

**PRIVILEGED AND CONFIDENTIAL**

**TO:** Bob Boyle, E&Y  
**FROM:** K. Michael Stephens  
Hunter Litigation Chambers  
**DATE:** February 19, 2021  
**RE:** HLC Draft Questions for EY re AML Practices – Point in Time Review  
**FILE NO.:** 1027.107

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**Questions re Certain AML Practices**

**Buy-in Refusal Practices**

1. Please advise whether any gaming jurisdiction has ever had a general rule prohibiting the amount of cash buy-in by any patron over a certain dollar threshold (or otherwise prescribing the amount of a cash buy in). And if so, when.
2. Please advise whether any gaming jurisdiction has ever had a rule prohibiting the amount of cash buy-in in \$20 denominations by a patron over a certain dollar threshold (absent other indicators of suspicious activity). And if so when.
3. Please advise whether any gaming jurisdiction has ever had a rule barring a patron from play if the patron exceeds a certain number of Suspicious Transaction Reports or the equivalent type of report outside of Canada. If so, when.
4. Please advise whether in October 2016 any gaming jurisdiction had a directive to casino staff requiring that a cash buy-in at a casino be refused if ‘suspicious behaviour’ is observed by staff -- which would include a live-monitored drop off of cash by another person. If so, when.

### **Source of Funds Practices**

5. Please advise whether in January 2018 any gaming jurisdiction had a directive that all cash and bearer monetary instruments (bank drafts/certified cheques) of \$10,000 or more required a source of funds receipt (confirming their ownership of the funds) by the patron prior to acceptance for buy in at a gaming facility.

5a. Please advise whether in March 2018 any gaming jurisdiction prohibited the use of a money service business as proof of source of funds receipting, for either cash or any monetary instrument including deposits to PGF accounts.

6. Please advise whether in November 2014 or August 2015 any gaming jurisdiction engaged in a practice of placing certain high risk patrons on sourced cash/chip conditions – i.e. requiring that (a) a cash buy in at any amount be accompanied by proof of withdrawal from an accredited financial institution within the previous two business days, or (b) a buy in with chips must either be verified by the site as having been the subject of a previous verified win or be verified by the site by conducting a player interview as to the source of the chips.

7. Please advise whether in May 2016 any gaming jurisdiction utilized questionnaires for certain high risk patrons at buy-in requiring casino staff ask the player for the source of their funds for the cash buy in and to document the response?

### **Patron Interviews**

8. Please advise whether in April 2015 any gaming operators responsible for conducting and managing gaming in any gaming jurisdiction conducted interviews of patrons regarding the source of funds, details of cash facilitators, or other intelligence information, and to educate them as to the risks of using cash facilitators and the availability of non-cash options for buying in, with a view to determining if further sanctions (including barring) may be appropriate?

8a. Please advise whether in 2015 any gaming regulator or law enforcement body in any gaming jurisdiction conducted interviews of patrons at time of buy-in at a gaming facility regarding the source of their funds used for buying in?

### **Patron Gaming Fund Accounts**

9. Please advise whether in April 2012 any gaming jurisdictions used account-based gaming for land-based gaming facilities (Patron Gaming Fund accounts), that facilitated non-cash buy-ins through the transfer of funds into a gaming account from an accredited financial institution. If the answer to this question is yes, did the transfer of funds into the gaming account require a declaration by the player as to the source of the funds?

### **General**

10. Having regard to the responses provided to the questions above, and the Statement of Assumptions provided to you, please describe how BCLC AML practices compare as against best practices documents which have been promulgated by any regulatory or gaming industry body in respect of AML practices for gaming facilities in other gaming jurisdictions.

11. In responding to the questions above, please differentiate as between AML rules or practices which are imposed or engaged in by a gaming regulator, as opposed rules, directions or practices engaged in by a casino operator (like BCLC) which itself conducts and manages gaming.

12. In answering the questions above relating to practices in other gaming jurisdictions, please include in your review the AML practices in the Province of Ontario and comparable jurisdictions where high limit play is available.

KMS

