

**To:** Rob Kroeker <[REDACTED]>  
**From:** Brad Desmarais  
**Sent:** Mon 16/04/2018 8:09:04 PM  
**Subject:** FW: GAO...latest

RR buy in refusal in 2015 – this will be as a result of our direction.

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**From:** Ross Alderson  
**Sent:** Monday, April 27, 2015 8:55 AM  
**To:** Kevin Sweeney <[REDACTED]>; Brad Desmarais <[REDACTED]>  
**Subject:** FW: GAO...latest  
**Importance:** High

Hi Brad/Kevin, an FYI.

Mr. GAO attended RRCR over weekend with approx. \$500K in un-sourced chips. Although he did not buy in with the chips, RRCR cashed out \$200K worth of chips, GAO left and returned with a bank draft and bought in. RRCR then rejected a similar \$300K attempt by GAO to buy in.

Talking to Kris this morning apparently GAO was asked to return all his outstanding chips some time ago with a time line and he stated he had returned all his chips. It appears clear he is sourcing these from third parties, cashing them out and then using that cash to deposit to a bank account.

In a way this may not be such a bad thing.

The mass of RRCR outstanding chips are being returned.

GAO is not buying in with them **Original direction: (If Mr. GAO decides to buy-in with gaming chips, the site must be able to show that said chips were the result of a verified win by Mr. GAO)**

GAO is having to deposit to a bank (LCT will be submitted by bank)

GAO then buys in with a bank draft which is traceable and more desirable.

In my opinion although GAO is trying to circumvent the process a little this may help us get rid of the outstanding RRCR chips while forcing GAO to use bank draft which meets our AML needs

Thoughts?

Ross Alderson CAMS

Director, AML & Operational Analysis  
Corporate Security and Compliance Division, BCLC  
2940 Virtual Way, Vancouver, BC, V5M 0A6

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**From:** Kris Gade  
**Sent:** Monday, April 27, 2015 8:18 AM  
**To:** Kevin Sweeney; Ross Alderson  
**Cc:** Bruno Gatto  
**Subject:** FW: GAO...latest  
**Importance:** High

I would say the sites are “enabling” this behaviour... Not sure what we can do to make them get the point

here...

**Kris Gade**

Manager, Investigations  
Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver BC. V5M 0A6

**PERSONAL INFORMATION**

[bclc.com](http://bclc.com)

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**From:** Steve Beeksma  
**Sent:** April-26-15 3:42 PM  
**To:** Bruno Gatto; Kris Gade  
**Cc:** Jerome Wakeland; Jim Husler  
**Subject:** GAO...latest  
**Importance:** High

Hi all,

Just wanted to get this to you, I'm sure we'll be looking into it further tomorrow.

Yesterday I received a phone call from Peter Demonte (surveillance manager) advising that GAO came to RRRCR and redeemed 200+ in chips (un-sourced). He took the cash and left the site. He returned later with a band draft in what I understand to be the same amount. The transaction was completed and GAO gambled with no further irregularities known at this time.

Peter called to give me a heads up as clearly GAO has found a work around. I told him it's OK for now as the buy in money was from a draft as directed and we'd make further inquiries on Monday.

Peter called again today to advise that he attempted the same thing today with \$300K in un-sourced chips. This time RRRCR made the decision to not allow the transaction as they feel that he is circumventing the sanctions we imposed. It's believed he's taking the disbursed cash from the casino, depositing it into his bank then taking out a draft to gamble with.

Peter does not believe these chips are from past winnings.

Needless to say GAO will likely do the same thing at a competitors casino (if he hasn't already) so I'm sure it was not easy for RRRCR to turn away \$300k.

I wanted to bring this to your attention ASAP as this will probably require some pretty quick action or direction from us tomorrow if we want to prevent him from trying this elsewhere.

More to follow tomorrow,

Steve

Sent from my BlackBerry 10 smartphone on the TELUS network.