In the Matter Of:

Seelster Farms Inc., et al. vs Her Majesty the Queen In Right of Ontario, et al.

> DON DRUMMOND December 14, 2017

neesons

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1 Court File No. 272/14 2 ONTARIO SUPERIOR COURT OF JUSTICE 3 BETWEEN: 4 SEELSTER FARMS INC., WINBAK FARM OF CANADA INC., 5 STONEBRIDGE FARM, 774440 ONTARIO INC., NORTHFIELDS FARM INC., JOHN MCKNIGHT, TARA HILLS STUD LTD., TWINBROOK LTD., EMERALD RIDGE FARM, CENTURY SPRING 6 FARMS, HARRY RUTHERFORD, DIANE INGHAM, BURGESS FARMS INC., ROBERT BURGESS, 453997 ONTARIO LTD., 7 TERRY DEVOS, SONIA DEVOS, GLENN BECHTEL, GARTH BECHTEL, 496268 NEW YORK INC., HAMSTAN FARM INC., 8 ESTATE OF JAMES CARR, deceased, by its executor Darlene Carr, ESTATE OF GUY POLILLO, deceased, by 9 its executor Carolyn Polillo, DAVID GOODROW, 10 TIMPANO GAMING INC., CRAIG TURNER, GLENGATE HOLDINGS INC., KENDAL HILLS STUD FARM LTD., ANDY KLEMENCIC, TIM KLEMENCIC, STAN KLEMENCIC, JEFF 11 RUCH, BRETT ANDERSON, DR. BRETT C. ANDERSON PROFESSIONAL VETERINARY CORPORATION, KILLEAN ACRES 12 INC., DECISION THEORY INC., 296268 ONTARIO LTD., 13 DOUGLAS MURRAY MCCONNELL, QUINTET FARMS INC., KARIN BURGESS, BLAIR BURGESS, ST. LAD'S LTD., WINDSUN FARM INC., SKYHAVEN FARMS, HIGH STAKES INC., 14 1806112 ONTARIO INC., GLASSFORD EQUI-CARE, JOHN 15 GLASSFORD, GLORIA ROBINSON and KEITH ROBINSON Plaintiffs 16 - and -17 HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO and ONTARIO LOTTERY AND GAMING CORPORATION 18 Defendants 19 20 --- This is the Rule 39.03 Examination of DON 21 DRUMMOND, a non-party witness herein, taken at the 22 Fairmont Château Laurier, Palladian Room, 1 Rideau 23 Street, Ottawa, Ontario, Canada, K1N 8S7, on 24 Thursday, the 14th of December, 2017. 25

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Page 2
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    APPEARANCES:
 3
    Jonathan C. Lisus, Esq. - for the Plaintiffs.
 4
 5
     & Ian C. Matthews, Esq.
 6
 7
     Eunice Machado, Esq. - for Defendant Crown.
 8
 9
    Dharshini Sinnadurai, Esq. - for Defendant, Ontario
10
     & Adam Goldenberg, Esq. Lottery and Gaming
11
                                  Corporation.
12
13
14
     ALSO IN ATTENDANCE:
    Ms. Michele Valentini - Articling Student, MAG.
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         REPORTED BY: Bonnie Lynn van der Meer, CSR
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11	refusals are provided for the assistance of counsel
12	and do not purport to be complete or binding on the
13	parties herein.]
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15	INDEX OF UNDERTAKINGS
16	The questions/requests undertaken are noted by U/T
17	and appear on the following pages/lines: (None).
18	
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20	INDEX OF UNDER ADVISEMENTS
21	The questions/requests taken under advisement are
22	noted by U/A and appear on the following
23	pages/lines: 37:13, 155:15.
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3	appear on the following pages/lines: (None).		
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7	appear on the following pages/lines: 64:25, 72:15,		
8	84:5, 84:21, 92:6, 92:16.		
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25			

		December 1 ij 2011
1		Page 5Upon commencing 10:10 a.m.
2		DON DRUMMOND; AFFIRMED.
3		EXAMINATION BY MR. LISUS:
4	1	Q. Morning, Mr. Drummond.
5		A. Hello. Good morning.
6	2	Q. Have you ever been examined
7		before?
8		A. I my one experience in court
9		was Small Claims Court
10	3	Q. Okay.
11		A and that has been it. Was I
12		examined? I guess I was.
13	4	Q. Okay. So this woman has to
14		capture everything that you and I and the lawyers
15		say.
16		A. Mm-hmm.
17	5	Q. And so the first tip I want to
18		give you is, you have to give audible responses.
19		A. Mm-hmm. Right.
20	6	Q. Not mm-hmms.
21		A. Hm-hmm, like that.
22	7	Q. So don't do that, because she
23		can't tell whether that's an affirmative or
24		negative response, okay?
25		A. I understand.

	DIVOIVI	WOND, DON ON December 14, 2017
1	8	Page 6 Q. So please give audible responses
2		to the questions.
3		The second thing that will keep us on
4		the right side of the reporter is if you wait 'til
5		the end of my question before you answer because
6		the transcript has got to reflect a complete
7		question and then a complete answer. So even
8		though you may be dying to answer my question, just
9		wait until I finish it before you answer, okay?
10		A. Understood.
11	9	Q. All right. And lastly, you are
12		somewhat soft spoken, so I'm going to ask you to
13		keep your voice up, okay?
14		A. Yes.
15	10	Q. Mr. Drummond, you understand that
16		you are here today pursuant to a Summons to
17		Witness?
18		A. Yes, I do.
19	11	Q. And were you served personally
20		with the summons?
21		A. Yes, I was.
22	12	Q. Do you recall approximately when
23		that was?
24		A. It was summer. I don't remember
25		exactly when.

		Page 7
1	13	Q. Okay. And when you received the
2		summons, did you know what it was about?
3		A. Vaguely.
4	14	Q. Okay. Did you know it was about a
5		lawsuit?
6		A. Yes.
7	15	Q. Were you given advance notice by
8		anyone on behalf of Ontario that you might be
9		receiving
10		A. Yes, I did.
11	16	Q. See, you didn't wait for the end
12		of my question there. So I know that you probably
13		think faster than I do, and so you know what I'm
14		going to ask you sometimes, but please just wait
15		for the question. Otherwise, our reporter is going
16		to get
17		A. Mm-hmm.
18	17	Q cross with us, okay? So the
19		question I asked you is, were you aware in advance
20		of receiving the summons that you were going to
21		receive a summons?
22		A. Yes, I was aware in advance.
23	18	Q. Okay. And I take it you were
24		aware in advance because at some point in February
25		or March you were given a heads-up by the Crown

	Dogo 9
1	Page 8 that you were likely to be summonsed; correct?
2	A. I can't vouch exactly if that was
3	in February or March. I can't say that that's
4	wrong, but yes, it was earlier in 2017. That might
5	be right.
6	19 Q. Okay. And was it explained to you
7	why you were going to be summonsed?
8	A. Only that it was dealing obviously
9	with my Commission Report, which is my only
10	tangential my only dealing with this issue as
11	tangential as it might be. So yes, I clearly
12	understood it had something to do with the
13	Commission Report.
14	Q. Okay. And when you say "this
15	issue", I take it that you are referring to the
16	lawsuit on behalf of the breeders against Ontario
17	and OLG?
18	A. Yes, that is what I'm referring
19	to.
20	Q. And do you consider your report to
21	be tangential to the lawsuit between the breeders
22	and Ontario and OLG?
23	A. Yes. Very much tangential.
24	Q. All right. Why do you consider it
25	tangential?

Page 9 The recommendations dealing with 1 Α. 2 this issue are very atypical of the 366 3 recommendations. In almost every case, they're 4 very precise, and they're very action oriented, and 5 this one is not, and it stands out in that regard. It says to do an evaluation of the arrangement. 6 7 does not say to end the arrangement or to change it in some particular fashion. So it didn't 8 automatically, by itself, lead to an action, 9 10 whereas the others were intended to lead to a 11 specific action. 12 23 Fair enough. Ο. And you reference the recommendation 13 14 that an evaluation be done, right? 15 Α. Right. 16 24 And I presume you chose that word O. 17 carefully? Yes, very carefully, because I 18 Α. 19 thought there were some issues here that we -- I 20 can go into the rationale why we didn't deal with 21 them more extensively, but there was issues here 22 that we did not deal with in their entirety in the 23 Commission Report that I thought should be looked 24 into. And before we talk about 25 25 Q. Okay.

Page 10 those issues, sir, you agree that you used the word 1 2 "evaluation" carefully. 3 What kind of evaluation did you expect 4 would be undertaken in response to your recommendation that an evaluation be done? 5 Well, first of all, I have to 6 Α. 7 emphasize that I had never viewed this in the context of the specific recommendation that you're 8 9 talking about. It was a broader context of OLG, 10 and in my perspective, OLG was not maximizing their 11 net revenue, were far from maximizing their net revenue on a host of issues. 12 13 26 I'm going to just pause you Q. Okay. 14 there. 15 When you say "this specific 16 recommendation", do you mean the re-evaluation of 17 the revenue share between OLG and the horse racing 18 industry? 19 Yes, I mean that specific Α. 20 recommendation, but that was, in my mind -- at 21 least what I was trying to do was put that in a 22 broader context. 23 27 0. Okay. 24 Α. I don't know if you want to -- I 25 said why this was atypical and why we didn't deal

Page 11 with it. 1 2 28 Yes, but just -- go ahead. Q. 3 If you want me to --Α. 4 29 Yes, I do. Ο. 5 Α. Just because it's context. 6 the mandate for the Commission, which is public 7 record from the government, was not to look at revenues, it was solely to look at spending, and I 8 9 twisted that to some degree, and I decided -- and 10 the government didn't say no -- that that meant 11 don't look at tax revenues, but I decided it was 12 legitimate in my case to look at non-tax revenues, 13 which OLG and other government business 14 enterprises. So, first of all, so we were already in 15 16 a context that it wasn't quite clear we were 17 supposed to even deal with the government business 18 enterprise as opposed to the straight spending, but 19 we were there, but it may have been one of the 20 reasons why we didn't spend as much time on this 21 area as we did otherwise. 22 So I was thinking -- well, again, my 23 mandate was to eliminate the deficit. We were 24 looking for lower expenditures or higher non-tax 25 revenues, and I looked at the OLG from that

Page 12

perspective.

It seemed that they were doing things on the revenue side and the spending side that were far from maximizing their net revenues. They had two headquarters for no apparent reason, two casinos in Niagara, paying for on-the-spot lottery terminals. I thought that they probably didn't need to do that.

And then looking at this arrangement with the revenues they're getting from the slots, and of course, paying back a substantial portion of that, and I just wondered, 'Can you not get more money out of this,' keeping in mind I was never trying to suggest that their sole goal should be raising the maximum amount of revenue.

Keep in mind, too, one of my three
Commissioners was the Senior Vice-President of
CAMH, the Centre For Addition and Mental Health, so
we were hardly in a mindset that we just wanted to
turn everybody in Ontario into a gambler.

So there was limits on what we wanted to do, but a view that they needed to look at all of their operations to see if they could not raise their contribution, their dividend payment, in a sense, to the Ontario Government.

Page 13

Q. Okay. And so, when you were careful to recommend that there be an evaluation of the revenue share from Slots at Racetrack Program, what was your expectation about the manner in which that evaluation would be conducted?

A. I would have hoped that one of the things they would have looked at is, is this, at the physical location of racetracks, where you want to have the bulk of their gambling activities?

They tend to be obviously in rural locations. They draw different people.

One of the things that struck me in the consultation with the OLG officials, I asked them a question of what was the correlation between people who came to watch the horses and the people who did gambling, and they said -- although they didn't give me very precise information on this and one of the reasons why I wasn't more pointed in the recommendations, that there was not that great a correlation and that sort of made me think about, Well, are you really locating your gambling facilities in the right place, should they not be more downtown, should they not be more connected with hotels, but again, I didn't have all the background information I needed, but I had a sense

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1	Page 14 that the model wasn't really an optimal model for
2	their perspective, and then on top of that, they're
3	giving back a fair amount of the revenue they're
4	getting, which itself is not optimal.
5	Q. It's not optimal in terms of
6	maximizing the revenue to OLG and, therefore, the
7	dividend to the government; correct?
8	A. That was again, and my mandate
9	was very singular, was to help the government get
10	rid of its deficit. I was obviously looking at the
11	perspective how can the OLG increase its net
12	revenue.
13	(Court reporter appeals.)
14	THE WITNESS: Yeah, sure.
15	How can the
16	MS. MACHADO:government increase
17	its net revenue.
18	THE WITNESS: Yeah. How can the OLG
19	increase its net revenue and that contribute to the
20	government's objectives of eliminating its deficit.
21	BY MR. LISUS:
22	32 Q. Okay. And I take it that you
23	understood, when you authored your report, that the
24	Slots at Racetrack revenue share had been in place
25	since 1998, or did you not understand that?
	ı

Page 15 1 Α. Umm. I may answer this on 2. different occasions as, keep in mind, this was 3 2012. That's six years ago. 4 Do I know that, sitting here today, it 5 was 1998? No. Did I know that in 2012 and have 6 7 forgotten? I don't know. 33 8 0. Okay. 9 I knew it had been in place for 10 awhile. Whether it was 1998, I don't know. 11 I didn't have any particular reason to 12 know that, so I don't know whether I knew that at 13 that time or not. 14 34 Okay. But you -- leaving aside a 0. 15 particular year for the inception of the revenue 16 share, you were aware in 2012 that the revenue 17 share had been in place for a number of years, is 18 that fair? 19 Yes. I was aware it had been in Α. 20 place for a number of years. 21 35 And I take it you would have Ο. 22 understood that the horse racing industry had been 23 receiving a portion of the revenue generated by the 24 slot machines at racetracks for a number of years, right? 25

Page 16 Yes, I was aware of that. 1 Α. 2 36 Q. And I presume you were also aware 3 that the Slots at Racetrack Program and the sharing of revenue had been referred to in each provincial 4 5 budget since the inception of the program? 6 Sounds logical, but do I know Α. I don't know. 7 that? 37 8 Okay. 0. 9 I didn't look at that in the Α. 10 I certainly didn't look at budgets back budgets. 11 to 1998 for that. I had no need to. 12 My only point being, sir, that --38 0. 13 and it's not a criticism or a challenge, is that 14 you were aware in 2012 that the revenue share had 15 been in place for a number of years, yes? 16 Α. Yes. 17 39 And that the revenue that was 0. 18 shared with the horse racing industry had been 19 shared with it for a number of years? 20 Α. I was aware of that. 21 40 And that if it there was a 0. 22 termination of that revenue stream, there would be 23 impacts on the horse racing industry. You were generally aware of that? 24 25 Yes, of course, I was aware of Α.

Page 17 that. 1 Yes. 2 41 But you -- it was not any part of Ο. 3 your mandate to evaluate the impacts of the 4 termination of the revenue share on the horse 5 racing industry; correct? 6 Α. Not directly. My mandate was singular, to eliminate the deficit, but certainly, 7 I was advised to do that in a fashion that's -- if 8 9 it was going to have damage on the economy in general, not specific industry, in general, to, 10 11 minimize that. 12 I wasn't supposed to just come and 13 slash and burn everything so... 14 42 Well, I don't see anywhere in your 15 report any kind of recommendation as to whether the 16 revenue share should be maintained, reduced, 17 advanced, continued; correct? 18 No, because I was interested in 19 the bigger picture. My bigger picture was the 20 overall net revenue of the OLG. 21 43 Ο. Right. 22 Α. And that may or may not have 23 involved something to do with the racetracks and 24 the slots. All right. My only point, sir, 25 44 Q.

Page 18 and I think we are in agreement on this, is that it 1 2 didn't form any part of your focus to make a 3 recommendation about whether that revenue share 4 should be discontinued or maintained? 5 I wanted to evaluate it, but I --I mean, I was looking at -- again, I was not very 6 7 leading, and that's why I say, this is atypical of 8 the other recommendations. The others were highly 9 leading, this one was not. 10 45 Right, and the reason you wanted Ο. 11 an evaluation and the recommendation was not highly 12 leading is because you had not, yourself, evaluated 13 what the impact on the horse racing industry would 14 be of a termination of the revenue share? 15 You hadn't done that, right? 16 I'll have to quibble a little bit Α. 17 the way you worded that, because you said I hadn't 18 evaluated the impact on the horse racing industry. 19 Again, that was not my mandate. I would think of 20 that, but again, my mandate was to get rid of the 21 deficit. I had not evaluated what the total impact 22 might have been on reducing the deficit because 23 anything --24 46 On reducing the deficit? Ο. 25 On eliminating the deficit. That Α.

1	Page 19 was my mandate. My mandate was not the impact on
2	the horse racing industry, but I wanted this to be
3	one part of quite a bigger approach and change on
4	the OLG, but I had not evaluated all the pieces of
5	that.
6	Q. Right, and specifically, you had
7	not evaluated what the impact would be on
8	racetracks if the revenue share was terminated,
9	right?
10	A. No, I did not evaluate that.
11	Q. You did not evaluate what the
12	impact would be on Standardbred horse breeders if
13	the revenue share was terminated?
14	A. I did not evaluate that.
15	49 Q. You did not evaluate what the
16	impact would be on employment in rural Ontario if
17	the revenue share was terminated?
18	A. I did not.
19	Q. You did not evaluate what the
20	impact would be on horses in the province if the
21	revenue share was terminated?
22	A. I did not.
23	Q. And that wasn't any part of your
24	mandate, right?
25	A. That wasn't my mandate, but again,
	ī.

Page 20 I was not recommending to terminate the program, so 1 2 why would I have evaluated that? 3 52 All right. When you use the word 0. 4 "evaluation", you expected that those impacts that I just referred to would be evaluated before any 5 6 decision was made about termination; fair? But in a broader context. 7 Α. would be evaluated in a broader context, that, 8 9 perhaps, you would move the location of the 10 gambling. You wouldn't have the slots necessarily 11 even connected with a racetrack. As a possibility, 12 that would have been something I would have wanted to think through. 13 14 53 I understand. My question though Ο. 15 When you recommended that the government 16 evaluate the revenue share with the horse racing 17 industry, it was your expectation that an 18 evaluation would occur before there was any action, 19 right? 20 Α. Yes. 21 54 And it was also your expectation Ο. 22 that that evaluation would examine the impact of a 23 cancellation of the revenue share on breeders, for 24 example? 25 Well, I think I have to be very Α.

	DIXON	MOND, DON ON December 14, 2017
1		Page 21 careful here because I have to stick with what I
2		said in 2012, and I did not say that in 2012.
3	55	Q. Did not say what?
4		A. I said a value-for-money
5		evaluation. I did not say it was an evaluation for
6		all these other side impacts.
7	56	Q. I understand, because that wasn't
8		any part
9		A. It wasn't part of my mandate.
10	57	Q. Right.
11		A. So you're asking me would I have
12		expected them do this and that, but that wasn't
13		part of my mandate. That's not what I said in my
14		recommendation.
15	58	Q. Okay. You did
16		A. I was kind of straight dollars and
17		cents, but that was my mandate.
18	59	Q. Okay. So your mandate did not
19		include, I think we have agreed, an evaluation of
20		any of the impacts of a termination of the revenue
21		share, right?
22		A. No, it did not.
23	60	Q. I am correct, right?
24		A. You are correct.
25	61	Q. All right. You're from Victoria?

		Page 22
1		A. Mm-hmm. Yes, I'm from Victoria.
2	62	Q. Yes. Have you had any exposure to
3		the horse racing industry?
4		A. Funny you should mention that. I
5		came down here with a taxi today because I can't
6		drive, and the guy drove by the racetrack, and I
7		asked him if he had ever been to one, and he said
8		he hadn't been to one, and I said, Oh, me neither.
9		So, yes, I'm aware there's a racetrack in Victoria.
10		I've never been to one. I've never been to one
11		here either.
12	63	Q. All right, and I presume you have
13		never been to a breeding farm?
14		A. That's not quite true. My
15		daughter is a veterinarian technician, and she did
16		an internship with a veterinarian who was connected
17		with Woodbine, and I have been there.
18	64	Q. Where did she train?
19		A. She did this at Kemptville
20		College.
21	65	Q. She did
22		A. Kemptville College.
23	66	Q. Kemptville College?
24		A. Yes.
25	67	Q. Okay. Have you ever been to the

		· · ·	Dago 22
1		veterinary colleg	Page 23 ge in Guelph?
2		A.	No, I have not.
3	68	Q.	Have you ever spoken with anyone
4		from Equine Guelr	oh?
5		A.	No, I don't even know what that
6		is.	
7	69	Q.	Okay. Did you consult with the
8		veterinary colleg	ge in Guelph when you were
9		composing your re	eport?
10		Α.	I did not.
11	70	Q.	Did you speak with Equine Guelph?
12		A.	I did not.
13	71	Q.	Did you consult with OMAFRA when
14		you were composir	ng?
15		A.	I did not.
16	72	Q.	Again, I'm just going to ask you
17		to wait for my qu	uestion.
18		A.	Okay.
19	73	Q.	I know you're probably one step
20		ahead of me, but	if we're going to have a coherent
21		transcript, just	bear with me.
22		You d	did not consult with OMAFRA?
23		A.	I did not.
24	74	Q.	All right. Do you know did you
25		know in 2012 what	OHRIA is?

1		D 04
1		Page 24 A. I did not.
2	75	Q. Okay. Do you know today what
3		OHRIA is?
4		A. Not beyond an extremely vague
5		level.
6	76	Q. Okay. What is your today, you
7		have a vague understanding of it, is that right?
8		A. It would be extremely vague.
9	77	Q. Okay. What is your understanding?
10		A. It's the association that
11		represents the interests in this racing business.
12	78	Q. Okay.
13		A. Beyond that, I don't know.
14	79	Q. Did you so I can presume from
15		your answer, sir, that you didn't consult with
16		anyone from OHRIA when you composed your report?
17		A. I did not.
18	80	Q. Did you consult with any racetrack
19		owners when you composed your report?
20		A. I did not.
21	81	Q. Did you consult with any breeding
22		associations when you composed your report?
23		A. I did not.
24	82	Q. Did you consult with the Ministry
25		of Colleges, Trade and University when you composed

		Page 25
1		your report?
2		A. On other issues, not on this
3		issue.
4	83	Q. This issue being the revenue share
5		between OLG and the horse racing industries?
6		A. Yes, my dealings with them were
7		strictly on post-secondary education matters.
8	84	Q. Okay. Were you aware in 2012 who
9		the regulator of the horse racing industry was?
10		A. I was not.
11	85	Q. Okay. Do you now understand it to
12		be the Ontario Racing Commission?
13		A. Again, I know that as a fact, but
14		beyond that, I don't know, have any knowledge of
15		it.
16	86	Q. I presume you did not consult with
17		the Ontario Racing Commission about the Slots at
18		Racetrack Program?
19		A. I did not.
20	87	Q. Do you know a chap, who I think is
21		a faculty colleague of yours or, perhaps, was,
22		Mr. Sadinsky?
23		A. I do not.
24	88	Q. Okay. You don't know that name?
25		A. No.

	DKUW	MOND, DON on December 14, 2017
1	89	Page 26 Q. Okay. and I presume you haven't
2		read the 2008 Sadinsky Report?
3		A. I'm not sure what that is.
4	90	Q. Okay.
5		A. Maybe if I'm aware of it. I don't
6		know it by that name.
7	91	Q. Okay. It didn't form any part of
8		your work in composing the report that you wrote?
9		A. I don't believe so.
10	92	Q. Okay. And did you consult with
11		any breeding associations in the course of in
12		the course of and for the purpose of preparing your
13		report?
14		A. I did not.
15	93	Q. Okay.
16		MR. LISUS: And before we forget, I'm
17		going to mark a clean copy of the Commission on the
18		Reform of Ontario Public Services report, referred
19		to in the vernacular as the Drummond Report, as
20		Exhibit 1 on the examination.
21		MR. MATTHEWS: Mark the whole thing?
22		MR. LISUS: Why not.
23		MR. MATTHEWS: All right.
24		EXHIBIT NO. 1: Drummond Report.
25		MR. LISUS: And I should also, while

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Page 27
        I'm marking exhibits, I'm reminded by the reporter
 1
 2
        because I referred to it, thank you, to mark your
 3
        Summons to Witness as Exhibit 2.
 4
                    ---EXHIBIT NO. 2: Summons to Witness
 5
        issued to Don Drummond.
 6
                    BY MR. LISUS:
                         CRE 35030. Mr. Drummond, this is
 7
     94
                    0.
        a document that I got from Ontario. I couldn't
 8
 9
        read it, so I had it blown up.
10
                         Oh, okay. That does look
                    Α.
11
        familiar.
12
     95
                         Okay. What is it?
                    Ο.
13
                    Α.
                         So --
14
                    MR. LISUS: And just before you go on,
15
        so I don't forget, this is Exhibit 3.
16
                    ---EXHIBIT NO. 3: CRE 35030.
17
                    BY MR. LISUS:
     96
18
                         Yes. Go ahead, sir.
                    Q.
19
                         So the top lines are projections
                    Α.
20
        of where government spending would go, because that
21
        was our preoccupation.
22
     97
                    O. Just before you explain the
23
        contents of it, are you able to tell me
24
        directionally what this is?
25
                         Well, it's two things. It has a
                    Α.
```

Page 28 portion of the government spending, but it also has 1 2 a portion -- and I don't know if it's all here in 3 the other pages, but it has a portion of the recommendations, and the word "evergreen" was quite 4 5 deliberate. The way we worked -- I mean, this report ended up -- it's almost 600 pages, but the 6 7 way we worked was starting on the recommendations, 8 and we changed them -- I won't say constantly, but 9 we changed them frequently as we thought about 10 things more, and we talked to other people, we did 11 more research, and hence, these are called 12 evergreen because they were changing. 13 98 Q. I see. 14 So they were green at some point. 15 So if you have a copy that's called 16 evergreen, I'm assuming that this is a snapshot of 17 how the recommendations stood at some particular 18 date, and the date is not here, but they're quite 19 likely not the final recommendations. 20 99 Got it. And so if I describe Ο. 21 Exhibit 3 as a live, working document which 22 recorded the recommendations of your Commission as 23 they evolved over the term of its mandate, would 24 that be a fair description? 25 Α. Yes, it would be.

	DIVOIVIDIND, DON ON December 14, 2017
1	Page 29 100 Q. So that the contents of Exhibit 3
2	eventually found their way into the final
3	recommendations in Exhibit 1, is that fair?
4	A. That's right. And the only reason
5	I was flipping through this is because I don't know
6	at what vintage the date this is.
7	101 Q. Right.
8	A. But there were two forms of these
9	that we changed modus operandi at some point.
10	102 Q. So that this particular version
11	came to us attached to an e-mail sequence that
12	ranges from November 7 to November 10, 2011.
13	A. Okay.
14	MS. MACHADO: Perhaps, can Mr. Drummond
15	just look
16	MR. LISUS: Sure.
17	MS. MACHADO:at the e-mail chain?
18	(Witness reviewing document.)
19	MS. MACHADO: And the e-mail, for
20	record's purposes, is CRE 35029.
21	MR. LISUS: Thank you.
22	BY MR. LISUS:
23	Q. Now, if I look at Exhibit 3,
24	Mr. Drummond, can I learn from it what the focus or
25	scope of the government ministries that you looked

Page 30 1 at? 2 Is that a correct way of describing it? 3 Α. Yes, yes. 4 104 Okay. It's a... The scope of Ο. 5 your task was huge. 6 It was every single cent that the Α. 7 government spends, so it's immense; over a hundred billion dollars. And then I added all of the 8 9 non-tax revenues on top of that, plus we had to do 10 all the projections because we didn't necessarily 11 accept the government's projections. We had to do 12 all the economic and the fiscal projections as 13 well. 14 105 And when you say "we", who do you 0. 15 mean? 16 Well, I always use the collective Α. 17 of the four Commissioners. You said it's got known 18 as the "Drummond Report", but that's obviously 19 unfair to the other three people, the three others 20 that did this work with me. 21 106 Right. but you must have had a Q. 22 staff? 23 There was a secretariat that was Α. 24 given to me, and I was -- I did not pick them. 25 The only person I picked was somebody

Page 31 to help with the writing, and that was Bruce 1 2 Little, the former journalist from the Globe and 3 Mail. So I, in a sense, handpicked him. 4 The others were -- well, the lead of it 5 was appointed by the Ontario Government and then they had a competition, so people who were 6 interested, and they tended to be younger policy 7 analysts in the various different ministries, could 8 9 compete for these positions, and that formed what 10 was initially a four-person secretariat. And near 11 the end, it ended up as seven people on the 12 secretariat, plus Bruce Little, plus the four 13 Commissioners. 14 107 Okay. And the members of the Ο. 15 secretariat were from which Ministry; Finance? 16 There were -- the competition Α. No. 17 was open for the entire government and, in fact, 18 none of them were from the Department of Finance. 19 In fact, none were even from the Treasury Board. 20 The lead of it had just won a 21 competition to be the Assistant Deputy Minister of 22 Transportation, but he had come from the Cabinet 23 Office. 24 The others; they came from scattered 25 Ministries throughout the Ontario Government.

Page 32 108 And so can you just describe to me 1 Ο. 2. in general terms how you went about composing and 3 finalizing the report within the 12-month period 4 that you were given? It was 12 months, right? 5 6 And on a piece of paper, it looks Α. like 12 months, but no sooner did we start, the 7 government called an election and we ran into an 8 9 immediate problem that virtually nobody, including 10 everybody on the political side did not want to 11 talk to us during an election period. 12 So we got to a slow -- well, it wasn't 13 even really a slow start. It almost got delayed. 14 So, yes, we were there for 12 months. 15 Yes, it appears the Commission was there, but the 16 bulk of the work was done in the final six months. 17 109 Ο. That's --18 The underground work, like these 19 projections of the economy and the fiscal was all 20 done during that election period because we really 21 didn't need -- certainly didn't need to speak to 22 anybody in the political side, but the bulk of the 23 work really didn't get going until after the 24 election was out of the way. 25 110 And so we are talking here about Q.

Page 33 the October --1 2. That's --Α. 3 111 -- 2011 election? 0. 4 That's right. So can you see why Α. 5 it was quite a concentrated period once that got 6 out of the way? Right. And so the report was 7 112 Q. 8 signed and delivered to government, correct me if 9 I'm wrong, January 25, 2012? Is that --For some reason, February sticks 10 Α. 11 in my mind, but if it was January 25th, it's 12 January 25th. 13 113 Okay. My information -- and this Ο. 14 is empirical, but I will see if it refreshes your 15 memory, is it was released -- or given to the 16 government January 25 and publicly released 17 February--18 Oh, okay. Α. 19 114 --15. Does that --0. 20 To clarify, when you were Α. 21 describing, I was thinking the public release as 22 opposed to -- I mean, yes, once it was given to the 23 government, then it went to a typesetting and it 24 went to a translation operation, so there were a 25 few weeks of delay before it was publicly released.

Page 34 115 And when you say that you 1 Ο. Okay. 2 couldn't really meet or speak with people in 3 government until after the election, I presume that 4 means you were able to start speaking to 5 representatives of various ministries at some point in late October or November --6 Oh -- so I'm sorry, I didn't --7 Α. I'll wait until you finish. 8 9 I don't want to -- maybe I exaggerated 10 it too much. It's not like we sat around and did 11 nothing until October. 12 116 0. No, you were doing a lot of 13 background analysis. 14 And we did speak to officials in ministries, but even then, there seemed to be some 15 16 kind of hesitation to be that forthcoming, and 17 there was a reasonable expectation that the 18 government that appointed us was not going to get 19 That wasn't our business to speculate on elected. 20 that, but I think that was in the mind of some of 21 the people. 22 So -- but we did and, you know, I had 23 consultation with the Ontario Hospital Association 24 and all those other groups before the election so 25 it wasn't -- I don't want to portray it that we did

	DIVONNINOND, DON ON December 14, 2017
1	Page 35 all of the work post-October, but it certainly
2	ramped up seriously after that.
3	117 Q. Okay. I think that I have
4	understood your evidence to be that you did meet
5	with OLG?
6	A. I did meet with OLG, yes.
7	118 Q. Okay. And do you recall how many
8	times you met with OLG?
9	A. My recollection is just once, but
10	if I was told it was twice, I wouldn't be totally
11	shocked, but
12	119 Q. No, I
13	A I remember it as once.
14	120 Q. Do you know Mr. Phillips?
15	A. Yes.
16	Q. Mr. Phillips has testified, I
17	think, that he met once with you.
18	A. Well, and that would square up
19	with my recollection.
20	122 Q. Do you recall how long you met
21	with him for?
22	A. I do not.
23	123 Q. Okay. I think he testified about
24	an hour or
25	A. If I had to pick a number from my

```
Page 36
        vague recollection, that would have been about
 1
 2
        right.
 3
     124
                     Q.
                          Okay. And just -- and do you
 4
        recall generally when that was? Was it in the fall
 5
        of 2011, after the election?
 6
                          Whether it was before or after, I
                     Α.
        don't recall. I think it was in the fall.
 7
     125
 8
                     O.
                          Okay.
 9
                          Whether it was just before or just
                     Α.
10
        after, I don't remember.
11
     126
                          Did you meet with Mr. Godfrey?
                     0.
12
                          I think he was there.
                     Α.
13
     127
                          At the meeting?
                     Q.
14
                          I think he was there, yeah.
                     Α.
15
     128
                          Okay. Did you make any notes of
                     Ο.
16
        that meeting?
17
                     Α.
                          Did I personally? No.
18
     129
                     0.
                          Okay.
19
                          I don't tend to be a note person,
                     Α.
20
        so I didn't.
21
     130
                          I'm hearing that a lot in these
                     0.
22
        examinations.
23
                     Was there someone from the secretariat
24
        with you?
25
                          Yes. Always, there was.
                     Α.
```

Page 37 131 And did they always take notes? 1 Ο. 2 Α. Yes. Yes, they did. 3 132 Do you recall who that was? Q. 4 Who came with me? I do not Α. 5 recall. It was -- most of them, it would have been 6 Scott Thompson, who was the head of the Commission, and probably Craig Fowler, but I'm guessing because 7 that was the lineup on most of the cases. 8 9 133 Ms. Machado, if those two 10 gentlemen are still employed by the OPS, would you 11 please ask them if they have notes of the meeting 12 between Mr. Drummond and Mr. Phillips and Godfrey? 13 U/A MS. MACHADO: I'll take that under 14 advisement. 15 BY MR. LISUS: 16 134 Do you recall what you discussed? Ο. 17 Yes. This whole environment that Α. the net contribution that the OLG sent to the 18 19 government and whether that could be increased, and 20 yeah, we got right into why do you have two 21 headquarters, and why do you have one in Sault 22 Ste. Marie and why do you have two casinos in 23 Niagara, and one of them is kind of empty, and yes, 24 we did discuss the slot machines, and we did 25 discuss -- well, as I said, I posed the question

Page 38 about are we really talking about the people that 1 2 are watching the horses, are they gamblers, 3 themselves, are they going in and gambling 4 afterwards -- and this is -- as I say, I got a kind 5 of a vague answer that that wasn't a high correlation, that intrigued me, but we didn't 6 pursue it at the time further than that. 7 135 8 0. Okay. 9 But we also talked about, you Α. 10 know, does it make sense to locate your main 11 gambling venues in downtown in conference centres 12 and hotels and the like. 13 136 And did Mr. Phillips tell you that Ο. 14 OLG thought it did make sense to locate their slot machines in hotels and conference centres in 15 16 downtown areas? 17 Α. I don't recall him being specific 18 as saying the slot machines, but yes, it was --19 seemed to me that they were contemplating a 20 different model in different locations, but I don't 21 think he said anything so specifically that it was 22 changing the slot machines. 23 137 Okay. The reason I ask you that 0. 24 is because I think there's reference in the 25 report -- and if you want, we can turn it up, but I

Page 39 will give you the reference that: 1 2 "OLG would make much more money 3 if slots were permitted elsewhere, 4 as they should be." I remember thinking that myself 5 Α. when I wrote that. 6 7 138 Q. Okay. I do not recall that they 8 9 indicated that that was something that they were 10 contemplating. 11 139 0. Okay. And I presume what you were 12 thinking when you wrote that was that OLG would 13 make more money if it put slot machines, as you've 14 said, in downtown area hotels, conference centres, 15 et cetera? 16 That was my line of thinking, and Α. 17 that was what I was probing them with, but I don't recall them being very forthcoming with me of what 18 19 they were contemplating. 20 140 Were you aware that OLG was in the Q. 21 course of a strategic review of its land-based 22 gaming activities? 23 In general because they did tell Α. 24 me that they were doing that. 25 141 Did you get a copy of the working Q.

	Dama 40
1	Page 40 report?
2	A. I do not recall that. I don't
3	remember receiving that.
4	Q. Did you get any information about
5	what recommendations OLG was going to make to
6	Finance about its land-based gaming review?
7	A. I don't recall them I don't
8	remember them being that forthcoming on that.
9	Q. Okay. And you don't remember
10	asking them?
11	A. Specifically about what the
12	recommendations they were going to be making? I
13	don't think I asked them that specifically.
14	Q. Okay. And with respect to slot
15	relocating slot machines, did you understand in
16	2011 and 2012 that, for slot machines to be located
17	in cities, the affected municipalities would have
18	to agree to host them?
19	A. Yes.
20	145 Q. Did you know that?
21	A. I did understand that, yes.
22	146 Q. And did you understand that none
23	of the municipalities had yet voted on the issue?
24	A. I did understand that.
25	147 Q. And did you understand that OLG

Page 41 had not yet prepared a business case for the 1 2 relocation of slot machines from racetracks into 3 cities? 4 Α. I would not have been aware whether they had done that or not. 5 6 148 Okay. Did you know whether or not Ο. OLG had engaged municipalities in a consultation 7 process with respect to relocating slot machines 8 9 from racetracks into cities? 10 Α. I don't know. I don't know 11 whether they had or not. 12 149 Okay. So although you understood Ο. or believed, I should say, that OLG would make much 13 14 more money if slots were moved from racetracks into 15 cities, you understood that none of the steps 16 necessary to accomplish that had been undertaken, 17 in particular municipal approval or a business 18 case? 19 I just want to clarify --Α. 20 No, hold on. MS. MACHADO: 21 THE WITNESS: -- because you used 2.2 I had no basis to believe one way or believe. 23 I was intrigued by the possibility. 24 was something that if I had more time or if I were 25 them, I would explore.

Page 42 BY MR. LISUS: 1 2 150 Ο. Okay. 3 I thought it was a -- it was a Α. 4 hypothesis. I don't think it was a belief 5 necessarily on my part. I did not have the information at my disposal to form a belief around 6 7 that. 151 Okay. So you had a hypothesis 8 Ο. 9 based on a presumption that, if you put slot 10 machines closer to larger population centres, they 11 would generate more revenue for the Province, is 12 that fair? 13 Α. Not just even population centres, 14 because a good portion of the people that go to the facilities are tourists and visitors, so that's not 15 16 necessarily a population base, but they tend to be 17 staying and doing other activities in more of a 18 downtown area. 19 152 Right. Conferences aren't held Ο. 20 out at the Hiawatha Racetrack in Sarnia, right? 21 I take your word for that. Α. Ι 22 don't know that. 23 153 Well, big conferences occur in big 0. 24 conference centres in Toronto and Ottawa, right? 25 Α. Right.

Page 43 154 Right, and so -- and I'm not 1 2 putting it any higher than a hypothesis of yours, 3 it was that if slot machines were located in urban 4 centres with higher populations which attracted 5 high-end conferences and more tourism, they would generate more revenue for OLG and, therefore, a 6 7 greater dividend to the government, right? 8 was the --9 I have to register another Α. Yes. 10 point of discomfort, because you're constantly 11 referring to slot machines. I was not obsessed 12 with slot machines. That was not my mandate. Τ 13 was thinking of a broader -- I'm just looking at 14 total gambling revenue. It may or may not have 15 from been slot machines. It may have slot machines 16 complemented with other gaming choices. 17 155 Q. Okay. I was not delving into slot 18 Α. 19 machines per se. 20 156 Right. O. 21 That really didn't fit my mandate. Α. 2.2 157 Okay. You did understand in 2012 Ο. 23 that slot machines generated a lot of revenue for 24 the Province? Yes, I did understand that. 25 Α.

Page 44 158 And did you know in 2012 how much 1 Ο. 2. slot machines had generated for the Province since 3 their introduction into racetracks in 1998? 4 Α. I would have had no idea. Again, 5 I -- you were the one that provided me the information on 1998. 6 I don't think I ever knew I would have no reason to have gone back and 7 that. 8 calculated that sum of money. 9 159 Okay. You also, I presume, just 10 judging from your answer, Mr. Drummond, don't know 11 the reason why slots were first introduced into 12 racetracks in 1998? 13 Α. I do not. 14 160 And you, therefore, were not, in Ο. 15 2012, familiar with whether or not there was an 16 agreement between the Ontario Lottery Corporation 17 and OHRIA pursuant to which slots were introduced 18 into racetracks? 19 I have to kind of piecemeal that. 20 The agreement that led to the 21 introduction, I have no idea about, but there was 22 an agreement, yes, obviously, because there was a 23 transfer to the race operators and that obviously 24 was from an agreement so... 25 161 Did you --Q.

1	Divolvimond, bon on december 14, 2017
1	Page 45 A. The origin, I don't know.
2	Q. Right. Now, you told me you
3	didn't speak with any racetrack operators in the
4	course of composing your report, right?
5	A. That's correct.
6	163 Q. I take it, therefore, that you
7	didn't review any of the agreements pursuant to
8	which let me rephrase that.
9	You didn't review any of the agreements
10	between racetrack operators and the Ontario Lottery
11	Corporation pursuant to which slots were introduced
12	into racetracks?
13	A. I did not.
14	Q. And you still have not?
15	A. I have not since.
16	Q. Are you aware how the slot
17	facilities at the racetracks were capitalized?
18	A. I am not.
19	Q. Are you aware who paid for that?
20	A. I am not.
21	Q. Are you aware how the investment
22	in their construction was recovered?
23	A. I do not know that.
24	168 Q. Are you aware how the revenue
25	generated from those slot machines was shared?

Page 46 I am aware of the two elements 1 Α. 2 that -- and I think I had the amount of money at 3 that time, 347-million, if my memory serves me 4 right, that went back to the horse operators, and I 5 do not have the dollar amount, but I think 10 per cent went to the municipalities. That's the extent 6 7 of my recollection of that issue. 169 And I, therefore, presume, 8 Ο. 9 Mr. Drummond, that you didn't have any knowledge 10 and still don't about how the funds generated from 11 the slot machines were actually managed in terms of 12 bank accounts or custody of those funds? 13 I would have had no idea of that. Α. 14 170 Okay. And you also weren't aware Ο. 15 of what the actual purpose, the stated purpose, of the introduction of slot machines into racetracks 16 17 in 1998 was, correct? I did not know that. 18 Α. 19 171 Q. And I take it you also were not 20 aware of what the respective responsibilities under 21 the siteholder agreements were of the Ontario 22 Lottery Corporation on the one hand and the 23 racetrack and the horsepeople on the other? 24 MS. MACHADO: Well, he has already 25 identified that he hasn't seen the agreements. He

Page 47 knows generally that there was an agreement, so ... 1 2 MR. LISUS: Well, that's why I'm 3 asking, because he says he knows generally there 4 was an agreement. 5 BY MR. LISUS: 6 172 You weren't aware of what the Ο. responsibilities of the various parties to this 7 8 general agreement were, right? 9 No. Α. 10 173 Okay. Were you aware, for Ο. 11 instance, that it was a contractual responsibility 12 of the horsepeople to enhance the success of the 13 lottery machine business described as the 14 prescribed lottery scheme at the racetracks? 15 MS. MACHADO: That's not fair question. 16 You're asking him that the breeders had a 17 contractual responsibility? BY MR. LISUS: 18 19 174 The horsepeople had a Ο. 20 responsibility to conduct horse racing activities 21 in a way designed to enhance the success of the 22 prescribed lottery scheme under the siteholder 23 agreements. 24 Are you aware of that? 25 I'm not aware of the agreement, so Α.

Page 48 therefore, I'm not aware of that. 1 2 175 Ο. Okay. Fair enough. 3 And so I just want to understand how 4 you came to gain the understanding that you did 5 about the Slots at Racetrack Program, Mr. Drummond, because you didn't speak to any racetrack 6 operators, right? 7 I did not. 8 Α. 9 176 You didn't speak to any horse Ο. 10 racing industry associations? 11 I did not. Α. 12 177 You did not speak to any breeders? 0. 13 I did not. Α. 14 178 You spoke about half an hour Ο. 15 about -- you spoke to an hour or half an hour, but 16 once only with Mr. Phillips and Mr. Godfrey, right? 17 Α. Just for clarification, I think we 18 agreed the best guess from their side and my side 19 was an hour, not a half, and I don't -- half an 20 hour, I'm sure we talked longer than that. 21 179 And in that meeting with Ο. 22 Mr. Phillips and Mr. Godfrey, you discussed a 23 number of aspects about OLG business, like its 24 headquarters and the other casinos and the 25 potential relocation of slot machines, right?

	2.0
1	Page 49 A. That's correct.
2	180 Q. But you did not discuss the
3	land-based gaming review?
4	A. We did not.
5	181 Q. You did not discuss
6	A. To clarify that, I do not recall
7	that we discussed that, again, keeping in mind it
8	was one of 100 interviews six years ago. I do not
9	recall discussing that.
10	182 Q. Right. You do not recall the
11	land-based gaming review forming any part of your
12	thinking behind the composition of your comments in
13	your report about
14	A. I do not. I believe it did not
15	form a basis of that.
16	Q. Right. And so and you didn't
17	speak to any breeder associations or breeders,
18	right?
19	A. No, I did not.
20	Q. And you didn't speak to OMAFRA?
21	A. I did not.
22	185 Q. You didn't speak to the Ministry
23	of Colleges, Trades and Universities?
24	A. These are the same questions you
25	just asked me five minutes ago.

	DIVOMINIOND, DON ON December 14, 2017
1	Page 50 186 Q. So where did you get your
2	information about the Slots at Racetrack Program
3	from?
4	A. The OLG.
5	Q. Just that one meeting?
6	A. That's right.
7	Q. Okay. Did you get information
8	about the Slots at Racetrack Program from the
9	Ministry of Finance?
10	A. Yes. So, for example, the
11	specific number is in there. Again, I think I
12	can check it, but I think it's 347-million. I was
13	given that by
14	189 Q. Finance.
15	A. Well, it's a group within the
16	Department of Finance that serves the Minister and
17	has Treasury Board responsibilities, but it's
18	formally within the Ministry of Finance.
19	190 Q. Is that the gaming policy branch?
20	A. No, it wasn't the gaming policy
21	branch, no.
22	Q. Do you know what it was or who it
23	was?
24	A. I don't know what their official
25	title was, but there's a group of about 10 of them

```
Page 51
        within the Department of Finance, and they're
 1
 2
        dedicated to serve the Minister of Finance in the
 3
        Minister of Finance's Treasury Board
 4
        responsibilities, and they have most of the program
 5
        detail information.
 6
     192
                         If I mention some names, will you
                    0.
 7
        remember them?
                         Of that group? No, I will draw a
 8
                    Α.
 9
        blank on all of them.
10
     193
                         Okay. Was that group the Revenue
                    0.
11
        Agency Oversight Division?
12
                    Α.
                         No.
13
     194
                         No? All right. You don't recall
                    Q.
14
        who they -- what the group's name was?
                         What their title is? I don't --
15
                    Α.
16
     195
                    Ο.
                         All right.
17
                         I probably never knew, and I don't
                    Α.
        think I ever had any direct interaction with them.
18
19
        So, for example, that number 347 would have come
20
        from them to somebody on my secretariat. That's
21
        why I don't know their names.
22
     196
                    Ο.
                         All right. And you or your --
23
        neither you, nor anyone at your request, went back,
24
        for instance, and looked at the annual reports of
25
        OLG to see the data about the Slots at Revenue
```

	DIVOIVINOND, DON ON December 14, 2017
1	Page 52 Program from inception? Right?
2	A. If somebody on the secretariat did
3	it, that would have been a surprise to me.
4	197 Q. Okay.
5	A. I would presume they didn't.
6	198 Q. Okay. And you didn't?
7	A. I definitely didn't.
8	199 Q. And you didn't, nor anyone on your
9	behalf, go back to provincial budgets to see what
10	they said the purpose of the Slots At Revenue
11	Program (sic) was and how the revenue it generated
12	was put to use, right?
13	A. I didn't, and I doubt anyone else
14	did.
15	Q. Okay. And so I want to make sure
16	I'm capturing the extent of your knowledge about
17	the Slots at Racetrack Program.
18	It was based upon your meeting that you
19	had with Mr. Phillips and Mr. Godfrey and the
20	\$347-million number that was given to you by this
21	group in Finance?
22	A. That's correct.
23	Q. All right. Thank you. Would I be
24	correct to presume that you spoke with Minister
25	Duncan about your report while it was being

Page 53 1 composed? 2 On several occasions. Α. 3 202 And did any of those discussions Q. 4 involve the Slots at Racetrack Program? I do not believe so, and I think 5 Α. 6 if it did, I would have recalled that, so I'm pretty sure I can say no, but I certainly don't 7 remember discussing the racetracks or anything... 8 9 most likely, the two casinos and most likely the 10 two headquarters, but I don't recall anything further with him on the OLG business. 11 12 203 Ο. So just to make sure that I'm 13 capturing your evidence correctly, you think that 14 you most likely discussed the two casinos and the two headquarters with Mr. Duncan? 15 16 Α. Yes. 17 204 And the content of that discussion Ο. What's the economic justification for having 18 two underperforming casinos close to the border, 19 20 right? 21 One of them doing okay, the other Α. 22 mostly empty. 23 205 Okay. And what's the economic Ο. 24 justification for OLG having two headquarters, 25 right?

```
Page 54
                         That's right.
 1
                    Α.
 2
     206
                         Are both those casinos still open
                    Ο.
 3
        or was one -- or were they closed?
 4
                         I think they're still open, but
 5
        again, I haven't been in casinos any more often
        than the racetracks, so I don't know.
 6
 7
     207
                    Q.
                        And does OLG still have two
 8
        headquarters?
 9
                         I do not know.
                    Α.
                         You recommended that it did not,
10
     208
                    O.
11
        or did you --
12
                         I recommended they should close
                    Α.
13
        the second -- well, one of the two.
14
     209
                         Right. And did you recommend that
                    Ο.
        the two casinos be closed?
15
16
                         I recommended more specifically
                    Α.
17
        the older one, which was in need of renovation, be
18
        closed.
19
     210
                         Which one is that?
                    0.
20
                         Well, there's two in Downtown
                    Α.
21
        Niagara, and I only know them as the new one and
22
        the old one, so I recommended the old one be
23
        closed.
24
     211
                    O. And you don't know if it was or it
        wasn't?
25
```

	DIVOIVINIOND, DON ON December 14, 2017
1	Page 55 A. I don't know whether it is or not.
2	Q. Okay. Did you speak with
3	Mr. Duncan about the decision that was made to
4	cancel the revenue share in March 2012?
5	A. I did not.
6	Q. Did he ever speak to you?
7	A. No. He did not.
8	Q. Are you aware that your report was
9	one of the justifications cited for the
10	cancellation of the Slots at Racetrack Program?
11	A. I am aware of that.
12	Q. But that was not one of your
13	recommendations, right?
14	A. My recommendation, again, was to
15	evaluate it, but it was not leading to a particular
16	conclusion.
17	Q. Okay. Did you speak with
18	Mr. McGuinty about your report prior to its
19	completion and release?
20	A. Only in very general terms, though
21	a member of his staff was nominated to be the point
22	contact from the political side, if I could put it
23	that way.
24	Q. Do you know who that was?
25	A. Jamison Steeve, who is no longer

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Page 56
        with the government. Well, he's with the Institute
 1
 2
        for Competitiveness and Prosperity.
 3
     218
                     Q.
                          You don't, perchance, know a chap
        called Dave Gene, do you?
 4
 5
                     Α.
                          No.
 6
     219
                          Barry Goodwin?
                     Ο.
 7
                     Α.
                          No.
     220
                          Tim Shorthill?
 8
                     Q.
 9
                          That name is familiar, but I'm not
                     Α.
10
        sure why.
11
     221
                          Blair Stransky?
                     Q.
12
                     Α.
                          No.
13
     222
                          Tanya Watkins?
                     Q.
14
                     Α.
                          No.
15
                          Elizabeth Yeigh?
     223
                     Q.
16
                     Α.
                          No.
17
     224
                          Okay. Did you ever tell
                     Q.
        Mr. Duncan that you thought that the revenue share
18
19
        from Slots at Racetrack Program should be
20
        cancelled?
                     Α.
                          I did not.
21
2.2
     225
                          Did you ever tell Mr. McGuinty
                     Ο.
23
        that you thought the revenue share at Slots at
24
        Racetrack Program should be cancelled?
                          I did not.
25
                     Α.
```

	DIVOIVINGIND, DOIN OIL DECE	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
1	226	Q.	Page 57 Did you ever tell anyone that you
2	thought the	reve	nue share at Slots at Racetrack
3	Program sho	uld be	e cancelled?
4		Α.	I don't recall ever saying that,
5	no.		
6	227	Q.	And if you did say that, you would
7	recall it,	right	?
8		Α.	I would have thought I would have
9	recalled th	at, y	es.
10	228	Q.	Okay. Do you know John Wilkinson?
11		Α.	John Wilkinson. The name sounds
12	familiar bu	t not	coming to me.
13	229	Q.	Okay. Do you know John Snobelen?
14		Α.	No.
15	230	Q.	Do you know Elmer Buchanan?
16		Α.	No.
17	231	Q.	Did you, in the course of
18	composing y	our r	eport, sir, ever speak with
19	Mr. Stephen	Orsi	ni?
20		Α.	Oh, yes. Definitely.
21	232	Q.	Did you ever speak with
22	Mr. Orsini	about	the Slots at Racetrack Program?
23		Α.	I don't recall speaking to him
24	about that.		
25	233	Q.	Okay. Did you ever recommend to

1	Page 58 Mr. Orsini that the Slots at Racetrack Program
2	be the revenue share from the Slots at Racetrack
3	Program be cancelled?
4	A. I did not.
5	Q. Did you ever speak with Karim
6	Bardeesy?
7	A. I don't
8	Q. Know the name?
9	A. I'm not sure who that is.
10	Q. Okay. Are you aware that after
11	the cancellation of the Slots at Racetrack Program,
12	the government struck a panel to evaluate the
13	consequences and make recommendations?
14	A. In, again, vague terms, I am aware
15	of that.
16	Q. Okay. Have you read the Interim
17	Report of that panel?
18	A. I have not.
19	Q. Have you read the Final Report?
20	A. I have not.
21	Q. Did you ever speak with Ted
22	McMeekin?
23	A. I'm not sure who that is.
24	Q. Ted McMeekin was the Minister of
25	Agriculture in 2012.

	DIVOIVINIOND, DON ON December 14, 2017
1	Page 59 Did you ever speak with Ted McMeekin?
2	A. I did not.
3	Q. Okay. Did you speak at all with
4	Kathleen Wynne about you report in the course of
5	its composition and prior to its release?
6	A. No, I did not.
7	Q. Did you speak with Kathleen Wynne
8	about your report after its release?
9	A. I think on a couple of occasions
10	she has subsequently thanked me for doing it but
11	that was as far as any conversation went.
12	Q. Did you discuss anything with
13	respect to the Slots at Revenue Program with
14	Kathleen Wynne?
15	A. I did not.
16	Q. Do you know a fellow called Larry
17	Flynn?
18	A. No, I do not.
19	Q. You never spoke with anyone at OLG
20	by the name of Larry Flynn that you can recall?
21	A. That I can recall, but again, I
22	don't recall who exactly was there.
23	Q. Okay. In 2012, sir, were you
24	aware how many racehorses were active in Ontario?
25	A. I was not aware of that.

		D 00
1	247 Q. Wer	Page 60 re you aware of what the
2	breakdown between th	e respective breeds was in
3	Ontario?	
4	A. No,	I was not aware of that.
5	248 Q. Wer	e you aware of what the
6	gestation period for	a horse is?
7	A. Is	should know that because my
8	daughter worked at a	n embryo transplant farm.
9	249 Q. Oka	Y.
10	A. But	I probably had known that and
11	forgotten it.	
12	250 Q. Oka	y. Are you aware what the
13	production cycle is	for a Standardbred horse from
14	the time a mare is b	ored to the time its offspring
15	is raced?	
16	A. I a	m not.
17	251 Q. And	l you were not in 2012?
18	A. No.	
19	252 Q. So	you were not, therefore, aware
20	of how many years of	time and effort and the
21	resources were exper	ded before a horse reaches a
22	track?	
23	A. Onl	y vaguely through my daughter's
24	experiences.	
25	253 Q. You	had no idea in 2012 what the
	T. Control of the Con	I

	·
1	Page 61 size of breeders' investments in pregnant mares on
2	breeding farms was in 2012?
3	A. In total? No. As an individual,
4	again, from my daughter works at an embryo
5	transplant operation, I have a general idea.
6	Q. Well, you wouldn't have been aware
7	of what a breeder's investment in a mare or their
8	farm was from your daughter's work as a
9	veterinarian assistant, right?
10	A. No, I wouldn't.
11	Q. Okay. Were you aware in 2012 how
12	Standardbred horses were brought to market?
13	A. Only again generally through my
14	daughter's work.
15	256 Q. Okay. Your daughter didn't work
16	in Standardbred breeding, right?
17	A. No. Although there were
18	Standardbred breeders were brought for the embryo
19	transplant.
20	Q. Were you aware that the manner in
21	which Slots at Racetrack Program was cancelled was
22	going to result in the euthanization of 13,000
23	horses?
24	MS. MACHADO: That's not a fact that is
25	in evidence, so it's not a fair question to put to

Page 62 this witness. 1 2. MR. LISUS: Mr. Wilkinson testified 3 about this in detail just a couple of days ago. 4 MS. MACHADO: It's not a fair question 5 to ask this witness by putting a fact to him that's 6 not necessarily a fact in evidence. BY MR. LISUS: 7 258 Well, it is a fact in evidence. 8 0. 9 Are you aware that the interim panel reported that 10 the manner in which Slots at Racetrack Program was 11 terminated would cause the euthanization of 13,000 12 horses? Did you know that? 13 MS. MACHADO: He has already said that 14 he did not read the Interim Report, Mr. Lisus. MR. LISUS: Well, I will read it to 15 16 you. 17 MS. MACHADO: Well, he hasn't read it. 18 So asking him if he knows what's in the report, he 19 obviously doesn't know what's in the report. 20 don't know why you're seeking this particular bit of evidence or discussion from this individual. 21 22 BY MR. LISUS: 23 259 I'm asking if you know that fact. Ο. 24 Do you know that fact, sir? 25 Α. No.

Page 63 260 In 2012, after the government 1 2 cancelled the revenue share, you became aware of a 3 great deal of controversy about the impact of that 4 decision; correct? As anybody else who reads the 5 Α. newspapers, not because of any involvement in this. 6 261 7 Q. Okay. So the extent of your knowledge of the -- the extent of your knowledge of 8 9 the consequences on the horse racing industry of 10 the decision to cancel the revenue share was 11 derived from reading newspapers, fair? 12 That's correct. Α. 13 262 All right. You, in fact, received Ο. 14 an e-mail from a breeder, didn't you, in 2012? 15 you remember that? 16 I do not remember that. Α. 17 263 Do you remember reading in Ο. 18 newspapers that horses were going to be euthanized? 19 Α. I do remember that. 20 264 Do you remember reading that Ο. 21 thousands of horses were going to be euthanized? 22 I do not remember the number. Α. 23 265 Do you remember reading that 0. 24 thousands of jobs were going to be lost? 25 Α. I do remember that.

	DRUMMUND, DON ON December 14, 2017
1	Page 64 266 Q. And I take it that you certainly
2	didn't expect or intend there to be horse
3	euthanizations or thousands of job losses based
4	upon your recommendation in your report.
5	Am I correct?
6	A. I have difficulty answering that
7	because expect or anticipated, I didn't recommend
8	it be cancelled, so I didn't think about that.
9	Q. Did it surprise you that the
10	decision to cancel was going to result in thousands
11	of job losses?
12	MS. MACHADO: Did it surprise you?
13	MR. LISUS: Yeah.
14	MS. MACHADO: How is that his
15	information, knowledge or belief, Mr. Lisus?
16	BY MR. LISUS:
17	Q. Were you surprised to hear it?
18	MS. MACHADO: That's not a fair
19	question, Mr. Lisus.
20	THE WITNESS: I don't have any basis to
21	answer that, was I surprised to hear it.
22	BY MR. LISUS:
23	Q. Well, what did your daughter tell
24	you about
25	R/F MS. MACHADO: That's irrelevant, Mr.

```
Page 65
        Lisus.
 1
 2
                    THE WITNESS: That has nothing to do
 3
        with this.
 4
                    BY MR. LISUS:
     270
 5
                    0.
                         I want to show you an e-mail
 6
        exchange.
 7
                    MS. MACHADO:
                                   Thank you.
                    BY MR. LISUS:
 8
 9
     271
                    Q. Read from the bottom up,
10
        Mr. Drummond.
11
                    MS. MACHADO: Is there a number on
12
        this?
13
                    MR. MATTHEWS: No.
14
                    MS. MACHADO:
                                   Where is this document
        obtained from?
15
16
                    MR. MATTHEWS: From the source.
17
                    MS. MACHADO:
                                   So it's a new document in
        the litigation?
18
19
                    MR. MATTHEWS: Yes.
20
                    MS. MACHADO:
                                   Do you have a copy for
        Ms. Sinnadurai?
21
22
                    MR. MATTHEWS: She can make a photocopy
        on the break, if you like.
23
24
                    MS. MACHADO: Well, she has not seen it
25
        either, so...
```

```
Page 66
 1
                    MR. MATTHEWS:
                                    Okay.
 2
                    BY MR. LISUS:
 3
     272
                         Do you still have your
                    Q.
 4
        drummond@queensu.ca?
                         Well, this is interesting, because
 5
                    Α.
 6
        it is addressed to drummond@queensu, which is not
        my e-mail. So it is don.drummond@queensu.ca.
 7
     273
 8
                         It got to you because you
                    0.
 9
        responded.
                         Well, it's indicating at that
10
                    Α.
11
        particular time. I guess there wasn't any other
12
        Drummonds in the university, but I have a Queen's
13
        e-mail. It's don.drummond@queensu.ca.
14
     274
                         Did you get this e-mail and
                    Ο.
15
        respond to it?
16
                    MS. MACHADO: Just take a minute and
17
        read it.
                    ---(Witness reviewing document.)
18
19
                    BY MR. LISUS:
20
     275
                         Just tell me when you have read
                    0.
21
        it.
             It seems to be consistent with what you're
22
        telling me.
23
                    Α.
                         I don't have a recollection, but
24
        it sounds like, given the context, a logical
25
        response on my part.
```

```
Page 67
 1
     276
                     0.
                          Okay.
                                 And that's accurate, your
 2.
        response was accurate?
 3
                     Α.
                          Yeah.
                                 It seems to be so.
 4
                     MR. LISUS:
                                 Okay.
                                         So next exhibit.
 5
                     ---EXHIBIT NO. 4: E-mail exchange, two
 6
        pages.
                     BY MR. LISUS:
 7
     277
                          In 2012, did you know what the
 8
                     0.
 9
        Horse Improvement Program was?
10
                     Α.
                          I did not.
11
     278
                          Did you know what the Sire Stakes
                     0.
12
        Program was?
13
                     Α.
                          I did not.
14
     279
                          Did you know what the Ontario Sire
                     Ο.
15
        Stakes Program involved?
16
                     Α.
                          I did not.
17
     280
                          In 2012, did you know how many
                     Q.
        U.S. mares were bred to stallions standing in
18
19
        Ontario?
20
                     Α.
                          I do not.
21
     281
                          Those are Standardbred U.S. mares
                     Ο.
22
        I'm talking about. You have no idea?
23
                     Α.
                          I do not.
24
     282
                     0.
                          In 2011 or 2012, did you know how
25
        much was paid in stud fees to breed U.S.
```

1	Page 68
1	Standardbred horses in to Ontario stallions,
2	with Ontario stallions?
3	A. I did not.
4	Q. Did you know there was a market
5	for breeding U.S. mares with Ontario stallions?
6	A. Again, only indirectly through my
7	daughter's business because they did have U.S.
8	horses there.
9	Q. It formed no part of your Drummond
10	Report review?
11	A. No.
12	Q. Did you know how much U.S.
13	residents paid for Ontario horses at public auction
14	in 2011?
15	A. I did not.
16	Q. Did you know, sir, in 2011, that
17	the majority of those invested in the horse racing
18	breeding industry are small business enterprises,
19	owner/operators with less than 10 employees?
20	A. I did not know that.
21	Q. Were you aware in 2011 what role
22	purses played in the horse racing industry?
23	A. I did not know that.
24	Q. Were you aware what the dollar
25	value of purses was in the horse racing industry in

1	Page 69 2011?
2	A. I did not know that.
3	Q. Were you aware of the percentage
4	of purse money that came from SARP was?
5	A. I did not know that.
6	Q. And so I presume you weren't aware
7	of how much the purses at each of the 17 respective
8	tracks was composed of SARP revenue and how much
9	was composed of wagering revenue?
10	A. I did not know that.
11	Q. Did you speak with the Canadian
12	Pari-Mutuel Agency at all in your consultation?
13	A. I did not.
14	Q. And because you don't know what
15	the Horse Improvement Program is, you obviously
16	were not aware of what, if any, revenue for
17	Standardbred horses Horse Improvement Program came
18	from slots?
19	A. I did not know that.
20	Q. Did you know how many jobs,
21	full-time equivalents, the horse racing industry
22	supported in 2011?
23	A. I did not know that.
24	Q. It formed no part of your review?
25	A. No, it did not.

Page 70 295 In the fall of 2011, were you 1 Ο. 2 aware that OLG had made recommendations to the 3 Ministry of Finance with respect to the maintenance 4 of funding to the horse racing industry if slots were to be moved out of racetracks? 5 6 I was not aware of that. Α. 296 7 Q. Did anyone at Finance tell you that, in the fall of 2011 and early 2012, it was 8 9 actively engaged with OLG with respect to OLG's 10 land-based gaming review? 11 I do not recall any conversations Α. 12 along that line. 13 297 0. Did anyone at Finance or OLG tell you that there was active discussions between them 14 about the -- about maintaining funds for the horse 15 16 racing industry if slots were taken out of 17 racetracks in order to implement OLG's modernization strategy? 18 19 I don't recall any conversation Α. 20 like that. 21 298 And obviously, sir, you never took 0. 22 any steps to measure the impact on employment for -- that would follow from cancelling revenue 23 24 share of Slots at Racetrack Program? I did not. 25 Α.

	,
1	Page 71 299 Q. You did not measure any of the
2	impacts on racetracks that would follow from
3	cancelling the revenue share from Slots at
4	Racetrack?
5	A. I did not.
6	Q. Did you have any understanding one
7	way or another in 2011-2012 whether the government
8	would cancel the revenue share Slots at
9	Racetrack the revenue share from Slots at
10	Racetrack Program?
11	A. Certainly as of when I deposited
12	the report or it was released, I did not have any
13	indication of what they were going to do on that
14	301 Q. Okay.
15	A or virtually any other
16	recommendation.
17	Q. Okay. And because you didn't have
18	any indication one way or another, you hadn't
19	thought about the impact of a cancellation of the
20	revenue share on employment or racetracks or
21	breeders or horses, right?
22	A. I had not.
23	MS. MACHADO: He answered the same
24	question four times, Mr. Lisus.
25	MR. LISUS: I just want to make sure I
	i la companya di managantan

Page 72 got it right, Ms. Machado. 1 2 MS. MACHADO: Well... 3 BY MR. LISUS: 4 303 Were you aware of the dollar 0. 5 volume generated by Slots at Racetrack Program? Α. 6 Only in general terms. Obviously 7 grossing up some multiple of the 347 so it gives a ballpark, but do I recall? Maybe I knew. 8 I don't 9 recall a dollar amount. 10 304 Ο. So if you were told that the 11 revenue share with the horse racing industry was 12 going to be cancelled, would it have been 13 understood by you that all 17 racetracks would 14 cancel racetrack -- would cancel racing? 15 R/F MS. MACHADO: That's a hypothetical 16 question, Mr. Lisus. This witness isn't answering 17 it. 18 THE WITNESS: I can't answer that 19 because no one told me that. 20 BY MR. LISUS: 21 305 Did you understand racetracks to Ο. 22 depend on the revenue share for their viability? 23 Did you understand that? 24 Α. I'm not sure how to answer that. 25 They're giving back a portion of their revenue.

1	Page 73 don't really know how to answer that.
2	306 Q. Well, was the portion they're
3	giving back a portion
4	A. Well, they're giving back to the
5	horse racers and the municipalities some portion of
6	their revenue. Whether that's integral to their
7	survival or not, I don't know.
8	307 Q. Okay. But you understood
9	generally that the way Slots at Racetrack Program
10	worked was that the government got 75 per cent of
11	the revenue
12	A. Mm-hmm.
13	308 Q from the machines?
14	A. Yes.
15	309 Q. And that the rest of the revenue
16	was shared in some proportion between the
17	racetrack, the horsepeople and the municipalities,
18	right?
19	A. Yes, I understood that.
20	Q. But are you telling me, sir, that
21	you didn't know whether the portion of the revenue
22	which the racetrack kept was critical to its
23	viability?
24	A. I wouldn't have known that.
25	Q. Okay. Did you know that, without

	, , , , , , , , , , , , , , , , , , , ,	, -
1	racing at race	Page 74 tracks, the breeding industry would
2	collapse?	
3	Α.	I wouldn't have known that.
4	312 Q.	Okay. You did know, however, that
5	the revenue th	at was generated at the racetracks
6	from the slot	machines was shared with the horse
7	racing and the	breeding industry, right?
8	Α.	I did know that, yes. (Nodding
9	head.)	
10	313 Q.	And had been for many years?
11	Α.	With a question mark how many
12	years. I did	not know how many years.
13	314 Q.	Okay. And I'm referring to page
14	57 of your rep	ort.
15	Α.	Oh, okay.
16	315 Q.	The fourth paragraph.
17	Α.	Mm-hmm.
18	316 Q.	You say:
19		"OLG would make much more money
20	if	slots were permitted elsewhere as
21	th	ey should be."
22	Ri	ght?
23	Α.	Yes, yes.
24	317 Q.	Was that language that you chose
25	or language th	at was provided to you?

Page 75 I would, at this point, have to 1 Α. 2 explain a bit of a background. Obviously, I did 3 not write every single word of a 566-page report. 4 318 All right. Ο. If you're asking me if I wrote 5 Α. 6 some particular word or not, I do not recall. Ι take responsibility for the whole report. There 7 will be nothing in here that I would not have seen 8 9 and would not have approved, but did I originally 10 draft that? I don't remember. 11 319 And that's fair, and I am Ο. Okay. 12 not -- I'm not criticizing you, Mr. Drummond. Τ 13 have seen many, many e-mails with language being 14 given to you by Finance, so this is not a trick 15 question. 16 I take it that, in the course of your report, composing your report, language would be 17 18 composed for you and inserted in your report? 19 Clarification on "inserted". Α. 20 Nothing went into -- automatically in 21 the report without me reviewing and approving it. 22 No one slipped something in this page that I wasn't 23 aware of. 24 320 O. I'm not suggesting that happened. 25 My only suggestion, sir, is that

	2.0
1	Page 76 portions or sections or pieces - I'm not
2	attributing any significance to the
3	characterization - of your report were composed by
4	people, and you reviewed them, and if you were
5	okay, signed off on them.
6	A. That even doesn't quite sound
7	quite accurate to the process.
8	I don't think there's anything that
9	even was drafted somewhere else that I didn't
10	substantially alter.
11	Umm. I don't think there's any page or
12	certainly not any chapter, like I say, that was
13	written by this party, and I just looked at it and
14	stuck it into the report.
15	Q. All right.
16	A. Umm. It's varying degrees.
17	The health and the two education
18	chapters, I wrote almost exclusively.
19	Government business enterprises, less
20	so, but I did write substantial portions of it.
21	I don't think anything was just handed
22	to me and it got put in.
23	Q. Right. So the statement:
24	"OLG would make much more money
25	if slots were permitted elsewhere as

1	Page 77 they should be."
2	Do you think that that's a statement
3	you made or it was given to you?
4	A. I don't know. As I read it here
5	today five years after the fact, it looks like
6	something I could well have written.
7	323 Q. All right.
8	A. It doesn't seem foreign to me.
9	324 Q. And you say that:
10	"OLG would make much more money
11	if slots were permitted elsewhere".
12	I want to pause there. I think that
13	you and I have agreed that, in order to move the
14	slots, they had to be you had to have municipal
15	approval.
16	A. Well, likely why the word
17	"permitted" appears there as opposed to saying if
18	they had slots elsewhere.
19	Q. Right. And there had to be a
20	business case for them to be moved?
21	A. I don't have the background on
22	that. I presume that would be the case. I don't
23	know.
24	Q. And there had to be a location for
25	them to be moved to?

Page 78 1 Α. Correct. 2 327 And as of 2012, when you made that 0. 3 comment, none of those factors were in place, 4 right? They were being discussed. 5 Α. 6 other words, Toronto, I recall quite vividly, was contemplating having a casino in a more downtown 7 location, but I wasn't privy to any inside 8 9 information on that, but it was in the papers at 10 that time. 11 328 All right. In commenting on the 0. 12 Slots at Racetrack Program, you wanted to be fair 13 to all stakeholders, I take it? 14 That sounds like a logical 15 statement. I don't -- again, that's not really 16 what I was thinking about. 17 My mandate was to get rid of the I obviously would want to do that in a 18 19 fair fashion, but it was about increasing the net 20 That was my overriding concern. revenue. 21 329 So on page 316, you say: Q. 22 "Over the past 12 years, 23 approximately 4-billion has flowed 24 through 17 racetracks to support 25 purses, racetrack capital

4	Page 79
1	improvement and operating costs."
2	Right?
3	A. Yes.
4	Q. But it's fair to say, isn't it,
5	sir, that 75 per cent of that 4-billion went to the
6	Ontario Government?
7	A. I can't stand here today and tell
8	you whether that 4-billion is a net figure or a
9	gross figure. I don't know.
10	Q. Do we know if that's the I
11	think you're correct, 4-billion has flowed through
12	to the industry.
13	How much had flowed through to the
14	Ontario Government of that?
15	A. Unless that's in a paragraph after
16	it, I will not know that.
17	Q. Well, my calculation is that, as
18	of 2012, 4.71-billion had gone to the industry,
19	which seems to be consistent with your statement,
20	but 15-billion had gone to the Ontario Government?
21	A. Yes.
22	Q. Right?
23	MS. MACHADO: He said that he doesn't
24	know, Mr. Lisus. If there's a document you want to
25	point him to that he might have seen at the time,

```
Page 80
        then, perhaps, that might be of assistance, but
 1
 2
        otherwise, Mr. Drummond has said he doesn't know
 3
        what the figure was sitting here.
 4
                    BY MR. LISUS:
                          Well, let's just do it this way,
 5
     334
                     Ο.
 6
        because I did a little arithmetic exercise from OLG
 7
        annual reports.
                    You and I have agreed that 75 per cent
 8
 9
        of the slot revenue went to the government, right?
10
                    Α.
                          Yes.
11
     335
                    Ο.
                          So 25 per cent went to industry
12
        racetracks and municipalities?
13
                    Α.
                          Yes.
14
     336
                          Right?
                    Q.
15
                    Α.
                          Yes.
16
     337
                    Ο.
                          So you're an economist. Are you
17
        able to reverse engineer that at 4-billion?
                          Obviously, if the number is around
18
                    Α.
19
        16-billion, 4 divided by 0.25, but --
20
     338
                          Right.
                    0.
21
                          -- I'm doing that calculation here
                    Α.
22
        today, not from my recollection of anything in
23
        2012.
24
     339
                    0.
                          So around 16-billion went to the
        government, right?
25
```

Page 81 1 Α. Yes. 2 340 Why don't you mention that in your Q. 3 report? 4 Α. I don't have any idea why I didn't 5 mention that in my report. 6 341 Well, it's a pretty incomplete Ο. 7 picture of the revenue share, isn't it? You say 8 about 4-billion has gone to support purses, 9 racetracks, capital improvements and operating 10 costs, but you don't say around 16-billion has gone to the government? 11 12 Α. That's true. 13 342 And can we agree, sir, that a Q. 14 complete picture of the Slots at Racetrack Program would have included the 16-billion that went to 15 16 government? 17 Α. It may well. My mandate was not 18 to have a complete picture of the racetracks. 19 343 Ο. Fair enough. And did you 20 understand, sir, that racetracks were private 21 property? 22 In a vaque way, I would have known Α. 23 that. 24 344 Ο. And you understood that the 25 government couldn't, at its discretion, put slot

	D 00
1	Page 82 machines in racetracks?
2	A. Well, as I discussed, I wasn't
3	aware of the details of the agreement.
4	Q. All right. You didn't examine the
5	racetrack industry in any other province, right?
6	A. I did not.
7	Q. The data given to you about the
8	number of racetracks in other provinces and the
9	amount of revenue generated from gaming was
10	information provided to you by the Ministry of
11	Finance?
12	A. To be more precise, this would
13	have been given to me by my secretariat.
14	347 Q. Okay.
15	A. Where they got it from, I may not
16	have known.
17	Q. All right. But we know no one
18	spoke to OLG about this kind of data, or did they?
19	A. Not to my knowledge, but whether
20	somebody in the secretariat did that, I
21	349 Q. Okay.
22	A wouldn't have necessarily have
23	known that.
24	Q. As an experienced economist, sir,
25	you would, in 2012, have understood that the

1	Page 83 4-billion that flowed through the racetracks to the
2	horse racing industry was 25 per cent of a larger
3	number
4	A. Yes.
5	351 Q because you knew the revenue
6	share, right?
7	A. Yes.
8	352 Q. Okay. and you would have
9	understood, as an experienced economist, that that
10	4-billion would have, you help me with the words, a
11	lot of economic consequences or impacts in terms of
12	jobs, investments?
13	A. Yes. Mm-hmm.
14	353 Q. And you would have expected, sir,
15	that before a decision was made to terminate that
16	kind of a revenue stream, that 25 per cent, there
17	would have been a careful evaluation of the
18	consequences of doing so, right?
19	MS. MACHADO: This witness's
20	expectation of what may or may not have been done
21	by government is of no consequence or relevance.
22	BY MR. LISUS:
23	354 Q. Well, you were making
24	recommendations to government, right?
25	A. How they conducted their review is
	ı

```
Page 84
        really beyond my purview.
 1
 2
     355
                         But you would have expected there
                    0.
        to be a careful review. That's why you used the
 3
 4
        word "evaluation", right?
                    MS. MACHADO: I'm refusing the
 5
        R/F
        question.
 6
                    BY MR. LISUS:
 7
     356
 8
                         Well, you were making a
                    0.
 9
        recommendation to government about a very
10
        substantial revenue stream, right?
11
                    MS. MACHADO: And the recommendation is
12
        to evaluate, sir. So how they evaluate is not
13
        defined here, and this witness has already said he
14
        didn't know what would happen with any of his
        recommendations after the fact.
15
16
                    BY MR. LISUS:
17
     357
                         If you were asked to evaluate,
                    0.
18
        Mr. Drummond, you would have done an evaluation of
19
        the cessation of that revenue stream on employment,
20
        for instance, right?
21
                                   That's a hypothetical
        R/F
                    MS. MACHADO:
22
                   That wasn't in his purview, Mr. Lisus.
        question.
23
                    He's not here as an expert witness for
24
              He's here to discuss his report and his
25
        findings.
```

1		Page 85 BY MR. LISUS:
2	358	Q. You knew enough to know to
3	carefully s	ay there should be an evaluation,
4	though, rig	ht?
5		MS. MACHADO: Those are his words,
6	Mr. Lisus.	We've gone over those words 20 times
7	now.	
8		MR. LISUS: Do you need a break? We've
9	gone 15 min	utes past.
10		MS. MACHADO: The answer is never 'no'.
11		MR. LISUS: Fifteen minutes?
12		MS. MACHADO: Sure. That's fine.
13		Recess at 11:44 a.m.
14		On resuming at 11:57 a.m.
15		BY MR. LISUS:
16	359	Q. We have discussed a little bit,
17	Mr. Drummon	d, about what your mandate was, and it
18	was to incr	ease revenue to the government, right?
19		A. No.
20	360	Q. No?
21		A. It was to eliminate the deficit.
22	361	Q. Right.
23		A. And, in fact, I was forbidden from
24	looking at	revenue.
25	362	Q. Okay.

	2.00
1	Page 86 A. And I reinterpreted that, that I
2	was not to look at tax revenue, but I could look at
3	non-tax revenue.
4	363 Q. Correct. And
5	A. But my mandate was definitely not
6	revenue.
7	364 Q. And that's why that was why OLG
8	was one of the things you looked at. It was
9	non-tax revenue?
10	A. Yes. Right.
11	365 Q. Okay. And with respect to OLG, as
12	I read your report, you focused on a number of its
13	business practices that you thought should be
14	reviewed to increase efficiencies, right?
15	A. Efficiency net revenue, yes.
16	Probably through efficiencies. Some it could
17	have been through higher gross revenue, as well,
18	366 Q. Okay.
19	Anot just efficiencies.
20	367 Q. But what you were focusing on was
21	their business practices?
22	A. Yes.
23	368 Q. So, for instance, I'm looking at
24	page 408 of your report.
25	Do you want to take a minute and

```
Page 87
        refresh your--
 1
 2
                    Α.
                          Yeah.
 3
     369
                    Q.
                          --memory?
 4
                    MS. MACHADO: Just read that whole
        section.
 5
 6
                     THE WITNESS: Yep. I read it.
                    BY MR. LISUS:
 7
     370
                          So I understand, from your report,
 8
                    Ο.
 9
        that what you were looking at with respect to OLG
10
        was identifying operational efficiencies that could
11
        be achieved, right?
12
                          Well, I will repeat what I just
                    Α.
13
        said.
14
                     It wasn't necessarily just operational
        efficiency. It could have been increasing their
15
16
        gross revenue, which would not necessarily have
17
        been an operational efficiency.
     371
18
                          But you did look at operat- --
                     Ο.
19
                          I did look at operational
                    Α.
20
        efficiency, yes.
21
     372
                          And you did look at business
                    Q.
22
        practices?
23
                    Α.
                          Yes.
24
     373
                    Ο.
                          Okay. And when you focused on
25
        operational efficiencies and business practices,
```

	D
1	Page 88 you recommend you recommended that four of them
2	be reviewed, right?
3	A. That's right.
4	Q. One of the business practice or I
5	suppose it was an efficiency was the maintenance of
6	two head offices in Toronto and Sault Sainte Marie.
7	That was an efficiency; correct?
8	A. Correct.
9	Q. And the next thing that you
10	focused on was the operation of the Casino Niagara,
11	despite the opening of the permanent and larger
12	Niagara Fallsview Casino Resort, right?
13	A. Correct.
14	Q. So that was a question of both an
15	operational efficiency and a business practice in
16	terms of running two casinos next to each other,
17	one old, one new, right?
18	A. Correct. Mm-hmm.
19	Q. And with respect to the Slots at
20	Racetrack, you looked at a review to relocate slot
21	machines from racetracks to other locations;
22	correct?
23	A. Correct.
24	Q. And that was to increase the
25	efficiency of the slot machine returns?

Г	
1	Page 89 A. Yes. I suppose you would call
2	that as efficiency, but in that case, it would be
3	increasing their gross revenue.
4	Q. Right. Through increasing
5	efficiency and changing your business practice to
6	put your slot machines in different locations where
7	there would be a higher return on the government
8	asset, the machine, right?
9	A. Correct.
10	Q. So you felt that the government
11	should do a review of the manner in which it, the
12	OLG, was operating its slot machines in terms of
13	their locations; correct?
14	A. Correct.
15	Q. And then, you also wanted or
16	recommended, as we have discussed, that the
17	government re-evaluate the revenue share with horse
18	racing and breeding?
19	A. Correct.
20	Q. And by I'm going to try this
21	again.
22	By "re-evaluate", you meant study?
23	A. Correct.
24	Q. And would the study include the
25	consequences of terminating the revenue share?

	DIVONNINIOND, DON ON December 14, 2017
1	Page 90 MS. MACHADO: That wasn't within his
2	purview. That's not within his mandate.
3	BY MR. LISUS:
4	Q. You submitted your report, sir, in
5	to government at the end of January 2012?
6	A. Correct.
7	Q. And I take it you became aware, in
8	mid-February of 2012, that Mr. Duncan gave a speech
9	to the Empire Club in Toronto.
10	Do you remember that?
11	A. I do not recall that.
12	386 Q. Okay.
13	Do you recall Mr. Duncan making public
14	comments about the horse racing industry after you
15	gave your report to government?
16	A. I I do, but I don't remember
17	the outcome of his particular speech.
18	Q. Okay. Do you recall him making
19	public statements?
20	A. Well, I recall when they ended the
21	program, I think he announced that, but I could be
22	wrong on that.
23	388 Q. Okay. Do you recall becoming
24	aware of radio attack ads about the horse racing
25	industry on February 26 or February 27?

Page 91 MS. MACHADO: I'm just wondering where 1 2 all of this is going, Mr. Lisus, because he creates 3 a report and he provides it to government. 4 He says that the government gets it to 5 then determine what it's going to do with it. What does it matter what this witness 6 knew or saw or heard after he has submitted the 7 I'm just asking what the relevance is 8 report? 9 there. 10 MR. LISUS: Well, you know, this is a 11 Cross-Examination. I don't believe I'm obliged to 12 tell you the relevance of my questions, 13 Ms. Machado. It's not an Examination for 14 Discovery. If this was in court, I don't think you 15 16 would be standing up and objecting to the relevance 17 of my questions, and I don't think a judge would uphold that objection if you did. 18 19 MS. MACHADO: He's not an expert 20 witness. He's not here, testifying as to what 21 occurred after. 22 MR. LISUS: I'm not asking him an 23 expert opinion. 24 I'm asking if he became aware of radio 25 attack ads targeted at the horse racing industry,

```
Page 92
        in particular, the revenue-sharing?
 1
 2
                                  And I'm asking what the
                    MS. MACHADO:
 3
        relevance is. If you don't want to tell me, that's
 4
        fine.
 5
                    MR. LISUS:
                                 I don't want to tell you.
 6
        R/F
                    MS. MACHADO: But I will refuse the
        question then.
 7
 8
                    MR. LISUS: I don't want to bring
 9
        Mr. Drummond back, so I'm going to invite you to
10
        reconsider your refusal.
11
                    MS. MACHADO: You have the answer.
12
                    BY MR. LISUS:
13
     389
                         Were you surprised to hear the
                    0.
14
        government run radio attack ads relying, in part,
15
        on the report from you?
16
        R/F
                                   That's the same -- you
                    MS. MACHADO:
17
        are asking the same question with an addendum.
18
                    BY MR. LISUS:
19
     390
                         Were you surprised, when you heard
                    Ο.
20
        about the cancellation of the revenue share, that
21
        the government was relying on your report to cancel
22
        it?
23
                         Not in the sense that I -- I did
                    Α.
24
        suggest they evaluate it, so...
25
     391
                         So you presumed that they had
                    Q.
```

	DIVOIVIDIND, DON ON December 14, 2017
1	Page 93 evaluated it and they had decided to cancel it?
2	A. Yes.
3	392 Q. And who did you presume had done
4	the evaluation?
5	A. I didn't have a presumption of
6	that.
7	393 Q. Okay. And then, did you become
8	aware that a few months later, they revisited it by
9	revisited their decision by striking a panel?
10	MS. MACHADO: You have asked that
11	question, Mr. Lisus.
12	MR. LISUS: I don't think I asked that
13	one.
14	MS. MACHADO: Yeah.
15	THE WITNESS: Yes, you did.
16	MS. MACHADO: He doesn't know anything
17	about the Transition Panel. He didn't read the
18	reports.
19	MR. LISUS: I might have asked him if
20	he read the reports. I am asking him
21	THE WITNESS: No. You did ask about
22	the Panel. I was not aware of that.
23	BY MR. LISUS:
24	394 Q. Okay. CRE0091986. I want to show
25	you an e-mail sequence about your report.

```
Page 94
                     MS. MACHADO:
                                   You should start with the
 1
 2
        end, perhaps, and--
 3
                     THE WITNESS:
                                   Okay.
 4
                     MS. MACHADO: --read your way through.
                     ---(Witness reviewing document.)
 5
 6
                     BY MR. LISUS:
 7
     395
                         And I'll just give you some
                     0.
 8
                   It might be easier for you,
        context.
 9
        Mr. Drummond, --
10
                          Mm-hmm.
                     Α.
11
     396
                          --if you take a pause, reading it.
                     Ο.
12
                     It's an e-mail sequence between Global
13
        News and the Ministry of Finance about the Drummond
14
        Report and horse racing, okay?
15
                     Α.
                          Okay. Okay. I see Global News.
16
     397
                          It's in December 2012, so--
                     O.
17
                     Α.
                          Oh.
                          --some 12 months after--
18
     398
                     Q.
19
                     Α.
                          Right. Okay.
20
     399
                          -- the release of your report, --
                     O.
21
                          Right.
                     Α.
2.2
     400
                          --or 11 months.
                     Q.
23
                          Right, yeah.
                     Α.
                          That's the context.
24
     401
                     Q.
25
                          Yeah.
                     Α.
```

```
Page 95
                          Why don't you just take a look at
 1
     402
                     Ο.
 2.
        it.
 3
                     ---(Witness reviewing document.)
 4
                     THE WITNESS:
                                   Okav.
 5
                     BY MR. LISUS:
 6
     403
                          Okay?
                     O.
 7
                     Α.
                          Yeah.
     404
                          So, do you know a fellow called
 8
                     Q.
 9
        Darcy McNeill?
10
                     Α.
                          I do not.
11
     405
                                 Then let me just ask you
                     Q.
                          Okay.
12
        this as a preliminary question, sir.
13
                     After the release of your report, it
14
        obviously garnered a lot of attention in the media?
15
                     Α.
                          Yes.
16
     406
                          And did the government ever refer
                     Ο.
17
        any questions it received to you, for your input?
                          I do not believe that they did.
18
19
     407
                          Okay. And so we see here that the
                     Ο.
20
        Ministry of Finance is being asked questions about
21
        your report and particularly as it pertains to
22
        horse racing?
23
                          Mm-hmm.
                     Α.
24
     408
                          Yes?
                     Q.
25
                          Yes.
                     Α.
```

	NOWINIOND, DON ON December 14, 2017	
1	Page 9 409 Q. And we see that the Ontario	6
2	Government is answering questions about your	
3	report, right?	
4	A. Yes.	
5	Q. We see, on - see if you've got	
6	page numbers, yeah - page 187 in the upper	
7	right-hand corner, top of the page, Question 7; do	
8	you see that?	
9	A. Yes.	
10	Q. "How much money was the Slots at	
11	Racetrack Program generating for the	
12	Province? If this was significant, why	
13	would the Province wish to close such a	
14	program altogether?"	
15	Do you see that?	
16	A. Yes, I do.	
17	Q. And do you see the answer:	
18	"SARP did not generate funding	
19	for the Province."	
20	A. Yes.	
21	Q. That's inaccurate; correct?	
22	A. I hesitate to say that when I	
23	don't know all the background, and I presume the	
24	person that wrote this knows what they're talking	
25	about.	

1	Page 97 414 Q. Well, why would you hesitate, sir?
2	You know that SARP generated \$16-billion for the
3	Ontario Government as of January 2012.
4	You up know that, right?
5	A. As worded the way you say it, I
6	agree.
7	That, I'm just hesitant, without the
8	background, why this person say that, why they
9	would say that.
10	Are they saying the horse racing didn't
11	wasn't the agreement, per se?
12	415 Q. Because it doesn't really make
13	sense to say that it did not generate funding for
14	the Province, right?
15	A. I can't really comment one way or
16	another.
17	416 Q. Well, I don't understand why you
18	can't comment, sir. You're an economist, right?
19	A. Yes.
20	417 Q. Okay. You reported that the Slots
21	at Racetrack Program generated \$4-billion for the
22	horse racing industry, including breeders, right?
23	A. Yes.
24	418 Q. You understood that that
25	\$4-billion was 20 per cent of the total net win

		Dama 00
1	from slot machi	Page 98 nes at racetracks, right?
2	Α.	Yes.
3	419 Q.	And you, therefore, understood
4	that there were	\$16-billion that went to the
5	Ontario Governm	ent, right?
6	Α.	Yes.
7	420 Q.	So it's accurate to say that the
8	Slots at Racetr	ack Program did generate money for
9	the province, r	ight? That follows, doesn't it?
10	A.	Well, you're saying so.
11	421 Q.	Well, Mr. Drummond, please.
12	Do	you want me to go through the
13	exercise again?	
14	MS.	MACHADO: Mr. Drummond has said
15	that it's	
16	ВУ	MR. LISUS:
17	422 Q.	The Slots at Racetrack as of
18	January 2012 ge	nerated \$16-billion for the
19	government of O	ntario; correct?
20	A.	Yes.
21	423 Q.	All right. So it is not
22	accurate	
23	A.	Sorry, you said 15- before.
24	424 Q.	It's 16
25	A.	Okay. You originally said 15- and
	1	

```
Page 99
        we rounded it to 16-.
 1
 2
     425
                    Ο.
                          Okav.
 3
                          I don't care. You've got two
                     Α.
 4
        different numbers running here.
                          $15- or $16-billion for the
 5
     426
                     Ο.
 6
        Province of Ontario; correct?
                          Yes.
 7
                    Α.
     427
 8
                          So it's not accurate to say it
                    0.
 9
        didn't generate any funding for the Province?
10
        did, right?
11
                          I would like to know more
                    Α.
12
        background why they put it that way.
13
     428
                    0.
                          Because without that background,
14
        the statement doesn't make sense, right?
15
                    Α.
                          You're saying so.
16
     429
                          And you agree with me, don't you?
                    Ο.
17
                          Not necessarily. I don't have the
                    Α.
        information.
18
19
     430
                          Okay. What information would you
                    Q.
20
        need?
21
                          Why this person has said that.
                    Α.
22
        it a legality, that it's not the agreement, itself,
23
        is creating the -- is it the activity and not the
24
        agreement?
25
                     I don't know what was in this person's
```

```
Page 100
               I'm not going to just stand here and read
 1
        mind.
 2.
        one sentence and say it's wrong.
 3
     431
                    Q. Well, let's leave aside the
 4
        sentence.
 5
                    I think we have agreed that 4-billion
        went to the industry, between 15- and 16- went to
 6
        the Province, right?
 7
                    Α.
                         Yes.
 8
 9
     432
                          Okay. Real dollars, right?
                    0.
10
                         Well, if you're going to say to an
                    Α.
11
        economist, 'Real dollars means constant dollars,'
        no, it's nominal dollars.
12
13
     433
                    Q.
                         All right.
14
                    Α.
                         So there's no confusion on that.
15
     434
                    Ο.
                         Real nominal dollars?
16
                         Forget the "real". It's nominal
                    Α.
17
        dollars.
                  It's not discounted. It's not in real
18
        terms.
19
     435
                         Dollars the government spent?
                    0.
20
                                I don't know why you're
                    Α.
                         Umm.
        putting it in these fine words; spent, went to debt
21
22
                    I don't know whether they spent it.
        reduction.
23
     436
                         Well, I'm not putting fine words,
                    0.
24
        actually, Mr. Drummond.
25
                          Well, they -- I can't tell you
                    Α.
```

```
Page 101
        that they spent any particular dollar they took in.
 1
 2
        That might have gone to debt reduction. I don't
 3
        know where it went.
 4
     437
                          Let me put it this way.
                    Ο.
 5
                    Α.
                          It's all fungible.
 6
     438
                          A gamer walks into the racetrack.
                    0.
        They put a coin in the slot machine, right?
 7
 8
                    Α.
                          Exactly.
 9
     439
                          They pull the lever?
                    0.
10
                    Α.
                          Yes.
11
     440
                          They did that millions of times
                    Q.
12
        over some 14 years, right?
13
                    Α.
                          Yes.
                          Slot machines spit out $16-billion
14
     441
                    Ο.
15
        to the government?
16
                    Α.
                          Yes.
17
                    MR. LISUS: Okay. That e-mail sequence
        is the next exhibit.
18
19
                    MR. MATTHEWS: Thanks. So Exhibit 5,
20
        CRE 0091986.
21
                     ---EXHIBIT NO. 5: E-mail sequence, Doc
22
        ID Number CRE 0091986.
23
                    BY MR. LISUS:
24
     442
                    0.
                          I'm going to show you an e-mail.
25
        This is an e-mail from December 9, 2011.
```

```
Page 102
                    Do you recall Elizabeth Yeigh?
 1
 2
                    Α.
                          I do not.
 3
     443
                          Okay. Do you recall Tanya
                    Q.
 4
        Watkins?
 5
                    Α.
                          I do not.
 6
     444
                          Do you think that these people in
                     Ο.
        Finance would have been working with your
 7
 8
        secretariat?
 9
                          That... Well, I should look at
                    Α.
10
        this first.
11
     445
                    0.
                          Sure.
12
                    Α.
                          Otherwise, it could be just out of
13
        the blue.
14
                     ---(Witness reviewing document.)
                    THE WITNESS: Well, given at the bottom
15
16
        they're talking about racetracks, that would be my
17
        guess, but that's only a guess on my part.
18
                    BY MR. LISUS:
19
     446
                          Okay. So what I see here is what
                    Ο.
20
        appears to be draft language for your report. Do
21
        you see that?
22
                    Α.
                          Yes.
23
     447
                          Okay. You recognize that from
                    Q.
24
        your report?
25
                    Α.
                          Umm... I don't recognize the
```

```
Page 103
        particular words, but elements of it are in the
 1
 2
        report.
 3
     448
                    Ο.
                         Pardon?
 4
                          I don't recognize this paragraph
                    Α.
        as being directly from the report but --
 5
 6
     449
                    Ο.
                         Elements?
                          There's a references to the 17
 7
                    Α.
 8
        racetracks, et cetera, are in the report.
 9
                    MR. LISUS: All right. Can we make
10
        that as the next exhibit?
11
                    MS. MACHADO: Are there any other
12
        questions on this one or ...?
13
                    MR. LISUS: No.
                    MR. MATTHEWS: Exhibit 6, CRE 79877.
14
                    ---EXHIBIT NO. 6: E-mail dated
15
16
        December 9, 2011, Doc ID Number CRE 79877.
17
                    BY MR. LISUS:
     450
18
                          I want to show you another e-mail,
19
        CRE 79873.
                    I think I asked you already whether you
20
        recall a fellow called Barry Goodwin.
21
                         You did and I don't.
                    Α.
22
     451
                         Okay. And if you just take a look
                    Ο.
23
        at the bottom of page 56, you see there's an e-mail
24
        there from someone called Mellozzi,
25
        M-e-l-l-o-z-z-i.
```

	Divisional, bon on december 14, 2017
1	Page 104 A. Mm-hmm.
2	452 Q. Yes?
3	A. Yes.
4	Q. And I take it none of the people
5	copied or to on that e-mail, none of the addressees
6	who are cc'd are members of your secretariat?
7	A. No, they're not.
8	Q. Okay. So as I understand this
9	e-mail sequence, sir, "Drummond papers were
10	distributed again last night", it says, and I'm
11	inferring from this, it being December 2011, that a
12	draft report of yours or sections of it is being
13	given to Finance for review and comment?
14	A. That would be my guess from the
15	dating.
16	I don't remember that exactly taking
17	place, but around that time, yes, we were doing
18	that.
19	Q. Okay. And when you say you were
20	doing that, just tell me in general terms what the
21	process was, what was being done?
22	A. That we were sending drafts of
23	various sections back to the responsible ministry.
24	456 Q. Okay.
25	A. Well, to add their views, but it

Page 105 was primarily a factual check, but we took whatever 1 2 comments. 3 457 And at this point in time, being 0. 4 December 2011, were you, yourself, reviewing all of 5 these drafts or was it still in the hands of your secretariat and the Ministries? 6 7 Α. That very much depended by chapter 8 by chapter. 9 Probably in this one, it was probably 10 being dealt with at that point with the 11 secretariat. 12 Health and education and business 13 subsidies, I would have been much more actively 14 engaged at that point. 15 458 Ο. Right. 16 Slots at Racetrack Program was very, 17 very low on the totem pole of things you personally 18 were looking at; correct? I -- just in terms, I followed the 19 20 money, the big money. 75 per cent of the 21 government spending is in health and education. 22 That's where I spent the vast majority of my time. 23 459 Okay. And so someone or some Ο. 24 persons in your secretariat, along with their 25 counterparts in Finance, were working on the

1	Page 106 content of your report with respect to the Slots at
2	Racetrack Program revenue share; fair?
3	A. Well, I have to add an additional
4	dimension to it, because again, there was two parts
5	of it. As I was saying before, the central focus
6	was on the recommendations as you saw in that
7	evergreen document. So all of us, and very much
8	myself, were very much focused on that.
9	These exchanges are largely around the
10	words that are providing the background on the
11	recommendations.
12	Q. And how those recommendations were
13	to be implemented, is that fair?
14	A. No.
15	Q. Okay. Well, let's take a look at
16	this.
17	A. We were not involved in
18	implementation at all.
19	Q. Let's take a look at this.
20	December 6, 2011, 1:29 p.m.:
21	"As you know, the Drummond
22	papers were distributed again last
23	night. Edits are due to Kasia by
24	noon tomorrow."
25	Is Kasia is a member of your

```
Page 107
        secretariat? K-a-s-i-a.
 1
 2
                         No, I don't know.
                    Α.
 3
     463
                    Q.
                         Okay.
 4
                         There's the name above, and I
                    Α.
 5
        don't know that person.
 6
     464
                    0.
                         All right. And we see that
 7
        Ms. Yeigh, at the top of the page, identifies
        proposed language, right? Do you see that?
 8
 9
                         Yes, I do.
                    Α.
10
     465
                         And I presume it was not unusual
                    0.
11
        for you or your secretariat to receive proposed
12
        language from the Ministry?
13
                    Α.
                         Ministries plural.
14
     466
                         Correct. The Ministry affected by
                    Ο.
15
        the recommendation, right?
16
                    Α.
                         Correct.
17
     467
                         Okay. In fact, in order to
                    0.
18
        compose a report of this scale, you had to rely
19
        very heavily on Ministry input, right?
20
                         No. I wish that were the case.
                    Α.
        That was not the case.
21
22
     468
                    Q.
                          Okay.
23
                         We relied quite heavily on Finance
                    Α.
24
        work, particularly from this group, the Treasury
25
        Board.
                The original notion of why I only had four
```

Page 108 people on the secretariat is the bulk of the work 1 2 will be done by the Ministries and that did not 3 work well at all. 4 469 0. So you relied heavily on support from Ministry of Finance? 5 Α. Correct. In almost all of these 6 7 chapters, in almost all of these areas. 470 That's helpful, and I 8 0. Thank you. 9 see Ms. Yeigh here proposing language which says: 10 "Review its current forms of 11 financial support provided to the 12 horse racing industry through the 13 Province's pari-mutuel tax reduction 14 and the Slots at Racetracks Program and rationalize the level of support 15 16 from the government to the industry 17 so that the industry reverts to being primarily and appropriately 18 19 sustained by the wagering revenue it 20 This rationalization or generates. 21 financial support should be done in 2.2 a phased manner that is informed by 23 and consistent with the government's 24 approach with respect to its business, agricultural, rural 25

ı	Daws 400
1	Page 109 subsidization programs."
2	Do you see that?
3	A. Yes, I do.
4	Q. And does that make sense to you?
5	MS. MACHADO: Sorry. What do you mean,
6	"does that make sense"?
7	BY MR. LISUS:
8	Q. Does the rationalization of a
9	financial report being done in a phased manner make
10	sense to you?
11	A. It's not consistent with what I
12	was recommending because it almost prejudges the
13	nature of the review.
14	Q. And by "the review", you mean the
15	evaluation?
16	A. The evaluation. Sorry.
17	Q. Okay. And so you wanted an
18	evaluation that didn't have any prejudgment and was
19	just a full, complete evaluation from the ground
20	up? Is that what you're saying?
21	A. Correct.
22	MR. LISUS: All right. That's the next
23	exhibit.
24	MR. MATTHEWS: CRE 79873, Exhibit 7.
25	EXHIBIT NO. 7: E-mail, Doc ID

Page 110 Number CRE 79876. 1 2 BY MR. LISUS: 3 475 And I presume why this wasn't Ο. 4 consistent with what you were thinking about when 5 you said evaluation, was it presumed that there would be a staged phasing out? 6 The phasing out seemed quite 7 Α. 8 precise as an outcome. 9 "Seemed quite MS. MACHADO: 10 precise...?" 11 THE WITNESS: As an outcome of a 12 review--13 MS. MACHADO: "...as an outcome." 14 THE WITNESS: --and, you know, as 15 opposed to doing it right away or delaying it for 16 five years. Phasing out seems kind of detailed for 17 an evaluation that hasn't been done. 18 BY MR. LISUS: 19 476 Right. And just listening to what Ο. 20 you said about Finance's involvement, and it made 21 me recollect what you said a little while ago about 22 sending drafts of your report to affected 23 ministries. 24 Α. Yes. 25 477 Did you send a draft of your Q.

Page 111 report as it pertained to the Slots at Racetrack 1 2. Program to OMAFRA? 3 Α. I do not know that, and if it was, 4 it would have been done by the secretariat. Either I don't know or I don't recall. 5 6 478 Are you aware that Ο. Okay. Mr. McMeekin made comments publicly that he heard 7 about the cancellation of the Slots at Racetrack 8 9 Program when the public did? 10 No, I'm not aware of that. Α. 11 479 I take it, sir, that you, Ο. Okay. 12 as you sit here today, do not have a recollection 13 of being involved personally with the Ministry of 14 Finance about the language to be put in your report 15 concerning the Slots at Racetrack Program revenue 16 share, right? 17 I'm not sure what you mean by Α. 18 that. 19 480 Q. As you sit here today, you don't 20 recall speaking with anyone from the Ministry of 21 Finance about what your report would or should say 22 about the Slots at Racetracks Program revenue 23 share? 24 Α. Well, as I said, I did not deal 25 with anybody other than my secretariat directly.

```
Page 112
        As an example, I either don't recall or I never saw
 1
 2
        that suggested language that you've just showed me.
                               Fair enough. So I think that
 3
     481
                          No.
                    Q.
 4
        answers my question, and I want to make sure I got
 5
        it.
 6
                    You, yourself, didn't have any direct
 7
        contact --
 8
                    Α.
                          No.
 9
     482
                          -- with Ministry of Finance?
                     Ο.
10
                    Α.
                          No.
11
     483
                          And you don't recall, as you sit
                    Q.
12
        here today, having any direct dialogue with a
13
        member of your secretariat about the language to be
14
        inserted in your report about the Slots at
15
        Racetrack Program revenue share, right?
16
                          No, I don't.
                    Α.
17
     484
                          Okay. but it was consistent with
                     0.
18
        the process that was being followed for language to
19
        be proposed or suggested by the Ministry for your
20
        report, and you would ultimately sign off on it or
21
        not, but it was --
22
                     Α.
                          Yes.
23
     485
                          So, for instance, if I take a look
                     Ο.
24
        at the e-mail CRE 80428...
                     ---(Witness reviewing document.)
25
```

	,
1	Page 113 BY MR. LISUS:
2	Qwe're still in early December.
3	Are you with me?
4	A. Yes.
5	Q. The language and data points in
6	this proposed text for your report was all provided
7	by the Ministry of Finance; correct?
8	A. Correct.
9	Q. You didn't know anything about
10	racing jurisdictions across North America, right?
11	A. That came from them, yes.
12	Q. Right. And I take it you didn't
13	know the background of the pari-mutuel tax
14	reduction in 1996 or thereabouts?
15	A. Only what I learned from them.
16	490 Q. Okay.
17	MR. LISUS: That's the next exhibit,
18	please.
19	MR. MATTHEWS: CRE 80428, Exhibit 8.
20	EXHIBIT NO. 8: E-mail, Doc ID
21	Number CRE 80428.
22	BY MR. LISUS:
23	Q. And you didn't have a view, one
24	way or another, about how Ontario's horse racing
25	industry compared to other horse racing industries

	,		
1	across North	Ameı	Page 114 rica; correct?
2	7	Α.	I formed a view on the basis of
3	that informat	tion	as we saw that background of how
4	many races tl	here	were, how much was bet per race
5	and what the	degi	ree of government involvement was,
6	but again, my	y boo	dy of information came from these
7	reports.		
8	492	Q.	Do I see in your report how many
9	races there a	are a	and how much was bet on a race?
10	1	Α.	Well
11	493	Q.	Tell me where you're looking.
12	i i	Α.	I'm I'm sorry. I'm just
13	referring bad	ck to	o page 316, British Columbia has
14	six race trac	cks,-	
15	494	Q.	Okay.
16	i i	Α.	seventeen times; Alberta, five
17	racetracks.		
18	495	Q.	Got it. That was all just given
19	to you by Fi	nance	≘?
20		Α.	That's correct.
21	496	Q.	You didn't investigate it
22	yourself?		
23		Α.	I did not.
24	497	Q.	And so whatever you say on page
25	316 about the	e hor	rse racing industry as compared to
	1		

Page 115 other jurisdictions is information given to you by 1 2. Finance which you didn't check or --Just to clarify, given to me from 3 Α. 4 my secretariat, in turn from Finance. 5 498 Ο. Right, but you didn't do an independent check of it or audit of it; correct? 6 7 You accepted it as accurate from the Ministry of 8 Finance? 9 I did accept it as accurate. Α. 10 499 Okay. And because you weren't Ο. 11 doing an evaluation, yourself, you didn't go back 12 to Finance through your secretariat to say: Well 13 how many people are employed, What will the impact 14 of a change on the share be, What will happen to 15 the breeding sector, et cetera, right? It just 16 wasn't your mandate? 17 Well, I would just add not -- just Α. 18 because I didn't -- I recommended an evaluation, 19 but again, yes, because that was not in my mandate. 20 500 Yeah. O. 21 My mandate was to eliminate the Α. 22 deficit. 23 501 And similarly, when you say in Q. 24 your report: 25 "Ontario's approach is

1	Page 116
1	unsustainable"
2	MS. MACHADO: Sorry. What page are you
3	on?
4	MR. LISUS: 316.
5	MS. MACHADO: Oh. Still? Okay.
6	BY MR. LISUS:
7	Q. Bottom of the first paragraph:
8	"Ontario's approach is
9	unsustainable, and it is time for
10	the industry to rationalize its
11	presence in the gaming marketplace."
12	Whether or not Ontario's approach was
13	sustainable from the perspective of horse racing
14	industry comparatives or economics, wasn't
15	something you had evaluated or investigated? You
16	were just accepting as given to you by Ministry of
17	Finance?
18	A. That is correct.
19	Q. Okay. And we talked about the
20	manner in which information found its way in your
21	report. I want to show you another e-mail, CR
22	oh, no, OLG 995.
23	MS. MACHADO: Is there a document
24	attached that you want to?
25	MR. LISUS: One.

		Dogg 447
1		Page 117 MR. MATTHEWS: Do you want the
2	attachment?	
3		MR. LISUS: Sure.
4		BY MR. LISUS:
5	504	Q. I take it you don't know Tom
6	Marinelli?	
7		A. I do not.
8	505	Q. Preet Dhindsa?
9		A. No.
10	506	Q. P-r-e-e-t D-h-i-n-d-s-a or
11		A. No.
12	507	QSam Heath?
13		A. No.
14	508	Q. Okay. And this is an e-mail that
15	is from a M	r. Aguzzi, A-g-u-z-z-i. I take it you
16	don't know i	him? I think it's a "Mister".
17		A. Again, I
18	509	Q. It's not a "Mister".
19		A. Possibility these people might
20	have been a	t that one meeting I had, but I don't
21	recall.	
22	510	Q. "Please find attached a
23		fleshed-out narrative design to be
24		parachuted into the Drummond
25		Report."

,	,		
F	. F	Very helpful.	Page 118
511 Ç	Q.	And what do you mean by that?	
Į.	A.	Well, sort of presumption tha	t I
will take wha	ateve	er they're giving me.	
512 Ç	Q.	And it's reflecting discussion	ns
with senior f	Eolks	s at MOF, Ministry of Finance,	
right?			
Į.	A.	Yes.	
513 Ç	Q.	And it says:	
		"The purpose is to preconditi	on
f	for c	change."	
I	о ус	ou see that?	
P	Α.	Yes.	
514 Ç	Q.	Were you aware of what change	s the
Ministry of F	Finar	nce was contemplating to the	
revenue shari	ing a	at Slots at Racetrack Program	as of
December 15,	2011	L?	
P	A.	I was not.	
515 Ç	2.	They had never told you that	they
were contempl	latir	ng cutting the revenue share	
entirely?			
F	A.	No.	
N	MR. I	ISUS: That's the next exhibi	t.
M	MR. M	MATTHEWS: OLGSB 995, its	
attachment, C	OLGSE	3 996, together as Exhibit 9.	
	will take who will take who file with senior fright? file fil	A. will take whatever 512 Q. with senior folks right? A. 513 Q. for contemplating and pecember 15, 2011 A. 515 Q. were contemplating and pecember 15, 2011 A. MR. M. MR. M.	A. Well, sort of presumption that will take whatever they're giving me. 512 Q. And it's reflecting discussion with senior folks at MOF, Ministry of Finance, right? A. Yes. 513 Q. And it says: "The purpose is to preconditite for change." Do you see that? A. Yes. 514 Q. Were you aware of what change Ministry of Finance was contemplating to the revenue sharing at Slots at Racetrack Program December 15, 2011? A. I was not. 515 Q. They had never told you that were contemplating cutting the revenue share entirely?

```
Page 119
                    ---EXHIBIT NO. 9: Doc ID Number OLGSB
 1
 2
        995 and attachment, Doc ID Number OLGSB 996.
 3
                    BY MR. LISUS:
 4
     516
                         I just want to understand
                    0.
 5
        something, Mr. Drummond. I think you used the word
 6
        "subsidy".
                         The report does have one reference
 7
                    Α.
 8
        to subsidy, right.
 9
     517
                         I take it that subsidies can come
                    0.
10
        in a number of forms?
11
                    Α.
                         Yes.
12
     518
                    O. Businesses can be subsidized in a
13
        number of ways, right?
14
                    Α.
                         Yes.
15
     519
                         They can be subsidized by a
                    0.
16
        provision of a loan that is to be repaid?
                         Yes. Well, it would -- in that
17
                    Α.
        case, it would be only classified as a subsidy if
18
19
        it was below a market rate.
20
     520
                         Right, in terms of the interest
                    Ο.
21
        rate and in terms of repayment, correct?
22
                    Α.
                         Yes.
                         A subsidy can come in the form of
23
     521
                    0.
        a guarantee of liability?
24
25
                    Α.
                         Yes.
```

1	522	Q.	Page 120 A subsidy can come in the form of
2	an investme	nt, r	ight?
3		Α.	Yes.
4	523	Q.	And there are many industries that
5	receive var	ious	kinds of subsidies, investments,
6	guarantees,	loan	s, from public authorities;
7	correct?		
8		Α.	Yes.
9	524	Q.	Automotive is one?
10		Α.	Yes.
11	525	Q.	Aerospace is another?
12		Α.	Yes.
13	526	Q.	What else?
14		Α.	Forestry. The mining sector has
15	preferentia	l tax	treatments. Virtually every
16	sector has	some	form of accelerated depreciation,
17	for many ma	chine	or equipment
18	527	Q.	In the manufacturing sector?
19		Α.	For almost all sectors.
20	528	Q.	Almost all sectors of the economy
21	have some -	_	
22		Α.	Some form of subsidy.
23	529	Q.	Or another?
24		Α.	Yes.
25	530	Q.	Finance? Do banks have some form

```
Page 121
        of a subsidy?
 1
 2
                          That would be in the looser
 3
        generation. They have a preferential treatment in
 4
        terms of the widely-held rule, which is hugely
 5
        preferential.
 6
     531
                          Right.
                    Ο.
 7
                          Strictly speaking, it's not a
                    Α.
        subsidy, but...
 8
 9
     532
                          It's an advantage?
                    Ο.
                          It's an advantage, definitely.
10
                    Α.
11
     533
                    Q.
                          Right.
12
                    I take it you aren't aware of the
13
        process by which the final language in your report
14
        about Slots at Racetrack Program came to be in
        there, the precise e-mail on the precise day, and
15
16
        the point at which the language was incorporated
17
        into the Final Report? You don't recall that,
18
        right?
19
                          I have to parse that statement
                    Α.
20
        somewhat.
21
     534
                    Q. A clumsy statement. I will give
2.2
        it to you again, okay?
23
                    We've reviewed a number of e-mails
24
        pursuant to which language for your report is
25
        discussed, right?
```

Page 122 1 Α. Yes. 2 535 0. And there are many others I'm not 3 putting to you because you aren't on the e-mails, 4 right? 5 Α. Yes. 6 536 But I have understood your Ο. evidence to be that it was consistent with the 7 8 practice that the secretariat and you or some 9 combination thereof would consult with the Ministry 10 about proposed language in the report? 11 I'll have to parse that a little Α. 12 bit, particularly in the consult. Again, just 13 repeating what I said. 14 First of all, you keep referring to me. 15 It is the Commission's report. There's four 16 Commissioners, so it's not me. There's three other 17 people involved in this process. It is our report. 18 It is not the government's report. It is not the 19 Ministry of Finance's report. 20 Whatever is in here, whether it was 21 drafted by us personally in the first place or 22 drafted by some junior official in some ministry, 23 it is our responsibility. We own it. It is ours, and that's why, when you consult, well, we 24 25 consulted to our purposes.

Page 123 We didn't have a mandate. We didn't 1 2. have a need to consult. Nothing is in here 3 that's -- the Commissioners are not aware of and 4 did not approve of. I think you're thinking about my 5 537 Ο. 6 question in a way that you needn't be, okay? I'm not suggesting this isn't your 7 I'm simply observing that the content of 8 report. 9 the report, certainly as it relates to horse 10 racing, appears to have been at least a 11 collaborative exercise between your side, being the 12 Commissioner's and the secretariat and the Ministry 13 of Finance. 14 Can we agree on that? Well, I even have trouble with the 15 Α. 16 "collaborative" word. 17 I mean, they served us. They are at our direction. 18 19 538 But, Mr. Drummond, I am seeing 20 paragraphs drafted by Finance for inclusion in the report. And I can --21 22 So I can tell you, of this report Α. 23 of 553 pages, you will find probably 1,000 times 24 the amount of material you have here of the same 25 thing from other Ministries and almost none of it

Page 124 made it into the report. 1 2 539 Ο. Okay. 3 Α. That was the nature of it. 4 departments wanted virtually everything to be 5 changed and literally none of it was. 6 540 Well, that's helpful because I see Q. 7 that the language in your Final Report pretty closely tracks what was provided to you by -- what 8 9 was provided by the Ministry of Finance in these 10 e-mails. 11 So what you have shown me, we can Α. 12 see on the factual basis that is drawn from there, 13 we can see some of the language is in here, and we 14 can also see that some of it, such as phasing out things over time, was not into the report. 15 16 541 Ο. Right. 17 Let's take a look at another e-mail 18 together, then, on this point; 90... 19 CRE 18318. 20 And I want to... I'm not impugning 21 you, Mr. Drummond. I want you to understand that. 22 Α. Oh. I don't take that, at all, 23 but--24 542 O. All right. 25 --I don't--Α.

```
Page 125
     543
                    0.
                          Let's take a look at this
 1
 2.
        together.
 3
                    Α.
                        --think you're accurately
 4
        describing the process.
     544
                          Well, let's take a look at this
 5
                    0.
 6
        together.
                    Here's an e-mail from Ben Valido,
 7
        V-a-l-i-d-o, at Finance to Morris Ilyniak,
 8
 9
        I-l-y-n-i-a-k, December 15, 2011:
10
                          "We had a briefing with our
11
                    DM..."
12
                    You understand that to be Deputy
13
        Minister?
14
                    Α.
                          Yes.
15
     545
                    0.
                          Who was that? Who was Deputy
16
        Minister of Finance in December 2011?
17
                    Α.
                          That would have been Steve Orsini.
18
     546
                          "...this week, and we are
                    Ο.
19
                    proposing the following text replace
20
                    current text in Chapter 10 and 10-8
21
                     (ph) recommendation, page 13 re
2.2
                    Horse Racing Industry." [As read.]
23
                    Are you with me there?
24
                    Α.
                          Yes.
25
     547
                          Let's take a look at page 316 now.
                    Q.
```

1	Page 126 The e-mail says:
2	"Ontario's horse racing
3	industry is another area where
4	Provincial Government subsidies to
5	racetracks and horsepeople to
6	require a review and adjustment to
7	realign with the present-day
8	economic and accountability
9	realities."
10	Right?
11	A. Yes.
12	Q. The report says:
13	"The horse racing industry is
14	another area where subsidies to
15	racetracks and horsepeople require a
16	review and adjustment to realign
17	with present-day economic and fiscal
18	realities."
19	Pretty close, right?
20	A. Well, I think you have to be
21	cautious here. Read above that:
22	"We are proposing the following
23	text replace the current text."
24	That is what you're reading here is
25	not necessarily new proposed words. This might

Page 127 I'm not saying one way or another. 1 I don't know. 2 89 per cent of what you're reading here 3 might just be a repeat of what was in the draft 4 already. Okay. Well, look, I can track 5 549 0. 6 e-mail to e-mail to e-mail to your report. I'm not going to do this right now with you, but -- because 7 I'm going to invite you to consider my question. 8 9 With respect to the horse racing 10 section of your report, the content of the report 11 substantially tracks information provided to your 12 team by Ministry of Finance, right? 13 Α. Correct. Thank you. And it also 14 550 Ο. 15 substantially tracks the presentation of that 16 information provided to your team by Ministry of 17 Finance; correct? 18 Sorry, what do you mean by Α. 19 presentation? 20 551 The manner in which the data is Ο. 21 presented in your report substantially tracks the 22 manner in which it was provided by Finance to your 23 team, fair? 24 I might just quibble with the word 25 "substantially". I mean, I can see from tracking

1	Page 128 these to the final version that quite a few things
2	are changed, and the order of things are changed
3	and a lot of the information in these is not in the
4	report, so I don't know about the "substantially"
5	part, but in general, yes.
6	MR. LISUS: Okay. Did we mark that
7	e-mail as an exhibit?
8	MR. MATTHEWS: No. Exhibit 10, CRE
9	18318.
10	EXHIBIT NO. 10: Doc ID Number CRE
11	18318.
12	BY MR. LISUS:
13	Q. If I continue with the second
14	sentence, we see in the e-mail:
15	"In addition to revenues from
16	wagering since the late 1990s, the
17	industry has benefited from a
18	provincial tax expenditure."
19	Look at the second sentence on 361:
20	"In addition to revenues from
21	wagering since the late 1990s, the
22	industry has benefitted from a
23	provincial tax expenditure, a
24	reduction to the provincial
25	pari-mutuel tax."

Page 129 Right? It's identical. 1 2 But again, we don't know the Α. 3 origin of this. Again, this is replacing the text 4 that's already there. It may just be repeating 5 what was always -- what was there previously. 6 553 But, sir, we've already agreed Q. that neither you, nor anyone on your secretariat, 7 was an expert or knowledgeable about the horse 8 9 racing industry, right? 10 I agree with you, and I said the Α. 11 bulk of that information came from the Ministry, 12 but you're trying to get me to acknowledge that 13 these e-mails are the source of the information, 14 and I cannot say that because they are recommending 15 this replace something that was already there. Ιt 16 could be 90 per cent of a repeat. 17 554 Okay. But fair enough. What you Q. 18 can agree with me, and I think you have it, that no 19 one on your team was a member -- was an expert in 20 the horse racing industry? 21 That is true. Α. 22 555 No one on your team would have Q. 23 known the data, right? 24 Α. I won't venture too far in that, 25 and the precise details and all of this, no. Some

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Page 130
        of it, perhaps.
 1
 2
     556
                    0.
                          Okay.
 3
                    MR. MATTHEWS: Are you done with that
 4
        e-mail?
 5
                    MR. LISUS: Sure.
                    I'm not going to be much longer with
 6
        you, Mr. Drummond.
 7
                    ---(Discussion off the record.)
 8
 9
                    MR. LISUS:
                                 Okay.
                    MR. MATTHEWS: Break for five minutes.
10
11
                    ---Recess at 12:57 p.m.
12
                    ---On resuming at 12:59 p.m.
13
                    MR. LISUS: Okay. Those are my
14
        questions for you, Mr. Drummond.
15
                    THE WITNESS:
                                   Okay.
16
                    MS. MACHADO: Shall we switch seats,
17
        then?
                    ---(Discussion off the record.)
18
                    EXAMINATION BY MS. MACHADO:
19
20
     557
                         Good afternoon, Mr. Drummond. I
                    0.
21
        just have a few questions, mostly just to get some
22
        clarification on the information that you already
23
        provided today, so I will try not to repeat that
24
        has already been asked.
25
                    Can you tell me a little bit how you
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came to be assigned or asked to commission what 1 2 came to be known as the Drummond Report? 3 It probably started back in 2003 Α. 4 when the Liberal government first came into power, and I received a call from the CEO of the TD Bank 5 Ed Clark, who had, in turn, been contacted by the 6 premier, that he didn't like the transition 7 briefing books that they got on economic and fiscal 8 9 matters. 10 And there was a request that I, I 11 quess, rewrite the transition briefing books and 12 that sort of was my introduction to some 13 involvement in Ontario fiscal policy. 14 And I had done a couple of assignments for them in between, and when Dwight Duncan called 15 16 me to ask me this, he said he had asked me because 17 most people he would give it would just go and slash and burn everything, and that's not what they 18 19 wanted. 20 They wanted it to be done in a fair 21 manner, and he thought, from what I had done for 22 them previously, I would do that. 23 And I also -- as I said, the bulk of my 24 time was spent on health and education, and I had

done a major report for the Ontario Minister of

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Page 132 Health, Deb Matthews, at the time in 2010, so I 1 2 think that was probably a reason why they picked 3 me, as well. 4 558 Okay. And what are your Ο. 5 qualifications? 6 So I'm an economist by education. Α. I've worked for 23 years for the Federal Department 7 of Finance, always in the budget-making capacity, 8 9 so an awful lot of experience with budgets. 10 When I went to TD Bank, I thought I 11 probably would no longer be involved in public 12 policy, but I encountered two successive CEOs that 13 had quite an interest in public policy, and then I 14 did a variety of projects for the Federal Government and for various provincial governments 15 16 when I was at the TD Bank. 17 559 Okay. So when you first get 0. started and sit down to start considering what 18 19 becomes a behemoth of the report, do you start with 20 thinking about recommendations? Do you start 21 meeting with people? Do you start with documents? 22 How do you start? 23 Well, the starting point was, Α. 24 because it was a singular mandate, about how to get 25 rid of their deficit, so a balanced budget for

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Page 133

2017, I had to figure out how big their problem was, and they did not have a view on that.

In my language, I've used what was the status quo look. So if you didn't change any public policies vis-a-vis April 2011 and just let everything run that way, how big would the deficit be.

And I think we shocked everybody when we calculated it would be almost 30-billion, because they had budget projections that showed it was going to fairly substantially on its own, and basically, we said, 'Well, those aren't valid views of it. This is actually going to get bigger.'

So that was their starting point, just defining what the problem was and then just thinking, how can we draw billions and billions of dollars out of their spending and do it in a manner that's supportive of the economy and supportive of people.

Q. Okay. So, as a next step, when you're looking at any Ministry, like Education or Health, do you start meeting with a whole bunch of people in order to consider what recommendations you are going to be providing or how do you come to a recommendation?

Page 134 So, yes, our... We would look at 1 2 things from how much the spending was, what the 3 pattern of the spending was, think about it a bit 4 ourselves, and then the next step was always 5 meeting with the Ministry responsible, quite often with the Minister, but particularly with the Deputy 6 Ministers and Assistant Deputy Ministers. 7 I should also add, because it made me 8 think about it, I -- now I know there are 4-inch 9 10 D-ring binders, and I saw some here today. 11 didn't realize there were 4-inch D-ring binders. 12 I got lots of those when we started 13 because the government had tried to do this 14 exercise twice themselves and had failed both 15 times, and it all came down to the Ministries, 16 quite understandably, never wanted to offer up any 17 savings. They had a \$200-million budget, and if 18 19 you asked them how you could cut their budget, they 20 always said, 'It's impossible. You can't do it. 21 You can't take a cent out of my budget.' 22 And these exercises generated paper 23 after paper with no result. 24 So I couldn't start that way because 25 they weren't going to offer it, so I had to

Page 135 understand what they do and then try to think of 1 2 ways of doing it better, more efficiently, or if it 3 was a government business enterprise, how to raise 4 more money. So you considered the issue 5 561 Ο. Okav. surrounding that ministry or that department before 6 you would go in and start meeting with people to 7 discuss it with them? 8 9 That's right, and then we met with Α. 10 them, and then again, depending on the sector -- so 11 health will be a good example. 12 We met with approximately, at least, a 13 dozen outside groups. For example, I met with the 14 Ontario Hospital Association four times, because 15 they actually had some really good ideas where 16 money could be taken out and actually improve the 17 quality of health. We met with the larger universities and 18 19 colleges, for example, when we did the 20 post-secondary education sector. 21 562 So once you got in mind a Ο. Okay. 22 particular recommendation, whether it's before 23 that, the first meeting that you have with whatever 24 group or association or whether it's after, how do 25 go about then putting pen to paper on the

Page 136 recommendation and the text that's around the 1 2 recommendation? 3 Α. So this was the third type of 4 commission like this I had done, and all of them, I 5 had started that the focal point is the recommendation. It keeps the mind focused. 6 7 You don't start writing 600 pages and then try to extract the recommendations. You focus 8 9 on them and then you build a narrative around that. 10 So we had this vehicle called the 11 evergreen recommendation list, and as soon as we 12 had an idea, we put it into there. It was draft, 13 and it could change. It didn't have to be perfect. And we all had two sections of it, one 14 15 where everybody had agreed on things, even though

we subsequently changed it, and then if somebody else, an individual, who might have been on the secretariat, thought that they had a better idea, they could put it into the draft section, but they couldn't put it right into the one we had all agreed on.

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So we sort of had two tiers of these evergreen recommendations.

563 Ο. Okay. And can you recall when you came up with the recommendation surrounding the

	2. (2.1.1.1.1.2.1.2.1.2.1.2.1.2.1.2.1.2.1.2
1	Page 137 Slots at the Racetrack Program? Was it before the
2	meeting with OLG or after?
3	A. No, it was after the meeting. It
4	was very closely after the meeting.
5	Q. Okay. Did you have any thoughts
6	prior to entering into that meeting? Had you done
7	the research that we were talking about before?
8	A. No, I had not.
9	Q. Okay. You've mentioned that your
10	experience with the Ministries wasn't as
11	satisfactory as you'd liked for it to have been
12	because they understandably don't want to cut their
13	budgets, I guess?
14	A. Right.
15	Q. You've also spoken about the
16	individuals at Treasury, who are a department of
17	the Ministry of Finance.
18	How was your experience with them
19	different, if at all?
20	A. So there was two difficulties with
21	the Ministries.
22	The first one, they never wanted to
23	volunteer any savings and, secondly, when they
24	wrote something, and they I just glanced at the
25	material I was shown recently that was given to me,

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I quess, for possible inclusion from OLG, was 1 2 symptomatic of virtually everything we got. 3 It basically describes how great they It says, 'We do everything really well,' and 4 are. my context was, 'Well, wait a minute. 5 government is saying there's a problem here. 6 can't just say that you're doing everything really 7 8 well.' 9 I don't blame them. That's what they 10 That's instinctively how they write things, 11 but it wasn't -- it wasn't the voice that was 12 appropriate for the Commission. 13 And the people who were in the Ministry 14 of Finance and this group of the Treasury Board didn't feel that they had -- or they didn't have to 15 16 defend a particular Ministry or a particular 17 program. They could write about it much more 18 19 objectively, probably because, in their minutes to 20 Finance, they probably had a greater buy-in to the 21 need to eliminate the deficit, as well, so they 22 didn't -- weren't kind of throwing up these 23 obstacles. 24 And they wrote in a voice that was much 25 more consistent with what I was trying to

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Page 139

establish, so I could actually use their draft material.

I ended up really not using anything that came from the draft material from the other Ministries.

Q. So going back to how you rendered your conclusions about -- or your recommendations rather about OLG and your suggested changes about its enterprise, how did you come up with those recommendations so quickly after sort of an hour of meeting with them?

A. It really just struck me in the meeting of an hour that things could be done better.

I mean, I don't think anybody could agree. Obviously, there was some inefficiency in the expenditure side. Nobody would stand up and say it was a great policy to have two headquarters and have two casinos in the same cities.

Those are a bit of accidents of history, but no one was really -- I just didn't have a sense that they were driving those mandates of increasing the dividend that they could pay to the government and -- you know, perhaps, I have learned today there was some kind of broader review

Page 140 going on at the time. They weren't really sharing 1 2 that with me, but it just struck me that they can 3 do better here. 4 There are probably some expenditures 5 they've got that they don't need to make, and they could probably increase the gross revenue line, and 6 you can talk about what to do about that 7 afterwards, but the pie could be grown if they 8 9 approached it differently. 10 568 In your recommendations, Ο. Okay. 11 did you come to them entirely on your own or were 12 they suggested to you in that meeting? 13 Α. They didn't really suggest too 14 much in that meeting, no. They really came out of the 15 16 conversation of listening to them and, as I said, I 17 was quite intrigued about what they were saying, that they didn't find a big correlation between 18 19 people who went to the sites for the horse racing 20 and the people who would normally gamble. 21 And I was a little bit disappointed 22 that at no point, was there really any 23 substantiation of that. 24 So it was in my mind and it was 25 something I thought that needed be part of an

Page 141 evaluation, but I didn't really have a lot of facts 1 2 around it. 3 569 Was it at that meeting that you Q. found out how much money was coming out of the 4 5 Slots at the Racetrack Program or did you know 6 about that already? I probably knew that already. 7 Α. So while there was really nothing of use in terms of 8 9 helping to get a balanced budget from all these 10 4-inch D-rings, there were descriptions of programs 11 in there. 12 570 O. Okay. 13 Α. I don't recall whether I first 14 read it in there, but something like that may well have already been in there. Like certainly the 15 16 fact that they had two casinos and two headquarters 17 would have been in that background material. I'm sure I didn't hear that for the 18 19 first time in the meeting with OLG, and I read all 20 of these --21 571 Unfortunately. 0. 22 -- 4-inch D-rings, so in every Α. 23 area, I had a fair bit of background before I met 24 the respective parties. 25 572 Okay. So when I asked you earlier Q.

Page 142 if you had done any research, perhaps you weren't 1 2 considering reviewing all of this background 3 material? 4 Α. Yes. I should have considered 5 that. 6 So two rounds of internal reviews, the governments, and all the documents that were 7 produced from that, and all the reports of the 8 9 Treasury Board that came out of that; I did review 10 that very early in the process, probably in the 11 spring of 2011. 12 573 Okav. Your secretariat members; Ο. 13 would they check or sort of audit any of the 14 information that they were being fed by the various Ministries to ensure it was correct? 15 16 Certainly, everything that came Α. 17 from the Ministries. And again, they would have 18 been assisted from the people in the Ministry of 19 Finance in that group. 20 Whether they did that from the Ministry 21 of Finance, --22 574 You don't --Q. 23 -- I suspect probably not because, Α. 24 again, they would probably feel these are people 25 that are not there to protect some particular

Page 143 They probably have an objective view. 1 program. 2 575 Ο. Okav. But you don't recall 3 specifically one way or another when it comes to 4 the recommendations that were at issue today? 5 Certainly, in the ones we're talking about here, I don't remember any of the 6 information being given to the secretariat or me 7 being questioned by the secretariat or by me in 8 9 terms of the factual information. 10 This 4-billion and 17 racetracks and 11 that; I don't recall anybody questioning that. 12 576 Q. It's pretty remarkable, to me, 13 that you and your team sort of goes in and then tells the government sort of this macroeconomic 14 15 policy on areas that are as diverse as, you know, 16 health and education and horse racing and sort of 17 everything else. Did you have individuals who were 18 19 specialists in each of these areas on your 20 secretariat? 21 The head of the secretariat Α. No. 22 had a deep background in transportation which, 23 interestingly enough, has almost no -- nothing in 24 the report on that. 25 The others were quite specialized No.

Page 144 in their background, and they were all quite young 1 2 and not that experienced, so, no, there wasn't a 3 deep experience. 4 And there was -- on my Commission, we 5 had -- well, one of the gentlemen was a former Assistant Deputy Minister of Education in the 6 Ontario Government, and he's a president of a 7 university, and I had the dean of the Ivey Business 8 9 School. So a lot of deep expertise on the 10 Commission, itself, in education. And a senior 11 vice-president from CAMH, so we had expertise in 12 health on the Commission, as well. So it wasn't that we didn't have some 13 14 bodies of expertise, but didn't have a lot. 15 577 Ο. Right. 16 I guess what I'm getting at is, how do you come up with recommendations in these areas if 17 18 you don't necessary have an expertise in that 19 particular area? 20 Well, this is where -- you know, Α. 21 as I felt it at the time, but looking back in 22 retrospect right here today, you know, you can see 23 that the Racetrack Program is kind of an anomaly of 24 the entire report. 25 Virtually everything else, we would

Page 145 have probed further than that. We would have come 1 2 to a much more pointed recommendation. 3 578 Q. Okay. 4 Why didn't we do that in this Α. 5 area? Probably because we were a little bit on thin ice because we weren't even supposed to look 6 7 at the revenue, and here, we're looking at the 8 revenue. 9 It also came late in the process and, 10 frankly, when you're trying to close a \$30-billion 11 gap, you put most of the emphasis on the big dollar 12 spending, which was health and education. 13 So in those cases where we didn't have 14 the information we needed, we went out and got it. 15 And, you know, it was one of the things -- you 16 know, the CEO of the University Health Networks, 17 call them up. You could see him in an hour. Like, that was the way it worked. 18 19 People were phenomenally cooperative 20 when we asked for information or to meet them. 21 Thank you. MS. MACHADO: Those are my 22 questions. 23 THE WITNESS: Okay. 24 EXAMINATION BY MS. SINNADURAI: 25 579 Mr. Drummond, I have a few Q.

Page 146 1 questions. 2 Α. Yes. Okay. 3 580 If you could turn to page 408 of Q. 4 your Commission Report. 5 Α. Mm-hmm. 6 581 You spoke to this during your Ο. Examination earlier today, as well, but your 7 recommendation on the Slots at Racetrack Program 8 9 was to evaluate or review on a value-for-money 10 basis? 11 Right. Α. 12 582 What does that mean? What is a Ο. 13 "value-for-money evaluation"? 14 Α. Well, I guess, putting aside just 15 exactly the word for word of the value for money, 16 what I had in mind was on both side of it; Can you 17 change things to increase your gross revenue flow 18 and then do you need to give up that much of your 19 gross revenue flow? Those were the two ends I was 20 looking at. 21 So I didn't -- you know, I 22 wouldn't have anticipated it was solely look at 23 what percentage they were giving to the horses and 24 the facilities and the municipalities but, first of 25 all, just looking at are there ways you could draw

Page 147 in more gross revenue, and then whatever that gross 1 2 revenue is going to be, you know, make sure do you 3 really need to give up 25 per cent of it? Could it 4 be a smaller percentage of that? You spoke earlier today about your 5 583 mandate being to review spending and to make 6 recommendations to reduce the deficit. 7 Well, to eliminate the deficit to 8 Α. 9 be precise by 2017, '18. 10 584 Did you have an understanding of Ο. 11 the consequences facing the Province if that goal 12 was not achieved of reducing the deficit or 13 eliminating the deficit? 14 I mean, as an economist and Α. somebody who specializes in public finance, I did. 15 16 We do talk about it a little bit in the report, but 17 not that much. I mean, the mandate was given to 18 It was a perfectly reasonable mandate. wasn't questioning it. I didn't think that the 19 20 government needed us to give a sales pitch, but it 21 made sense to ask us what we do. We took that as a 22 given, and we went and dealt with how you might do 23 it. 24 585 Ο. All right. If you could indulge 25 me, what would the consequences have been if the

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deficit could not be reduced or eliminated?

A. Well, one of the ones that has happened because of the time it's taken to balance the budget and, of course, the percentage of all the tax dollars that people pay to the Ontario Government in a sense gets wasted because an increasing portion of it goes to cover interest in the public debt.

So if any of us gives a dollar of our taxes to the government, we hope that we get something back in return, but you're not. You're just paying for something that somebody else consumes in the past.

And that number, interestingly enough in Ontario today, is a higher portion than it was in the early 1990s where interest rates were triple what they are today. So it's siphoning off the resources it could have used productively.

The Province was having a greater difficulty borrowing money. They got some credit downgrades in the process. If they had not dealt with this program, they would have got others that would have created some difficulty in borrowing money. It would have raised the cost of borrowing money, and again, that's wasted resources for the

Page 149 economy, that's wasted resources for the residents 1 2 of the Province. 3 586 You just spoke about certain Ο. 4 Ministries not being as forthcoming about offering 5 potential savings as one of the reasons why you conducted the review the way you did. 6 7 Did you understand that some of your recommendations would involve making difficult 8 9 choices? 10 Α. Oh, I was under the understanding 11 virtually everything we were recommending would be 12 difficult choices. If that hadn't of been the 13 case, I'm sure they would have already have done 14 them. I mean, I -- it's not that all these 15 16 recommendations were new ideas and no one had 17 thought about them before. They had probably -somebody probably had thought about these -- some 18 of these things before and decided -- but no one 19 20 was really forcing them do it, and they were going 21 to be difficult to do, so they just frankly would 22 rather not bother. 23 587 Of the recommendations you made in Ο. 24 the report, how many have been adopted by 25 government?

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I only have two points of 1 2 reference on that. Twice in budgets they have 3 referred to the number, and it was around 75 per 4 cent when it was last reported. I have, on two occasions, been shown a 5 spreadsheet from the government, and it has down 6 the left-hand side the 366 recommendations and 7 their status, and that is where they drew the 75 8 9 per cent number from. 10 And I was given about an hour to review 11 it, and I was kind of surprised, because I think 12 most people think that a smaller portion of them 13 that have been done by 75. 14 So I was sort of expecting to see maybe 15 they had biased or padded it some way and I 16 actually found it in the other direction; that there was a few things, like in -- in health, for 17 18 example, we had recommended increasing scope of 19 practice. 20 And just as an example, now pharmacists 21 can give vaccines. And I said, 'Well, you know, 22 that's increasing the scope of practice. So you've 23 actually done something in an area and you didn't

So there was a couple of areas where I

give yourself credit for that one.'

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Page 151 actually found that the 75 per cent number was 1 2. probably a little bit lower. 3 But anyhow, those two brief references 4 in the budget and then that one glimpse I had of that spreadsheet sort of indicate about 5 6 three-quarters of the recommendations have been implemented. 7 Another way of looking at it, the last 8 9 time I saw it, only nine of the recommendations had 10 been categorically rejected. So, one of the ones 11 and the highest profile of that would be full-day 12 kindergarten. So, the Premier, in fact, almost 13 immediately upon receipt of this, said, 'No. 14 not stopping that. I'm not slowing that down. We're proceeding with that one.' 15 16 588 Turning to page 316 of your Ο. Okav. 17 report, recommendation 11.11, you spoke earlier today about the \$4-billion to the horse racing 18 19 industry--20 Α. Right. 21 589 -- over the course of SARP. Ο. 22 Given what you spoke to earlier today 23 about being an economist and your background in 24 economics, does that reflect an industry subsidy? 25 Α. Well, as we were discussing

DRUMMOND, DON on December 14, 2017 Page 152 previously, a "subsidy" has various different 1 2 definitions. 3 It would reflect a subsidy if the money 4 that was going back wasn't related to the increase 5 in the government revenues from the slot operations, itself. 6 7 And that struck me as a possibility, given this reference from OLG. There didn't seem 8 9 to be a lot of correlation between people who went 10 to the facilities to watch the horse races and the 11 people who were interested in gambling. 12 MS. SINNADURAI: Okay. Those are my 13 questions. 14 MR. LISUS: I have got a couple of 15 questions. I get the last word, Mr. Drummond. 16 FURTHER EXAMINATION BY MR. LISUS: 17 590 Ο. You say that it struck you as a 18 possibility that that was a subsidy, and is that 19 something which you wanted to be included in a 20 further review and evaluation? 21 Whether it was a subsidy or not? Α. 22 I quess I have a hard time dealing with it because 23 I -- I'm not really hung up on the semantics of it. So what I would have thought that they 24

would look at, is there a way of increasing the

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1	Page 153 gross revenue above and beyond what is, we'll say,
2	1.9- or 2-billion, if you count the two sides, and
3	whatever that gross revenue is, do you need to give
4	25 per cent of it back to the parties?
5	So that would have been my expectation
6	from a fiscal perspective of what they would look
7	at.
8	591 Q. But you wanted you expect that
9	that would be looked at?
10	A. Yes.
11	Q. Okay. Do you know if it was?
12	A. I don't know.
13	Q. Now, you mentioned, as I
14	understood it, that you got four D-ring binders in
15	the spring of 2011, I think you said, from the
16	Treasury Board or Finance?
17	A. Oh. They were background to
18	various different submissions that had been made to
19	the Treasury Board in these two previous exercises
20	that the Ontario Government had conducted.
21	594 Q. They weren't background for the
22	mandate you were given or were they?
23	A. They were not created for my
24	purpose. They were created for other purposes and
25	given to me.

	DIVOIVIDIDE, DON ON DECEMBER 14, 2017
1	Page 154 595 Q. Okay. Do you recall whether there
2	was anything in those D-ring binders about the
3	Slots at Racetrack Program?
4	A. I do not recall that.
5	596 Q. Okay.
6	A. I know it had some material on
7	OLG. I'm pretty sure that it had the reference to
8	the two casinos in that. I do not recall whether
9	it had the Slots at Racetrack.
10	597 Q. Do you have those binders
11	somewhere?
12	A. I have absolutely not one scrap of
13	paper from anything of the Commission.
14	598 Q. And what happened to the
15	Commission's work product? Where is it?
16	A. Well, this is it. (Indicating)
17	What would have happened to the
18	previous drafts in that, I have absolutely no idea.
19	599 Q. No. What would have happened to
20	those binders; do you know?
21	A. The ones that came into our
22	possession, I have no idea. The people that were
23	on the secretariat went back to their previous jobs
24	almost immediately. If there's a depository
25	somewhere with them in, I have no idea.

Page 155 600 Okay. But they came, as I 1 Ο. 2. understood you, from Treasury Board? 3 Α. They're from Treasury Board, yes. 4 601 Ms. Machado, I would like you to Q. 5 make inquiry of Treasury Board and produce just the sections about OLG or Slots at Racetrack, if there 6 7 were any in those binders, and if there weren't any -- let me rephrase, if there wasn't any content 8 in those binders about OLG and/or Slots at 9 10 Racetrack Program, can you let me know that? I don't want the binders. 11 I just want 12 to know if there was content about OLG and the 13 Slots at Racetrack Program or the horse racing industry, and if there was, let me have it, please. 14 15 U/A MS. MACHADO: I will take that under 16 advisement. I don't even know if they're even in 17 existence, so... 18 BY MR. LISUS: 19 602 Right. Now, my friend asked you Ο. 20 about how many of your recommendations were 21 implemented. 22 Α. Yes. 23 603 If just go to page 409, please, 0. 24 under recommendation 17.3? 25 Α. Yes.

	DRUMMOND, DON on December 14, 2017
1	Page 156 604 Q. There's still two head offices for
2	OLG, correct?
3	A. You asked me that previously, and
4	I answered I did not know.
5	605 Q. Okay.
6	A. You asked me whether there was two
7	casinos, and I also answered I did not know.
8	Q. Okay. The slot machines are still
9	at the racetracks; correct?
10	A. As I've told you before, I've
11	never been to a racetrack.
12	Q. So you don't know that either?
13	A. I'm taking your word on that.
14	Q. Do you know if the purchase and
15	provision of lottery terminals to point-of-sale
16	locations is still being subsidized?
17	A. I do not know that.
18	MR. LISUS: Okay. Thank you.
19	[Ending time: 1:26 p.m.]
20	
21	
22	
23	
24	
25	

Page 157 1 REPORTER'S CERTIFICATE 2 3 I, BONNIE LYNN VAN DER MEER, C.S.R., Chartered Shorthand Reporter, hereby certify; 4 5 That the foregoing proceedings were taken before me at the time and place therein set 6 forth, at which time the witness was put under 7 solemn affirmation by me; 8 9 That the testimony of the witness and 10 all objections made at the time of examination were 11 recorded stenographically by me and were thereafter 12 transcribed; 13 That the foregoing is a true and 14 correct transcript of my shorthand notes so taken. 15 16 17 Dated this 15th day of January, 2018. 18 19 20 21 2.2 BONNIE LYNN VAN DER MEER, CSR 23 NEESON COURT REPORTING INC. 24 25

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