

**COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA**

**The Honourable Mr. Austin F. Cullen, Commissioner**

**AFFIDAVIT**

I, Brad Desmarais, with a business address of 2940 Virtual Way, Vancouver, BC, V5M 0A6, Chief Operating Officer for the British Columbia Lottery Corporation, AFFIRM THAT:

1. I am the Chief Operating Officer of the British Columbia Lottery Corporation (“BCLC”), and as such, have personal knowledge of the facts and matters in this affidavit, save and except where such facts and matters are stated to be made upon information and belief, and as to such facts and matters I verily believe them to be true.
2. I prepared an earlier affidavit for use in this Inquiry, affirmed on January 28, 2021. I affirm this affidavit to provide further evidence to the Commission.
3. I have read the transcript of the evidence of Minister David Eby given before this Commission on April 26th, 2021, at pages 15-21, in which he testified about participating in a tour of the River Rock Casino in February 2015. Minister Eby testified that there was a BCLC representative present during this tour and asserted that a number of comments were made by that representative.
4. During his examination, at page 16 of the transcript, Minister Eby stated in response to a question about who was on this February 2015 tour: “I believe that there was a representative of the BC Lottery Corporation. I can't recall who it was.” Similarly, at page 20 of the transcript, Minister Eby stated in answer to a question regarding who told him about patron interviews on this tour: “Whoever was there from the BC Lottery Corporation. There may have been one or two people. I don't recall.”
5. During his examination Minister Eby was shown a document, GCGC0046739, where Great Canadian Gaming Corporation (“GCGC”) employees discuss this tour. This document was not marked as an exhibit. Counsel for BCLC have provided me with a



copy of this document. It indicates that this tour occurred on or about February 13, 2015. Attached and marked as **Exhibit "A"** to this affidavit is a true copy of GCGC0046739.

6. In February 2015, I was BCLC's Vice President of Corporate Security and Compliance. If BCLC were leading or participating in a tour focused on anti-money laundering ("AML") for the opposition gaming critic, I firmly believe that I would have been aware of the tour and would have made it a priority to attend. I was not made aware of the tour and did not participate in it.
7. On February 13, 2015, I flew from Vancouver to Prince George. My diary shows that my flight left at 07:50 AM. I was in Prince George all day, and attended the opening ceremony of the BC Winter Games that evening with Jim Lightbody. I returned to Vancouver the following day.
8. In my experience, it was not uncommon for GCGC to conduct tours independent of BCLC.
9. However, it would have been unusual for BCLC to participate in a tour with the opposition gaming critic without informing government through a briefing note.
10. I have searched my BCLC email, calendar entries, notes, and other relevant records and I have not been able to locate any reference to a briefing note or any contemporaneous reference to Minister Eby's tour of the River Rock on or about February 13, 2015, with one exception.
11. On May 7, 2021, I reviewed the daily log of electronic entries made by staff at the River Rock Casino for February 13, 2015. The daily log is an electronic document that BCLC maintains in the ordinary course of business to track activity at the casino such as visits to the surveillance room. All visitors to the River Rock Casino surveillance room, including all BCLC staff, are recorded in the daily log. I note that the daily log for February 13, 2015 contains an entry with the following synopsis: "Mario LEE, David EBY, Chuck Keeling, Roland MONTEIRO, Rob KROEKER in for visit." I note that none of these individuals were BCLC representatives on this date. Attached and marked as **Exhibit "B"** to this affidavit is a true copy of this daily log entry (BCLC0017000).




12. I have also spoken to the following individuals, all of whom were employees of BCLC at the time and who, in my experience, would have likely been involved with or aware of such a tour. I am informed by each of these individuals that they have reviewed the BCLC records (e.g., emails, calendar entries, notes) available to them and they have been unable to locate any contemporaneous reference to this tour and cannot recall participating or being aware of Minister Eby's tour of the River Rock Casino on or about February 13, 2015:
- a. Jim Lightbody (CEO and President);
  - b. Laurie Stewart (then Regional Manager responsible for the River Rock);
  - c. Don Chow (Manager of Business Operations at the River Rock);
  - d. John Karlovcec (then Manager of the AML & Operational Analysis Unit);
  - e. Daryl Tottenham (then AML Specialist);
  - f. Steve Beeksma (then Casino Investigator assigned to the River Rock, with responsibility for leading tours of the facility, particularly those with a focus on AML);
  - g. Jerome Wakeland (then Casino Investigator assigned to the River Rock); and
  - h. Jim Husler (then Casino Investigator assigned to the River Rock).
13. I am informed by Mr. Husler that he recalls meeting a government official (who he now believes may have been Minister Eby) at the west entrance of the River Rock Casino, escorting him towards the main lobby, and potentially having a brief discussion about PGF buy-ins with him, although he cannot recall on what date this occurred. However, I am also informed by Mr. Husler that his emails and notes indicate he did not work on Friday, February 13, 2015, which is consistent with his recollection and general work schedule which is that he does not work on Fridays. Mr. Husler informs me that he did not assure this individual that it was functionally impossible to launder money through a casino or make any statements to this effect to this official.



- 14. I have reviewed my records which show that Ross Alderson was the Senior Manager of eGaming Investigations in February 2015. I offered him a promotion to Director of the AML and Operational Analysis Unit on or about March 25, 2015.
- 15. I note that Minister Eby recalls Rob Kroeker attending this tour. Mr. Kroeker has advised me that he does not recall any BCLC representative on the tour. In February 2015, Mr. Kroeker was employed by GCGC. He did not join BCLC until September 2015. Similarly, Mario Lee, who is in the daily log entry and who would be appointed to BCLC's board in October 2018, has informed me that he was a consultant at the time of the tour. Mr. Lee has advised me that although he was present for only part of the tour, he does not recall any BCLC employee being present for the portion of the tour he attended.
- 16. In my experience, it is likely that there were some BCLC employees -- investigators, compliance officers, and slot technicians -- working at the River Rock Casino on the day of the tour. It is highly unlikely that they were in Minister Eby's tour group but it is possible that he was introduced to them, and vice versa.

*When affirming this affidavit, the deponent was not physically present before the commissioner for taking affidavits because it was not possible or is medically unsafe for the deponent to physically attend before the commissioner. The deponent was linked with the commissioner for taking affidavits using video conference technology. The process described in the Supreme Court of British Columbia's March 27, 2020 Notice to the Profession, the Public and the Media regarding Affidavits for Use in Court Proceedings (COVID-19 Notice No. 2) was followed.*

AFFIRMED BEFORE ME via )  
 videoconference with the affiant in New )  
 Westminster, and the Commissioner in )  
 Vancouver, British Columbia on May 11, )  
 2021. )

 )  
 \_\_\_\_\_ )  
 A commissioner for taking affidavits for )  
 British Columbia )

BRAD DESMARAIS




## Message

**From:** Chuck Keeling [ckeeling@gcgaming.com]  
**Sent:** 2015-02-02 8:55:03 PM  
**To:** Rod Baker (External) [rodbaker@aim.com]; Peter Goudron [pgoudron@gcgaming.com]; Terrance Doyle [tdoyle@gcgaming.com]  
**CC:** Robert G. Kroeker [rkroeker@gcgaming.com]  
**Subject:** RE: meeting today with David Eby

Naturally, both Rob and I were guarded because Eby is extremely political (one of the reasons that he has been cited as one of the party's rising stars), but yes, it went as well as could be expected. He did not ask any pointed questions, and he did not contest any of the positions posed.

Chuck Keeling  
 Vice President, Stakeholder Relations and  
 Responsible Gaming  
 Great Canadian Gaming Corporation  
 350 – 13775 Commerce Parkway  
 Richmond, BC V6V 2V4  
 Direct 604.303.1018  
 Cell 778.874.4942  
 ckeeling@gcgaming.com

This is Exhibit "A" referred to in  
 the affidavit of Brad Desmarais  
 Affirmed before me at Vancouver  
 this 11<sup>th</sup> day of May 2021  
  
 A Commissioner for taking Affidavits  
 for British Columbia

**From:** rodbaker@aim.com [mailto:rodbaker@aim.com]  
**Sent:** Monday, February 02, 2015 12:48 PM  
**To:** Chuck Keeling; Peter Goudron; Terrance Doyle  
**Cc:** Robert G. Kroeker  
**Subject:** Re: meeting today with David Eby

Sounds like it was a productive meeting.  
 Sent from my BlackBerry device on the Rogers Wireless Network

**From:** Chuck Keeling <ckeeling@gcgaming.com>  
**Date:** Mon, 2 Feb 2015 20:33:04 +0000  
**To:** Rod Baker (External)<rodbaker@aim.com>; Peter Goudron<pgoudron@gcgaming.com>; Terrance Doyle<tdoyle@gcgaming.com>  
**Cc:** Robert G. Kroeker<rkroeker@gcgaming.com>  
**Subject:** meeting today with David Eby

This morning Rob and I met with David Eby, the MLA for Point Grey-Vancouver and the NDP's Gaming Critic, to discuss the concerns he has publicly stated related to the industry's apparent money laundering issues.

Before Rob could begin his overview of the anti-money laundering protocol that BC casinos must adhere to, David qualified his position in noting that his concerns were related to the BC Lottery Corporation, and not casino operators like Great Canadian. He then went on to say that his concerns with the BCLC related to the fines that were levied against them by FINTRAC and the fact they were fighting any FOI applications related to that case, as well as the fact that the police unit whose mandate was to oversee casinos and issues like money laundering was disbanded in 2009.

At that point Rob provided a detailed overview of the industry's protocol, as well as contrasting the volume of reporting like "large cash transactions" against the volume coming out of banks and credit unions. That eventually led to Eby

asking how it was even possible to launder funds through a BC casino- Rob made it clear that we can't say it's impossible, but he did say that it's simply not something that is done.

Eby also asked our opinion of mandatory ID'ing at entrances to casino, as way to further enforce voluntary self exclusion of problem gamblers, as well as our sentiment around the business case for Paragon's development downtown.

Rob- feel free to weigh in if I missed anything.

Eby will be touring River Rock and Fraser Downs on Friday, February 13<sup>th</sup>. I will be conducting both tours.

Chuck

**Chuck Keeling**  
**Vice President, Stakeholder Relations and**  
**Responsible Gaming**  
**Great Canadian Gaming Corporation**  
**350 – 13775 Commerce Parkway**  
**Richmond, BC V6V 2V4**  
**Direct 604.303.1018**  
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[ckeeling@gcggaming.com](mailto:ckeeling@gcggaming.com)

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BlotterAction	Daily Log Entry
Number	DL20150145326
Occurred	2015-02-13 08:30:15
Created	2015-02-13 09:00:30
EndTime	2015-02-13 08:45:22
ClosedTime	2015-02-13 09:00:30
PropertyName	River Rock (GCC)
Location	Surveillance-River Rock (GCC)
Sublocation	NULL
Owner	bcastil
Owner Department Name	Surveillance
Subject	Visitor
Synopsis	Mario LEE, David EBY, Chuck Keeling, Roland MONTEIRO, Rob KROEKER in for visit
Status	Closed
Reference	NULL
HighPriority	0
Exclusive	NULL
IsGlobal	0
LastModifiedDate	2015-02-13 12:23:38
ModifiedBy	lwan

This is Exhibit " B " referred to in  
the affidavit of Brad Desmarais  
Affirmed sworn before me at Vancouver  
this 11<sup>th</sup> day of May 2021  
[Signature]  
A Commissioner for taking Affidavits  
for British Columbia

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AFFIRMED BEFORE ME via )  
videoconference with the affiant in New )  
Westminster, and the Commissioner in )  
Vancouver, British Columbia on May 11, )  
2021. )

\_\_\_\_\_)  
A commissioner for taking affidavits for )  
British Columbia )

  
\_\_\_\_\_)  
BRAD DESMARAIS )

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 Cell 778.874.4942  
 ckeeling@gcgaming.com

This is Exhibit "A" referred to in  
 the affidavit of Brad Reumanns  
 Affirmed before me at Vancouver  
 this 11<sup>th</sup> day of May, 2021  
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 for British Columbia

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Rob- feel free to weigh in if I missed anything.

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BlotterAction	Daily Log Entry
Number	DL20150145326
Occurred	2015-02-13 08:30:15
Created	2015-02-13 09:00:30
EndTime	2015-02-13 08:45:22
ClosedTime	2015-02-13 09:00:30
PropertyName	River Rock (GCC)
Location	Surveillance-River Rock (GCC)
Sublocation	NULL
Owner	bcastil
Owner Department Name	Surveillance
Subject	Visitor
Synopsis	Mario LEE, David EBY, Chuck Keeling, Roland MONTEIRO, Rob KROEKER in for visit
Status	Closed
Reference	NULL
HighPriority	0
Exclusive	NULL
IsGlobal	0
LastModifiedDate	2015-02-13 12:23:38
ModifiedBy	Iwan

This is Exhibit " B " referred to in  
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Affirmed before me at Vancouver  
this 11<sup>th</sup> day of May 2021  
.....  
A Commissioner for taking Affidavits  
for British Columbia

**COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA**

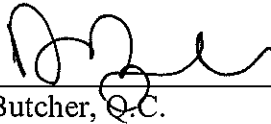
**The Honourable Mr. Austin F. Cullen, Commissioner**

**CERTIFICATE**

I, David Butcher, Q.C., certify that I participated in a video conference call with Brad Desmarais on May 11, 2021, for the purpose of commissioning Mr. Desmarais' Affidavit No. 2 in respect of this matter in accordance with the Supreme Court of British Columbia Notice to the Profession, the Public and the Media re: Affidavits for use in Civil and Family Proceedings, dated March 27, 2020 (the "Notice").

I further certify that the process set out in the Notice was followed and that I am satisfied that this process was necessary because it was impossible or unsafe, for medical reasons, for me and Mr. Desmarais to be physically present together.

DATED at Vancouver, British Columbia, on this 11<sup>th</sup> day of May, 2021.



---

David Butcher, Q.C.