

October 19, 2018

Cary Skrine
 A/Executive Director
 Gaming Enforcement Response
 Gaming Policy & Enforcement Branch
 Ministry of the Attorney General



Dear Cary,

Thanks for giving us the opportunity to provide you with some insight/feedback to your following questions:

1. **What role do you see GPEB playing in the casino relative to ML/Proceeds of Crime matters surrounding SOF and KYC? Other criminal matters?**

Response: From BCLC's perspective it is for GPEB to determine its role as it relates to ML/Proceeds of Crime matters surrounding SOF and KYC. As you are aware BCLC's AML obligations are dictated to it under federal legislation (PCMLTFA and Regulations) and Fintrac Guidance and BCLC is legally required to meet those obligations or face sanctions. BCLC does not have insight into GPEB's present role as it relates to Money Laundering/Proceeds of Crime Investigations. However, BCLC will continue to support GPEB investigations in any way it can in the areas of Money Laundering/Proceeds of Crimes as well as other criminal matters.

2. **Rob mentioned that BCLC Investigators have been thrust into areas outside of their mandate because no one else (I took this to mean GPEB and/or POJ) was available to take the issue on. Can you advise what those areas are?**

Response: Immediate response to incidents that would otherwise be reported under Section 34 of the Gaming Control Act Regulations or Section 86 of the Gaming Control Act would be very helpful and supportive to BCLC and its service providers. As to investigation of any criminal matters, BCLC and its service providers would want to have a clear written understanding as to what each agency (GPEB, JIGIT, RCMP, local police) will or will not investigate. BCLC is a crown corporation and does not engage in any form of regulatory or criminal investigation and is not advocating for any change to this status.

Further to the above we provide some additional comments for your consideration:

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Role Clarification

BCLC Investigations is interested in seeking clarification as to what the roles and responsibilities for the 24/7 onsite GPEB Special Constables will be. Will their role be limited to Gaming Control Act/Regulatory items, or will they handle or provide investigative support with minor Criminal Code offence as well? Examples of this would include minor incidents of theft, fraud, etc.

Industry Expertise

Along the same lines as the above, once clarified, BCLC Investigations would like to clarify if the GPEB Special Constables will be taking a more active role regarding criminal activity specific to the gaming industry? Historically it has been a challenge to have the local police of jurisdiction (regardless of region) take any formal action on crimes involving casino loyalty programs, cheat at play, fraudulent lottery products, fraudulent use of credit cards (both land based and online), etc.

Information Sharing

BCLC Investigations currently relies on the local police of jurisdiction to provide information and intelligence regarding criminal activity/individuals involving the gaming industry. It would be far more beneficial, efficient, and effective to have this same relationship between BCLC Investigations and the GPEB Special Constables.

3. **What are the industry sensitivities (SP and BCLC) within the casino environment that we should be aware of when formulating our SOPs?**

Response: There are no sensitivities that should in any way inhibit any investigative or regulatory body from discharging its mandate. The only expectation would be that investigations be undertaken with the usual professionalism and standard of care and by investigators who are fully trained, certified and knowledgeable.

Please let me know if we can be of any further assistance.

Sincerely,



John Karlovcec
Director AML & Investigations
Legal, Compliance & Security | BCLC



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