 2017 review of GPEB's findings found that all 45 incidents reviewed by GPEB did not involve live-monitoring of the cash-drop off or were not confirmed to be from a provincially banned cash facilitator. As a result, BCLC concluded that GPEB's conclusion that casinos "knowingly" accepted cash from provincially banned cash facilitators was incorrect.
4. I testified at this Inquiry on January 25 and 26, 2021. Counsel for the Province gave late notice of a document (the "**GPEB Chart**") not yet produced to the Commission that put it to me during cross-examination. Given the late notice and production of the document, I was not able to have sufficient time to review the record before it became Exhibit 494 in the Inquiry. I had not previously seen the GPEB Chart which was not a source document but a compilation of data from

an unidentified source and with no identified author. Neither I nor BCLC were able to verify the information contained in the GPEB Chart to ensure its accuracy, prior to the GPEB Chart being put in cross-examination. Given that the GPEB Chart appeared inconsistent with the information gathered during BCLC's earlier review, I had concerns about being unable to verify the GPEB Chart for accuracy prior to testifying. My counsel voiced these concerns in objecting to the record being put to me by the Province. [January 26, 2021 transcript of the Inquiry hearings, at pages 4-6].

5. In seeking leave, counsel to the Province asserted that the GPEB Chart provided a "more fulsome" and "more complete version of the iTrak reports" as compared to Exhibit 24 to my Affidavit No. 1. Counsel to the Province stated that I would have been "very familiar" with this material at the time that it was germane and that I would not be taken by surprise by the GPEB Chart. [January 26, 2021 transcript of the Inquiry hearings, at pages 3-6].

6. The GPEB Chart was put to me as accurate during my cross-examination by the Province. Specifically, counsel for the Province put to me that this represented "a more fulsome extract from the incident reports" and that "what found its way into the review report [i.e. BCLC's report] is a subset of this narrative" [January 26, 2021 transcript of the Inquiry hearings, at pages 70-71].

7. Based on the information in the GPEB Chart and the statements made by counsel for the Province, I understood that the spreadsheet showed that five cash drop offs by banned cash facilitators that BCLC had previously determined were not live-monitored, appeared to have in fact been live-monitored. As Daryl Tottenham states at paragraph 6 of his Affidavit No. 3, this was also his understanding of what was suggested by the GPEB Chart and the Province's cross-examination.

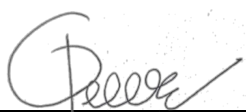
8. The GPEB Chart was put to me to undermine my assertion at paragraphs 89-91 of my Affidavit No. 1 that the 2016 Audit was incorrect in assuming that cash originating from banned patrons was knowingly accepted as a result of the live-monitoring. [January 26, 2021 transcript of the Inquiry hearings, at pages 65-69 and 70-75]. Indeed, counsel to the Province put to me that "if in fact the full iTrak entries for the abstracts in this [BCLC] review show that live monitoring did occur for at least some of the incidents discussed then you'll agree it's not fair to say GPEB's assumption was inaccurate, is it?" [January 26, 2021 transcript of the Inquiry hearings, at pages 65-67].

9. Based on the information from the GPEB Chart that was put to me, and on the assertion from counsel for the Province that the information contained in the chart was true and accurate, I agreed that in at least some instances, it did appear that live monitoring was occurring [January 26, 2021 transcript of the Inquiry hearings, at page 74]. I wish to correct this evidence.

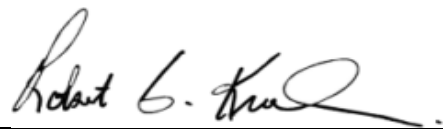
10. The information recently provided by Mr. Tottenham in his third Affidavit for this Inquiry, which includes the source data from iTrak, demonstrates that the GPEB Chart is not in fact accurate. In his affidavit, Mr. Tottenham states that with one possible exception, none of the incidents referred to in the GPEB Chart involved live monitoring of the cash drop-off by a provincially banned cash facilitator. This was consistent with my recollection prior to the chart summary being put to me in cross-examination. Had I been aware of this information prior to my testimony, my answers to questions from counsel to the Province certainly would have differed.

11. Despite the suggestion in the GPEB Chart, two of the five incidents included in this document were not live-monitored at all (Affidavit #3 of Daryl Tottenham, paragraph 12). No cash delivery was observed in real time. A further two incidents were not linked to a banned cash facilitator because the driver of the vehicle could not be identified (Affidavit #3 of Daryl Tottenham, paragraph 11). These four incidents, in addition to the other 40 incidents already proven to have been erroneous, directly undermine the conclusion drawn by GPEB in the 2016 Audit and indeed support BCLC's assessment that the 2016 Audit was erroneous. The evidence in my Affidavit No. 1 is, in fact, correct.

SWORN REMOTELY before me in the City)
of Vancouver, in the Province of)
British Columbia and in the City of Toronto)
In the Province of Ontario this 1st day)
of March, 2021.)



A Commissioner, etc.



Robert Kroeker

LSO # 78920M